Fondazione Ticinese per il secondo pilastro

Pension regulations

Effective from 01.01.2021

Contents

I. Basic principles

Art. 1 Glossary of terms

Words used in the masculine in these pension regulations shall be deemed to refer to persons of all genders. The following names and definitions apply in these regulations:

a) General

Foundation or FTP	*Fondazione Ticinese per il secondo pilastro [Ticino Foundation for the second pillar]*
Affiliation contract	*Governs the affiliation of an employer to the Foundation, which is entrusted with the provision of benefits for its employees.*
Pension scheme	*Defines the group of insured members and, for each group, the insured salary, the amount of contributions and the benefits.*
Employer	*A natural or legal person or entity that employs workers through an employment relationship.*
Affiliate	*An employer who joins the Foundation by means of an affiliation contract.*
Employee	*A worker with whom the employer has an employment relationship.*
Insured member	*An employee who falls within the scope of his/her pension scheme and is therefore insured with the Foundation.*
Reinsurance contract	*A group insurance contract covering death and disability risks signed between the Foundation and life insurance companies (as an additional safety measure under Art. 43 OPO 2).*
Reference annual salary	*The reference annual salary is generally the same as the OASI salary. The pension scheme may exclude extraordinary and ad-hoc salary components. If the salary varies a lot, it may be fixed at a flat rate in accordance with Art. 3 para. 1(c) OPO 2.*
Normal retiring age	*The normal retiring age of these regulations corresponds to the statutory retirement age in accordance with Art. 21 OASIA.*
Retirement	*Cessation of gainful employment; under these regulations, at the earliest at the end of the month in which the person reaches the age of 58, normally on reaching the normal retiring age, and at the latest at the end of the month in which the person reaches the age of 70.*
Spouse	*A married person within the meaning of the CC or registered partner within the meaning of the SSPA. The registration of a civil partnership is equal to marriage, while its dissolution is equal to divorce.*

Cohabitation/living together	*The cohabitation of an insured member (or beneficiary of a retirement and disability pension) with a partner is treated as a marriage in respect of entitlement to benefits if both partners meet the conditions for marriage (under the CC or SSPA) and the surviving partner meets one of the following conditions:* *1) The surviving partner lives in the joint household; and* *must provide for joint children;* *2) The surviving partner is aged 45 years or older and can be shown to have lived in the same household for at least five years without interruption until the time of death; and* *the insured member informs FTP in writing of the cohabitation prior to his or her death using the form provided for this purpose;* *3) The surviving partner must provide for joint children; and* *the insured member informs FTP in writing of the partner's existence (even if they are not cohabiting) using the form provided for this purpose;* *For convenience, only the terms partner/cohabitation will be used hereinafter. The submission of a form automatically cancels and replaces any previous comparable situations.*
Children entitled to benefits	*Children who are beneficiaries of the insured member (or beneficiaries of a retirement and invalidity pension) are children within the meaning of Art. 252 CC. Also:* *a) children in foster care for whom the insured member had to provide support at the time of his death or when entitlement to a retirement or invalidity pension commenced;* *b) according to the decision of the Foundation Board, minors to whom the insured member is (or was at the time of death) a main contributor of support.*
Minor	*A minor is defined as a person under the age of 18 (Art. 14 CC).*
In education	*A person is considered to be in education if he or she meets the criteria of the OASIA for the payment of an orphan's pension.*
Reference date	*The reference date for the start of a new insurance year is 1 January of each calendar year. The normal cancellation period for an affiliation is 31 December.*
Age	*The reference age for the calculation of contributions is determined by the difference between the calendar year and the year of birth.*
Disability	*Disability is defined as the full or partial inability to earn a living that is expected to be long-term or permanent (Art. 8 GSSLA).*
Incapacity for gainful employment	*Incapacity for gainful employment is defined as the total or partial loss of capacity to earn an income on the relevant balanced labour market due to a physical, mental or psychological condition that persists after reasonable treatment and integration efforts (Art. 7 GSSLA).*

b) Laws and ordinances

OASIA	*Old-Age and Survivors' Insurance Act (SR 831.10).*
InvIA	*Invalidity Insurance Act (SR 831.20).*

OPA	*Occupational Pensions Act (SR 831.40).*
OPO 2	*Occupational Pension Ordinance (SR 831.441.1).*
VBA	*Vested Benefits Act (SR 831.42).*
VBO	*Vested Benefits Ordinance (SR 831.425).*
CC	*Swiss Civil Code (SR 210).*
CO	*Swiss Code of Obligations (Fifth Volume) (SR 220).*
GSSLA	*Federal Act on General Aspects of Social Security Law (SR 830.1).*
AIA	*Accident Insurance Act (SR 832.20).*
MillA	*Federal Act on Military Insurance (SR 833.1).*
SSPA	*Same-Sex Partnership Act (SR 211.231).*
IOA	*Insurance Oversight Act (SR 961.01).*
SR	*Classified Compilation of Federal Legislation.*

Art. 2 Name, registered office and corporate purpose

1. Under the name FONDAZIONE TICINESE PER IL SECONDO PILASTRO (hereinafter "FTP"), a foundation has been established in accordance with article Art. 80 et seq. CO, Art. 331 CO and Art. 48 para. 2 OPA, with registered office in Lugano.
2. The purpose of FTP is to organise pension provision for the insured members to counter the economic effects of old age and disability, or for their survivors after their death, within the framework of these regulations.

