



Interest and pension participation model, valid from 01.01.2025

The Board of Trustees has drawn up a guideline regarding the interest on retirement assets and other pension resources especially in order to provide greater transparency and predictability vis-à-vis its affiliated pension funds.

Generally, the interest is dependent on the level of the target fluctuation reserve and hence on the coverage ratio. If the investment performance in the current year corresponds to at least the BVG minimum interest rate, the Board of Trustees will credit the retirement assets with interest at a minimum in accordance with the table below.

The Board of Trustees is committed to ensuring a fair distribution of funds for all generations. This is why it has decided to introduce a pension participation model on January 1, 2025. Insureds will benefit from the Foundation's strong performance even after they retire. This will also depend on the coverage ratio.

The Board of Trustees decides on the amount of interest and the pension participation in November/December, based on the forecast as at the end of the year.

Level	Forecast coverage ratio as at Dec. 31, XXXX	Interest on retirement assets of active insureds	Pension participation
6	≥ 115.0 %	BVG minimum interest rate + 2.00 % + 25 % of the surplus*	> 3.25 % + max. 2 monthly pensions
5	≥ 113.0 %	BVG minimum interest rate + 2.00 %	= 3.25 % + max. 2 monthly pensions
4	≥ 110.0 %	BVG minimum interest rate + 1.50 %	= 2.75 % + max. 1 monthly pension
3	≥ 107.0 %	BVG minimum interest rate + 1.00 %	= 2.25 % –
2	≥ 104.0 %	BVG minimum interest rate + 0.50 %	= 1.75 % –
1	≥ 100.0 %	BVG minimum interest rate	= 1.25 % –
0	< 100.0 %	0 % up to BVG min. interest	–

* Surplus above the target value of the fluctuation reserve

The Board of Trustees, on setting the interest rates for the employer contribution reserves and the unallocated assets, uses the currently valid BVG minimum interest rate as its basis. The interest rate for these funds should be 50 % of the BVG minimum interest rate. However, the definitive rate is not determined by the Board of Trustees until the end of the year, taking into account the coverage ratio as well as the condition that the investment performance achieved should equal at least the BVG minimum interest rate.

The BVG minimum interest rate is set by the Federal Council in the fall of the previous year.

Disclaimer

The Board of Trustees expressly reserves the right to deviate from this mechanism or to adapt it, in particular if

- changes emerge in the structure of the portfolio of insureds,
- extreme situations arise in the financial markets,
- there is a change in regulatory requirements, and in particular Article 46 BVV 2/OPO 2,
- the supervisory authorities place restrictions on the options available in respect of the interest model.

The Board of Trustees

Winterthur, November 21, 2023

Example

If the coverage ratio as at December 31, for instance, stands at 110 %, the retirement assets of active insureds as at 2025 will attract interest of 2.75 %. On top of their existing annual pensions, pensioners will receive an additional payment of up to one monthly pension per year.