



Summary sheet

Employer contribution reserve

General

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Pursuant to Art. 331 para. 3 of the SCO, the employer pays its contributions to the occupational benefits institution

- from its own assets, or
- from the contribution reserves which it has accrued in advance with the occupational benefits institution and which are reported separately.

Under its affiliation contract with the collective foundation, the employer can open an employer contribution reserve account to pay in employer contribution reserves for the employer contributions. If an employer has several affiliations, this applies separately to each affiliation.

The employer contribution reserve is part of the assets of the relevant occupational benefits fund under the auspices of the collective foundation.

Purpose

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The reserve is used to finance future regular employer contributions that are owed pursuant to the regulations. The employer can request that it be used to fund any employer contributions owed during the current calendar year.

The employer contribution reserve may only be used for employer contributions to the corresponding affiliation or occupational benefits fund.

The employer contribution reserve **must not be used**

- to finance employee contributions;
- for allocation to the occupational benefits fund's disposable assets;
- to make transfers between different occupational benefits funds.

The following applies for self-employed persons: the employer contribution reserve may be accrued only for employer contributions for the employees and not for self-employed persons.

The employer contribution reserve is tied to a specific purpose and cannot be repaid to the employer – not even if the company no longer has any employees.

Pursuant to Art. 65e para. 1 of the BVG, the employer contribution reserve can be transferred to a separate employer contribution reserve account with a usage waiver if the fund experiences a shortfall in coverage, in which case the employer must issue the relevant declaration.

Maximum level

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The employer contribution reserve may not exceed five times the regular annual contribution by the employer. Exceeding this maximum permissible limit in the employer contribution reserve can result in tax consequences.

Amounts in excess of this maximum can, however, be paid into the employer contribution reserve with a usage waiver in accordance with Art. 65e, para. 1 of the BVG. On liquidation of the employer contribution reserve with a usage waiver, the regular employer contributions must be set off continually against claims for contributions or other claims by the occupational benefits institution against the employer until the previous level has been reached, not exceeding five times the amount in the employer's regular annual contribution.

Rebooking to the contribution account

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If the employer wishes to rebook its due employer contributions from the employer contribution reserve account to the contribution account, the employer must give notice of this in writing.

The rebooking of the desired amount (this amount may not exceed the amount of the employer contributions due and of the balance available on the employer contribution reserve account) will take place on the due date for the quarterly statement.

If the payment into the employer contribution reserve account is only made at a later date, the rebooking is made with that value date.

Tax treatment of amounts paid into the employer contribution reserve

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Amounts paid into the employer contribution reserve, including those paid into the employer contribution reserve with a usage waiver, can generally be booked as a business expense for the purpose of federal, cantonal, and local taxes. Please contact your tax authority if you require information regarding the specific treatment under tax law.

Some cantons also accept payments into the employer contribution reserve made several months after the close of the tax year as a business expense for the previous tax year, provided that corresponding provisions were formed in the accounts. In case of doubt, please contact the responsible tax authority to inquire about the tax year for which you are permitted to deduct an amount that was paid in.

AXA Life Ltd. and the collective foundation reject all liability in connection with any possible tax disadvantages and related costs. Please contact your tax authority if you have questions relating to tax law.

Liquidating the employer contribution reserve account

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The employer contribution reserve account continues to exist for the duration of the contract term. Any employer contribution reserve that exists when the occupational benefits fund is partially or fully liquidated and that can no longer be used for its designated purpose because the employer no longer has any insured employees requiring insurance on its payroll, the employer contribution reserve is liquidated and allocated to the occupational benefits fund's disposable assets (cf. Regulations on the Partial and Total Liquidation of Occupational Benefits Funds). If the employer changes to another occupational benefits institution, the employer contribution reserve for employer contributions is transferred to the new occupational benefits institution.