   FTP manages the mandatory occupational benefits provision for old-age, survivors' and disability insurance under the OPA and is registered for this purpose in the register of occupational benefits.
3. FTP is a joint collective foundation. In this regard, the Foundation manages a single affiliated pension fund with various affiliates, which encompasses all the rights and obligations of the insured members and pension recipients of the participating companies. The risks of the pension fund are shared collectively by member affiliates. In particular, in the case of underfunding, all affiliates are affected to the same extent and the funding gap must therefore be remedied jointly by all parties.
4. FTP applies these regulations at its own risk and expense and keeps a premium account for each affiliate and an individual pension savings account for each insured member. In order to cover these risks, it may sign the necessary insurance contracts with Swiss life insurance companies subject to the IOA (as an additional security measure in accordance with Art. 43 OPO 2). The rights and obligations of the insured member and their survivors are governed by these regulations.

5. FTP offers mandatory OPA benefits as well as extended benefits as integrated solutions. A “shadow calculation” is maintained for each insured member, which allows them to view the mandatory part of their retirement savings capital and the minimum benefits under the OPA at any time, calculated as amounts in Swiss francs and applying the credit principle.
6. FTP is affiliated with the Guarantee Fund. Among other things, the Fund guarantees the regulatory benefits of groups of insured members who have become insolvent and pays subsidies to pension funds for unfavourable age structures. As a rule, FTP uses the subsidies to increase the reserves for the conversion rate (and subordinately the Foundation's pension assets). The Foundation Board may change their use, explaining their decision in the Annual Report.

Art. 3 Affiliation

1. The basis for participation in FTP is the affiliation contract signed between FTP and the employer. This agreement governs all the rights and obligations of the contracting parties. FTP and the affiliate may terminate the affiliation contract as soon as required after the agreed duration, for the first time after two years, with a six-month notice period, and subsequently on a case-by-case basis at the end of an insurance year. FTP is also entitled to terminate the affiliation exceptionally and with a notice period of three months in the event of serious misconduct on the part of the affiliate.
2. FTP may offer different pension schemes to its affiliates.

Art. 4 Group of insured members, admission conditions and pension scheme

1. FTP admits all employees of each affiliate who pay OASI contributions, who have an annual salary in excess of the amount specified in the pension scheme and who fall within the group of insured persons in the pension scheme.
2. In any case, the following are not eligible for membership of FTP:
   a) employees who are at least 70 percent disabled;
   b) employees with a fixed-term employment contract of less than three months (without prejudice to art. 1k OPO 2);
   c) employees whose insurance relationship is provisionally extended for three years in accordance with Art. 26a para. 1 OPA and who are insured by another pension fund;
   d) employees who are not in active employment in Switzerland or whose activity in Switzerland is not likely to be of a lasting nature and who are already sufficiently insured abroad, provided that they submit a request for exemption from insurance with the necessary supporting documents.
3. As a rule, admission takes place upon commencement of the employment relationship, but at the earliest on 1 January of the year in which the person reaches the age of 17 for death and disability insurance.
4. As a rule, FTP does not admit insured members who have already reached the normal retiring age on entry. For special cases, the Foundation Council reserves the right to choose freely.
5. A person insured with FTP cannot also be insured for a salary he receives from other employers and with which he is not insured (exclusion in accordance with Art. 46 para. 2 OPA).

6. The group of insured members is defined in the individual pension scheme.

Art. 5 Insured salary

1. The reference annual salary, coordination offset, insured salary and any minimum and maximum salary amounts are defined in the individual pension scheme. The plan also defines the insured and uninsured salary components.
2. The reference salary is determined for the first time when an insured person joins FTP and subsequently, as a rule, at the start of each insurance year. Changes in salary in the course of a calendar year will normally only be taken into account on the subsequent reference date. FTP reserves the right to refuse (or partially accept) any retroactive changes in salary.
3. In the event of partial disability, the passive portion of the insured salary is determined on the basis of the percentage pension entitlement. The active portion of the salary is determined by the salary actually obtained.
4. Employees with multiple pension relationships with different funds, and where the total sum of salaries subject to OASI contributions exceeds the limit defined in Art. 79c OPA, must inform the Foundation in this regard. The insured salary is adjusted to comply with the legal limit.
5. If the annual salary decreases temporarily due to illness, accident, unemployment, maternity or similar reasons, the insured member’s current coordinated salary remains valid for at least as long as the employer is obliged to pay the salary (Art. 324a CO) or at least for the duration of the maternity leave (Art. 329f CO). The insured member may request a reduction in the coordinated salary by notifying FTP in writing.

Art. 6 Health check and reserves

1. On joining the Foundation or in the event of a significant increase in benefits, FTP may order the insured member to undergo a medical examination (paid by the Foundation) performed by a doctor designated by the Foundation. The insured member must consent in writing to the disclosure of their personal data to a potential reinsurer. If the medical examination results in a higher risk, FTP may decide on a possible reserve for death and disability benefits, limited in time pursuant to Art. 331c CO and Art. 14 VBA.
2. FTP shall notify the insured member in writing of the type and duration of the reserve and the consequences thereof within six months of the announcement of entry or of the increase in benefits, or within three months of the results of the medical examination.
3. Should an insured event arise during the examination period, the pension benefits for newly insured members are limited to the provisional benefits guaranteed by the reinsurer or, failing this, to the minimum OPA benefits for the duration of the entitlement, and for increases in benefits they are limited to the previously insured benefits.
4. The benefit reserves expire at the latest five years after entry or increase in benefits of the insured member, provided no insured event has occurred. However, should an insured event arise in that period, the causes of which can be attributed, even in part, to the risk which led to the reserve, the benefits shall remain reduced for the entire duration of the entitlement to benefits.
5. For insured members who refuse a medical examination despite the order for examination or transfer of personal data, only the minimum OPA benefits will be insured.

