



Occupational benefits

## **Regulations on the partial liquidation of a collective foundation**

AXA Foundation 1e, Winterthur



## Purpose, scope, and definition of terms

### No. 1

These regulations govern the conditions and procedure for partial liquidation of the collective foundation (hereinafter referred to as "Foundation"). Separate regulations govern the partial and total liquidation of occupational benefits funds affiliated with the Foundation.

## Conditions for partial liquidation of the Foundation

### Conditions for partial liquidation

#### No. 2

The conditions for partial liquidation of the Foundation are met if one or more affiliation contracts are fully or partially terminated. An affiliation contract is deemed to be partially terminated if all active insured persons and possibly some pensioners withdraw from the occupational benefits fund, except for at least one pensioner or incapacitated insured person.

Under these regulations, incapacitated insured persons refers to all persons with current or foreseeable entitlement to exemption from contributions, for whom the longest waiting period for all disability benefits as defined in the pension fund regulations is still in effect on the date of partial liquidation, or for whom the Foundation does not yet have all the information it needs in order to establish or reject entitlement to a disability pension.

Under these regulations, disabled insured persons who are currently not entitled to a pension as defined in the Foundation's occupational benefits fund regulations are treated as active insured persons.

## Procedure for partial liquidation of the Foundation

### Execution of partial liquidation

#### No. 3

The Foundation is responsible for executing the procedure.

### Waiver of liquidation procedure

#### No. 4

The partial liquidation procedure is not carried out if the Foundation's unallocated assets amount to less than 5% of the total retirement assets as at the last balance sheet date.

The unallocated assets of the occupational benefits funds are not taken into account in this calculation.

### Reference date of partial liquidation

#### No. 5

In the case of a partial or total termination of the contract as of December 31, the termination date is the reference date of partial liquidation. In all other cases, the reference date of the partial liquidation is the last balance sheet date before the contract is fully or partially terminated. This reference date is decisive for calculating the unallocated assets or shortfall (underfunding). It is also used for determining which occupational benefits funds must be included in the distribution plan.

### Calculation of the unallocated assets/shortfall (underfunding), the fluctuation reserve, and the technical provisions

#### No. 6

The calculation of the unallocated assets or shortfall is based on the annual commercial balance sheet as of December 31 prepared in accordance with Swiss GAAP FER 26 and the actuarial balance sheet as of the same date.

### Division of unallocated assets

#### No. 7

When dividing unallocated assets, a distinction is made between the withdrawn group and the remaining occupational benefits funds. The withdrawn group includes those affiliations that were terminated in part or in full as of the reference date for partial liquidation as defined in section No. 5. The group of remaining occupational benefits funds includes all other affiliations.

The unallocated assets are divided among the group of remaining occupational benefits funds and the individual withdrawing groups in proportion to the total retirement assets of the active and incapacitated insured persons and the sum of ten times the pensioners' annual pensions (on the reference date for the partial liquidation in each the

case). The term “pensioner” refers to all recipients of a partner’s pension, an orphan’s pension, or a disability pension.

Unallocated assets are not distributed if they amount to less than 5% of total retirement assets as at the most recent balance sheet date. In this case the unallocated assets remain with the Foundation without being allocated to the occupational benefits funds. The unallocated assets of the occupational benefits funds are not taken into account in this calculation.

#### **Transfer of unallocated assets**

No. 8

Unallocated assets in favor of the remaining occupational benefits funds are not transferred and remain with the Foundation.

Unallocated assets in favor of the withdrawn group are treated in accordance with the Regulations on partial and total liquidation of occupational benefits funds.

#### **Applying a shortfall (underfunding)**

No. 9

If the calculation in accordance with section No. 6 results in a shortfall, the shortfall is allocated in proportion to the total in retirement assets (as of the reference date of partial liquidation) of the group of remaining occupational benefits funds or the withdrawn group.

The portions of the shortfall belonging to occupational benefits funds that remain with the Foundation are not allocated and stay with the Foundation.

The amount in underfunding to be applied to the withdrawn group is treated in accordance with the Regulations on partial and total liquidation of occupational benefits funds.

### **Resolution, information, and execution**

#### **Resolution on partial liquidation**

No. 10

The important facts, such as the circumstances of the partial liquidation of the Foundation, the amount of unallocated assets or shortfall, and the

distribution plan are recorded in writing in the form of a resolution on partial liquidation by the Board of Trustees.

#### **Information**

No. 11

If the review confirms that the conditions for partially liquidating the Foundation are met and the procedure is to be carried out, the Foundation informs the commissions of the occupational benefits funds about the resolution on partial liquidation, the distribution plan, the entitlements, and any further procedures.

The commissions of the occupational benefits funds have the right to view the records at the Foundation within 20 days of the information being issued and to appeal the Board of Trustees’ resolution if necessary. If the dispute cannot be settled amicably, the Foundation sets a 20-day deadline for the occupational benefits funds for the supervisory authority to be contacted and a review of the conditions, procedure, and distribution plan to be carried out.

Once the deadline has passed, the Foundation informs the supervisory authority about any appeals it received and its treatment of the matter.

#### **Execution**

No. 12

The distribution plan is executed once it has become legally valid. Entitlements under these regulations are due 20 days after the distribution plan becomes legally valid.

The distribution plan becomes legally valid if

- no appeals were lodged, or
- all appeals were settled amicably and the supervisory authority has confirmed in writing that it received no complaint during the 20-day period, or
- the supervisory authority has made a legally valid decision on the conditions, procedure, and distribution plan (confirmation of legal validity).

If the balance of the available pension assets and the required pension capital changes by more than 10% of the total net assets between the reference date for the partial liquidation and the date on which the assets are transferred, the unallocated assets to be transferred or the shortfall to be applied are adjusted accordingly.

## Final provisions

### **Issue and amendment of the regulations**

No. 13

These regulations and any later amendments are issued by the Board of Trustees and approved by the supervisory authority.

### **Entry into force**

No. 14

These regulations are issued by the Board of Trustees on January 1, 2023, and enter into force as soon as they are approved by the supervisory authority.