6. Should the Foundation become aware during the health examination that false or incomplete information has been provided (a violation of the obligations to notify), FTP may immediately terminate the pension relationship for the extended part by registered letter, and the insured benefits may be reduced retroactively to the minimum OPA benefits from the start of the insurance or the increase in benefits for the total duration of the pension entitlement. The reduction in benefits shall be announced by FTP within two months of being made aware of the violation of the obligations to notify.

Art. 7 Duty of information and notification

1. Every insured member and pension beneficiary must truthfully and without receiving a specific request inform FTP of all circumstances affecting his insurance relationship (e.g. change of marital status or family relationships).
2. Upon request by FTP, pension beneficiaries must submit a civil status certificate. Disabled persons must also report their income from pensions or work.
3. Insured members and beneficiaries must send the information and documentation required and/or requested by FTP to justify their claim to benefits and enable their benefits to be calculated. If the insured member refuses, FTP may suspend, reduce or deny the benefits at its sole discretion.
4. FTP shall not be held responsible for any negative financial consequences for the insured member or their survivors as a result of the non-fulfilment of the above duties. In the event of direct damage incurred by FTP, the Foundation may hold such persons liable and demand compensation.

II. Financing

Art. 8 Contributions, employer contribution reserve

1. All insured members must pay the following contributions to FTP:
   a) savings contribution (to be accumulated in the retirement savings capital) calculated on the basis of the insured member's age and pension scheme;
   b) risk contribution (required for insurance benefits in the event of death or disability, and for adjustment to the price index), which can be calculated individually using a tariff developed by the reinsurer, where applicable;
   c) contribution to administrative costs, which may depend on the insured salary;
   d) contribution to the guarantee fund;
   e) any adjustments to contributions in the event of underfunding.
2. The amount and distribution of contributions between the employer and the employee are set out in the pension scheme. With regard to savings contributions, the pension scheme may provide for a choice of shares of contributions.
3. FTP may require pension beneficiaries to contribute to administrative costs. The maximum amount this contribution can be must be announced at the time the pension is first paid. The contributions due are usually deducted directly from the pension payment.
4. The contributions due are deducted directly from the pension payment. The pension scheme may provide for an early retirement facility and also determines its financing, which is paid in full by the employer.
5. The obligation to pay contributions begins upon admission to the Foundation and lasts until the end of the month in which the insured event occurs, either death or retirement, or in the event of vested termination (departure). The waiver of contributions in the event of prolonged incapacity to work is defined in Art. 15.
6. The insured member's contributions are deducted monthly by the employer, who pays all the contributions due to the Foundation periodically. If the affiliate has been in arrears for more than three months after the agreed due date for the payment of contributions, FTP will inform the pension fund commission of the affiliate's employer and the competent regulatory authority.
7. The affiliate can set aside reserves with FTP by means of voluntary payments from which his contributions may be debited (Employer Contribution Reserve – ECR). The ECR is credited to a separate interest-bearing account, the interest rate for which is set annually by the Foundation Council, and the affiliate is free to decide on their use within the limits of the occupational benefits. The affiliate may not replenish the reserve for more than five years: if the annual contributions fall and the ECR is above this limit, the affiliate may no longer replenish the reserves or pay contributions directly until this limit has been reached.

Art. 9 Retirement savings credits and capital

1. The retirement savings credits of an insured member correspond to his savings contributions, calculated as a percentage of the insured salary, depending on age, pension scheme and, where applicable, the shares of contributions selected by the insured member. At the end of each insurance year, the retirement savings credits are credited to the individual retirement account.

2. An individual retirement account is maintained for each insured member, which allows them to view their retirement savings capital. The retirement savings capital is composed of:

   a) previous retirement savings credits, including interest;

   b) incoming vested termination benefits, including interest;

   c) voluntary purchases, pension adjustments following divorce and repayments of advance withdrawals (Art. 15 para. c-e OPA), including interest;

   The retirement savings capital can be reduced by withdrawals for access to property and payments in the event of divorce. It is possible to make repurchases to offset these payments.

3. The individual retirement account is maintained in accordance with the following rules:

   a) The interest rate is fixed annually by the Foundation Council for the year just ended. The Foundation Council is not necessarily bound to the minimum OPA payment rate, guaranteeing the minimum benefit;

   b) The interest payable at the end of the insurance year is calculated on the basis of the balance of the individual account at the beginning of the year, taking into account any vested termination benefits, purchases and withdrawals. The retirement savings credits for the previous insurance year are added to the retirement savings capital without interest;

   c) If an insured member leaves the Foundation during the year, the rate to be paid is calculated pro rata on the provisional interest rate and applies to the retirement savings capital excluding the retirement savings credits for the current year.

4. Following an operation that creates a "division" or "withdrawal" from the retirement savings capital (a withdrawal of capital for one’s primary residence, partial withdrawal, divorce, partial disability, partial retirement, etc.), the OPA retirement savings capital will be reduced proportionally.

5. In the event of a buyback in connection with a pension scheme adjustment in the event of divorce (Art. 66) or in the event of a repayment of a capital withdrawal for one’s primary residence, the division between the OPA retirement savings capital and the remaining retirement savings capital corresponds to the actual percentage distribution of the two forms of savings capital at the time of the "division" or "withdrawal".

6. In the case of payments due to a pension offset in the event of divorce, the purchase of the OPA retirement savings capital and the remaining retirement savings capital takes place following the ratio in which the respective retirement savings capital/pension component of the debtor spouse is weighted.

Art. 10 Vested termination contributions, purchases of regulatory benefits

1. Vested termination benefits from previous pension relationships should be paid to FTP as incoming benefits.

2. The insured member must provide FTP with access to the statements of termination benefits from previous pension relationships. In the event of incomplete information, the insured member shall assist the Foundation in obtaining this information to the extent to which this is possible.

3. The insured member must notify the previous pension or vested termination benefits fund of his admission to FTP. The previous pension or vested benefits fund must pay the pension capital to FTP at the time of the insured's admission.
4. An insured member may repurchase retirement savings credits. The maximum possible amount of retirement savings capital (and thus the maximum purchase potential) is defined in the pension scheme and depends on the member’s age and insured salary. The maximum amount is reduced by any vested termination capital that has not been contributed to the Foundation, and by Pillar 3 assets that exceed the limit laid down in Art. 60a para. 2 OPO 2. If an insured member receives or has received retirement benefits, these are also taken into account in order to limit the purchasing potential. Those who have already reached normal retiring age but who continue their employment relationship are not allowed to make any additional purchases. Purchases can be made at any time, but as a rule only once per insurance year.
5. The mandatory OPA part of the retirement savings capital does not change as a result of a repurchase.
6. In addition, the legal restrictions apply to purchases after withdrawals to fund property acquisitions, for capital payments within three years of purchase (Art. 79b OPA) and for persons who have just moved from abroad (Art. 60b OPO 2).
7. Payments of termination benefits as a result of divorce can be redeemed at any time and without restriction.

III. Retirement benefits

Art. 11 Retirement pension, child's pension for retirees, bridge pension option, option to ask for retirement benefits to be paid as lump sum

1. Entitlement to retirement benefits commences upon the insured member's retirement, at the earliest on the first day of the month following the month in which the minimum age for early retirement is reached and at the latest on the first day of the month following the month in which the normal retiring age is reached, as defined in Art. 1 of these regulations. Retirement benefits are paid out in the form of a pension or lump-sum payment.
2. Insured members who, with the agreement of their employer, extend their employment relationship after reaching normal retiring age, may also extend their pension relationship with the Foundation, at the latest up to the month after reaching the age of 70. In this case, the risk contributions are no longer paid and the disability and death risks are no longer insured, and the termination benefits are no longer available. In the event of the death of the insured member, the survivor's benefits are calculated on the basis of the expected survivor's benefits for beneficiaries of a retirement pension (on leave) insured at the time of death. The capitalised survivors' benefits (including any increase in provisions in the event of a pension) shall in no case exceed the retirement savings capital accrued by the insured and shall be adjusted accordingly.
3. Each insured member may request a lump sum or partial lump-sum payment instead of a retirement pension. A lump-sum payment cannot be made if purchases have been made in the three years prior to retirement (except for repurchases following divorce). To avoid administrative delays, applications for a lump-sum or pension payment must be submitted in writing at least two months before retirement. In the case of a married insured member, the consent of the spouse is required. In this case, FTP requires his or her authenticated signature.
4. Beneficiaries of a retirement pension may apply for the payment of a bridge pension until they receive an OASI retirement pension. This pension is defined for a fixed period and its amount may not exceed the maximum OASI pension. For insured members in partial retirement the maximum amount is reduced accordingly.
5. If a bridge pension is drawn, the retirement savings capital paid to the insured member upon retirement is reduced by the value of the bridge pension. However, the pension scheme may provide for a lower reduction for early retirement and for the difference to be fully funded by the employer. If the pension beneficiary dies during the period of entitlement to the bridge pension, the remaining instalments are paid out to the survivors in the order laid down in Art. 19.
6. The retirement pension amount is calculated on the basis of the model and conversion rates in force at that time and on the basis of the retirement savings capital acquired by the insured member at the time of retirement, reduced, where appropriate, by the capital required to finance optional benefits in accordance with the provisions of paras. 3-5. The conversion rates are set by the Foundation Council and are detailed in Annex 1. The intermediate values result from linear interpolation calculated to the exact month of birth. For the purpose of calculating the minimum OPA benefits, the OPA retirement savings capital component is reduced proportionately if the capital is used for the optional benefits described in paras. 3-5.

7. If the insured member who is entitled to a retirement pension has children who would be entitled to an orphan's pension in the event of death, then the insured member is entitled to a child’s pension for retirees for each of these children, equal to 20% of the retirement pension.
8. The retirement pension is paid until the death of the beneficiary. The last pension payment corresponds to the month in which death occurred. In this case, the child’s pension for retirees also ceases to be paid.

Art. 12 Partial retirement

1. If, in agreement with the employer, the insured member reduces his full-time employment rate by at least 20% having reached the earliest age at which retirement is possible (Art. 1), he may request partial retirement. Partial retirement may take place at most once per insurance year and the reduction in the work rate must last for at least one year. The remaining working percentage may not, however, fall below 40% of full-time employment and the salary received may not fall below the entry threshold provided for in the pension scheme. The Foundation cannot guarantee that partial retirement will be favourable from a tax perspective.
2. Article 11 may also be applied by analogy to cases of partial retirement. The partial retirement component of the retirement savings capital is used as a base for the calculation of the pension or partial retirement capital. The conversion rates are determined on the basis of the retirement savings capital that has already been drawn down.
3. The portion of the retirement savings capital that corresponds to the continuation of employment is maintained in accordance with Art. 9 as for an active member. The insured salary is determined in accordance with Art. 4 on the basis of the salary actually earned. The contributions and the obligation to pay contributions are governed by Art. 8 of these regulations.

IV. Disability benefits

Art. 13 Disability

1. If an insured member becomes disabled before retirement, he is entitled to an invalidity pension if:
   a) he is at least 40% disabled and was insured with the Foundation at the time when the incapacity for work occurred, the cause of which led to the disability; or
   b) because of a congenital disorder, when he started working he had an incapacity for work of at least 20% but less than 40% and, when the incapacity for work increased, the cause of which led to the disability, he was insured at least 40%; or
   c) he became disabled before coming of age and for this reason, when he started working he had an incapacity for work of at least 20% but less than 40% and, when the incapacity for work increased, the cause of which led to the disability, he was insured at least 40%.

   In both of the last two cases mentioned, the benefits cannot exceed the minimum OPA benefits.
2. The decision regarding IV is decisive for the recognition of the inability to earn a living and the determination of the degree of disability, provided that the Foundation has been involved in the procedure (with notice of the decision) and provided that the decision is not manifestly incorrect.
3. Entitlement to an invalidity pension in the amount of the minimum OPA amount arises when entitlement to an IV pension arises. An insured member is entitled to a higher pension than the OPA minimum at the end of the waiting period specified in the pension scheme.
4. The Foundation is entitled at any time to request a medical report on the state of health of a disabled insured member of the Foundation. If the IV decision differs significantly from the current state of evidence, the Foundation may request that its own doctor checks the insured member's capacity to work. In this case, the degree of disability is measured by the ratio between the loss of earnings due to the disability and the salary previously received.
5. If the insured member refuses to undergo such an examination or refuses to carry out a proposed activity which takes account of his state of health, FTP is entitled to suspend, reduce or deny disability benefits.

Art. 14 Invalidity pension, child’s pension for disabled members

1. The amount of the full invalidity pension is determined in the pension scheme. In the event of disability benefits due to accident being excluded from the pension scheme, FTP is obliged to pay only the minimum OPA benefits in accordance with the coordination rules of Art. 28.
2. The pension amount the Foundation pays to the beneficiary corresponds to the product of the full disability pension and the factor resulting from the application of the IV scale to the degree of occupational disability. If the degree of disability of the IV pension changes, then FTP shall adjust the pension accordingly. In any case, para. 7 of this article and Art. 26a OPA still apply.

3. The disability pension is paid until the ordinary retirement age is reached, but at the latest until the end of the month in which death occurs or the disability is reduced. The applicable child's pension for disabled members ceases at the same time as the invalidity pension. When normal retirement age is reached, the invalidity pension is replaced by a retirement pension. The retirement pension is calculated applying by analogy the provisions of Art. 11 para. 6.
4. In any case, the payment of the pension is deferred until the entitlement to a salary or daily allowance is exhausted if the insured member receives a daily allowance from the health insurance scheme in lieu of full salary, amounting to at least 80% of the salary of which he is deprived and if the daily allowance has been funded at least 50% by the employer.
5. If the insured member who is entitled to an invalidity pension has children who would be entitled to an orphan's pension in the event of death, then the insured member is entitled to a child's pension for disabled members for each of these children, provided that the pension scheme provides for such a benefit.
6. If an insured member with partial disability no longer works for the employer, he will continue to receive a partial invalidity pension with any child's pensions. For the active component, however, a termination benefit is paid in accordance with Art. 21 - Art. 22. In this case, the expected survivors' benefits refer only to the current component of the partial invalidity pension.
7. If a provisional extension of the insurance relationship is agreed and entitlement to benefits in the event of a reduction in or withdrawal of the IV pension is maintained pursuant to Art. 26a OPA, the Foundation shall reduce the invalidity pension by an amount corresponding to the reduction in the degree of disability, but in any case only until the reduction is offset by additional income of the pension beneficiary.

Art. 15 Waiver of contributions and continuation of retirement savings capital

1. In the event of incapacity for gainful employment, whether due to illness or accident, the exemption shall be granted after the waiting period specified in the pension scheme with the same limitations as regards the degree of incapacity for gainful employment. It is granted for all contributions due, both for risk and for retirement. The contribution waiver ends with the end of the incapacity for gainful employment if the disability has not yet arisen, or with the end of the entitlement to an invalidity pension should it arise.
2. During the period of exemption from contributions, the retirement savings capital is maintained and increased by interest and exempt retirement savings credits. If the pension scheme includes the option to select shares of contributions, the scheme shall describe which scale should be used to calculate the exempt savings contributions.
3. In the event of partial disability, the retirement savings capital is divided into an active component and a passive component. The active component is treated as for an active member (Art. 10), while the passive component is treated as for a disabled person (para. 2).
4. If the invalidity pension is reduced as a result of a reduction in the degree of disability, the passive retirement savings capital is reduced proportionally and the reactivated part of the retirement savings capital is vested in the beneficiary. If the invalidity pension increases as a result of an increase in the degree of disability, FTP will attempt to recover any vested benefits previously released as a result of the increase in the passive retirement savings capital.

5. The insured member's reference salary used to calculate the retirement savings credits can be modified by FTP (in the event of adjustments to the co-ordination amounts) each time the degree of disability changes.
6. Para. 4 of this article does not apply to a reduction of the invalidity pension due to the provisions of Art. 14 para. 7. In this case, the exemption from contributions and the continuation of the retirement savings capital remain unchanged.

V. Death benefits

Art. 16 Spouse's pension

1. The pension scheme determines whether coverage is provided in accordance with the regulations or whether it is extended. In the event of extended coverage, if a married insured member or beneficiary of an invalidity pension dies, their spouse is always entitled to a spouse's pension. There is no extended coverage for the spouse of the recipient of a retirement pension.
2. In the case of cover under the regulations, if a married insured member or beneficiary of a retirement or invalidity pension dies, the spouse is entitled to a spouse's pension if:
   a) he or she must provide for one or more children entitled to benefits; or
   b) he or she is aged 45 or over and the marriage has lasted for at least five years.
3. Entitlement to a spouse's pension commences on the first day of the month following the month of death, but at the earliest when entitlement to full payment of a salary ceases. It expires the month after the surviving spouse remarries or dies.
4. The amount of the spouse's pension following the death of an insured member or beneficiary of an invalidity pension is defined in the pension scheme, while the spouse's pension of a beneficiary of a retirement pension is 60% of the retirement pension.
5. If the insured member marries after retirement, the amount is in any case reduced to the minimum OPA benefit..
6. If the spouse is at least 10 years younger, the spouse’s pension is reduced by 1% for each year or part of a year over this age difference, provided that it does not fall below the level of the minimum benefits under OPA.
7. The surviving ex-spouse of a divorced insured member or beneficiary of a retirement or invalidity pension is only entitled to the minimum OPA benefits (in accordance with Art. 20 OPO 2).
8. The surviving spouse may request a corresponding lump-sum payment instead of the payment of a life annuity. Notification must be made in writing and before the first pension payment is made. FTP does not compensate for reductions in capital payments made by a reinsurer, where applicable.

Art. 17 Divorced spouse's pension

1. If a divorced insured member dies, the surviving ex-spouse is entitled to a divorced spouse's pension if, cumulatively:
   a) in the divorce settlement, he or she was awarded a pension in accordance with Art. 124e para. 1 or 126 para. 1 CC (or in the event of the dissolution of a registered civil partnership in accordance with Art. 34 para. 2 up to 3 SSPA); and
   b) he or she was married to the deceased for at least 10 years.
2. Entitlement to a divorced spouse's pension commences the month following the death of the insured member, but not before the deceased's entitlement to salary ends, and expires at the end of the month in which the beneficiary dies or remarries. Entitlement to survivor's benefits exists for as long as the pension would have been due.

3. The annual amount of the pension paid to the divorced spouse is equal to the subsistence benefit of which he is deprived, less any benefits paid out by other insurance schemes, in particular the OASI or AIA. In this respect, OASI survivors' pensions are only taken into account to the extent that they exceed the insured member's entitlement to an IV invalidity pension or an OASI retirement pension. The pension for the divorced spouse shall not, however, exceed the amount of the OPA minimum pension for a surviving spouse.

Art. 18 Partner's pension

1. There is no extended cover for this type of benefit.
2. The partner declared by the insured member or beneficiary of a retirement or disability pension is entitled to the pension if, at the time of death, he or she meets the definition of a cohabiting partner in accordance with Art. 1.
3. If the insured member (while still alive) is obliged to submit a form to notify FTP of the existence of the partner, the form must be signed by both partners. The Foundation only accepts authenticated signatures.
4. If the conditions for cohabitation are only met after the insured member's retirement, the amount is in any case reduced to the minimum spouse's OPA benefits.
5. The partner is not entitled to the pension if he or she receives a spouse's or partner's pension or maintenance from another source. In this case, the source and type of insurance benefits is irrelevant.
6. Entitlement to the pension commences on the first day of the month following the month of death, however at the earliest when entitlement to full payment of a salary ceases. It expires the month after the surviving partner remarries or dies.
7. The amount of the pension following the death of an insured member or beneficiary of a disability or retirement pension is the same as the spouse's pension. Art. Art. 16 para. 4 is also valid for this type of pension.
8. The eligible surviving partner may request a corresponding lump-sum payment instead of the payment of a life annuity. Notification must be made in writing and before the first pension payment is made. FTP does not compensate for reductions in capital payments made by a reinsurer, where applicable.

Art. 19 Orphan's pension

1. Upon the death of an insured member or beneficiary of an invalidity pension, each eligible child receives an orphan's pension. The amount of the orphan's pension is defined in the pension scheme.
2. Upon the death of the beneficiary of a retirement pension, each eligible child receives an orphan's pension. The amount of the pension is 20% of the retirement pension.
3. The pension, in accordance with the terms of paras. 1 and 2, expires at the end of the month following the death of the orphan or when the orphan reaches the age of 18. For children in education who are unable to work at a level of at least 70% as a result of a physical or mental disability, the pension is granted until the child turns 25.

Art. 20 Lump-sum death benefits

1. If an active member dies and his or her retirement savings capital exceeds the pension capital required to finance any spouse's, partner's or orphan's pensions, the surplus is paid out as a lump sum ("reimbursement of unused retirement savings capital").
2. If provided for by the pension scheme, an additional lump-sum death benefit is also granted in the event of the death of an active member. Its amount is defined in the pension scheme.
3. The capital resulting from paras. 1 and 2 shall be paid in the following order and amount:
   a) the undivorced spouse;
   b) in the absence of the aforementioned beneficiary, the children of the insured member entitled to an orphan’s pension;
   c) in the absence of the aforementioned beneficiaries, the partner or individuals who were supported to a considerable extent by the insured member until his or her death (for whom the insured person was responsible for at least 40% of the living costs, provided that the Foundation is notified of them prior to his or her death using the appropriate form);
   d) in the absence of the beneficiaries referred to above, the children of the deceased who do not meet the conditions for entitlement to an orphan’s pension;
   e) in the absence of the aforementioned beneficiaries, the parents or siblings.
4. The insured member or beneficiary of a retirement or invalidity pension may at any time change the groups of beneficiaries indicated in para. 3 by notifying the Foundation in writing, as follows:
   a) if the persons referred to in para. 3(b) exist, the beneficiaries referred to in para. 3(a) and (b) may be combined;
   b) if the persons referred to in para. 3(c) exist, the beneficiaries referred to in para. 3(a), (b) and (c) may be combined;
   c) if the persons referred to in para. 3(c) do not exist, the beneficiaries referred to in para. 3(a), (b) and (d) or also (a), (b), (d) and (e) may be combined.

   The notice must be sent to the Foundation while the insured member or beneficiary of a retirement or invalidity pension is still alive. The notice must be signed by the insured member and the signature must always be authenticated.
5. The insured member may designate the beneficiaries and the proportion of the resulting capital to which they are entitled within the beneficiary groups by means of a written declaration sent to FTP. In the absence of such an agreement and in the case of a group with several beneficiaries, the lump-sum death benefit shall be divided equally. The notice must be sent to the Foundation while the insured member or beneficiary of a retirement or invalidity pension is still alive. The notice must be signed by the insured member and the signature must always be authenticated. Where required by law, the minimum guaranteed allowances shall be paid to the beneficiaries until the designation is established.

6. If no persons exist under para. 3, or if no claim is made within three years of the insured member's death, the amount shall remain available to the FTP. If at least one claim to this lump-sum death benefit has been received and the Foundation has no reason to believe that additional claimants exist, no further claimants will be deemed to be entitled to the lump sum if their claims are received more than three months after the first claim. The right to any benefit is forfeited once this period has elapsed. The Foundation reserves the right to wait before paying the benefit if this period has not yet expired, without incurring any late-payment interest.

VI. Vested termination benefits

Art. 21 Departure from the Foundation

1. The pension relationship ends and the insured member is entitled to vested termination benefits if his or her employment relationship is terminated before an insured event occurs (retirement, disability or death) and he or she leaves FTP. The pension relationship also ends if the reference salary falls (presumably sustainably) below the entry level of the pension scheme.
2. If the employment relationship is terminated while early retirement benefits can be claimed, the insured member may only claim a termination benefit (as an alternative to a retirement benefit) if the beneficiary is registered as unemployed or engaging in gainful activities (regardless of whether salaried or self-employed).

Art. 22 Termination benefits

1. Upon leaving the Foundation, the insured member is entitled to a vested benefit. The termination benefit corresponds to the retirement savings capital accumulated up to that point.
2. In any case, the amount may not be less than the values determined in accordance with Art. 17 and 18 VBA. Risk, administrative and restructuring contributions are not used to calculate the minimum amount.
3. For the duration of a funding gap and if the interest rate paid on the retirement savings capital is less than the OPA minimum rate, the first rate is also used to calculate the minimum amount pursuant to Art. 17 VBA.
4. The termination benefit becomes payable when the insured member leaves the Foundation. From this point on, the termination benefit shall bear the minimum interest laid down in the OPA. If the Foundation does not pay the termination benefit within 30 days of receiving all the necessary information, the default rate set by the Federal Council shall apply from this date onwards.
5. The insured member remains insured against disability and death for one month after the termination of the pension relationship, but no later than the date on which he or she joins a new pension fund.
6. The insured member must inform FTP how to proceed with the termination benefit. The termination benefit is generally transferred to the new pension fund. However, payment to a vested benefits fund, substitute fund, or a cash payment remain possible in legally authorised cases. In the case of a cash payment, FTP requires an authenticated signature from the spouse as proof of consent.

VII. Continuation of insurance in special cases

Art. 23 Sabbaticals

1. During a sabbatical, the insured member may continue to be insured against the risk of death and disability against advance payment of the contributions due (from both employer and employee). The savings process is suspended and no savings contributions are due. In this case, a written agreement between the employer and the insured member must be concluded before the sabbatical is taken.
2. If the pension scheme is not maintained, insurance cover shall only be provided for the first month of absence (as defined in Art. 10 para. 3 OPA). If an insured event occurs after the first month and before the insured member’s return to service, an entitlement to termination benefits exists, calculated on the date of the insured event. In the event of death, the provisions of Art. 20 shall apply.
3. A sabbatical may not exceed a maximum of six months. If the insured member does not return to work for the employer within this time limit, the pension relationship is terminated and a termination benefit is paid in accordance with Art. 22.

Art. 24 Continuation of insurance following termination by the employer after the age of 58

1. An insured member whose employment contract has been terminated by their employer after the age of 58 may continue to pay into their insurance in accordance with Art. 47a OPA. He or she may also choose only to continue his or her risk insurance and accumulate interest on his or her retirement savings capital, or the savings process. Should a member decide to continue to pay into his or her insurance, he or she must notify FTP in writing by the last day of the employment relationship at the latest. The decision to continue the savings process must also be communicated within this time limit: in the latter case and in the event of failure to notify FTP, only the risk insurance will be continued.
2. If the insured member opts to continue his or her insurance, the mandatory contributions relate to risk contributions and administrative expenses, both for the employee and the employer. If the savings process is also continued, the savings contributions will include both the employee’s and the employer’s share.
3. If the Foundation claims restructuring contributions, then the same restructuring contributions due from the employees of the previous employer are claimed.
4. Contributions are collected monthly at the end of each month for the following month.
5. The insurance ends at the latest when the statutory retirement age is reached. Insured members may cancel their insurance at any time at the end of a month. Should an insured member decide to continue his or her insurance for more than two years, the retirement benefits must be paid out in full in the form of a pension and the vested benefit can no longer be used for the purchase of property.
6. In the event of late payment of contributions for more than 2 months, the Foundation is entitled to terminate the insurance without notice. As a rule, no warning or termination notices are made in writing. Termination by the Foundation will normally result in payment of the vested benefits.

VIII. Financing for access to property and divorce

Art. 25 Access to property: advance withdrawal, pledging

1. The Foundation permits the early withdrawal or pledging of capital for the purchase of residential property for the insured member's own use, for the repayment of a mortgage or for renovations/improvements of his current primary residence, provided that the insured member submits the application together with all the documents required to prove that all the conditions have been met. In the case of a married insured member, FTP requires an authenticated signature from the spouse as proof of consent. The minimum payment amount is CHF 20,000 while the minimum reimbursement amount is CHF 10,000
2. Repayment of the withdrawal may be made:
   a) up to the statutory entitlement to retirement benefits;
   b) until another insured event occurs;
   c) until cash payment of the vested termination benefits.
3. In the case of renovations or improvements, the intervention must correspond to the purpose granted by the legislator, i.e. to cover components of the residence necessary for the permanent accommodation of persons. In this case, the withdrawal is generally made by means of direct payment to the person carrying out the intervention, and the Foundation may charge additional costs for the additional administrative expense.
4. However, the monetary assets thus secured may not exceed the existing retirement savings capital at the time of application. For insured members aged 50 years and over, the maximum withdrawal amount is equal to the retirement savings capital held by the insured person at the age of 50, or half of the current retirement savings capital.
5. The costs of registration in the land register as a result of an advance withdrawal shall be borne by the insured member.
6. The insured member may request information from the Foundation regarding the amount available for access to the property and the resulting reductions in retirement benefits.
7. The insured member may only request an advance withdrawal once every five years (Art. 5 para. 3 PHOO).
8. As a rule, advance withdrawals are paid out six weeks after the necessary documents have been submitted.
9. In the event of multiple applications or difficulties on the part of the Foundation, the payment of advance withdrawals may be deferred for up to six months and granted in accordance with the following order of priority and in the order in which the applications were received:
   a) for the construction or purchase of housing;
   b) for participation in home ownership (e.g. shares in a housing cooperative or shares in a tenant company);
   c) for the compulsory amortisation of existing mortgages;
   d) for the optional amortisation of existing mortgages.
10. In periods of underfunding, advance withdrawal payments may be limited in time and/or amount, or denied.

11. In the case of early withdrawal, the retirement savings capital is reduced by the amount of the withdrawal and the OPA assets are reduced proportionally. In the event of repayment, the OPA assets are in principle reconstituted in accordance with the amount they were reduced by at the time of withdrawal. If this information is not available, the OPA assets are reconstituted based on the most recent proportion, unless the insured member proactively provides clarification within two months.
12. In the case of early withdrawal and pledging, FTP may request compensation for administrative costs.
13. In the case of pledging, FTP reserves the right to reduce any benefits if the bank refuses to release the pledge following an insured event.

Art. 26 Divorce

1. In the event of divorce, FTP will divide the retirement savings capital or retirement pension in accordance with the ruling of a Swiss court. Judgments handed down by foreign courts will not be implemented.
2. The reference date for calculation of the termination benefit is the date when the divorce proceedings are initiated. For pensioners, if part of the pension is converted into a life annuity for a divorced spouse (Art. 19h VBO), the reference date is the date on which the divorce becomes final.
3. If part of the retirement savings capital is transferred to the pension fund of the divorced spouse, the retirement savings capital is reduced by the amount of the transferred sum. In the case of partially disabled persons, the active retirement savings capital shall be taken into account as far as possible. The division of a retirement pension also results in a corresponding reduction in the initial entitlement.
4. In the event of the death of a beneficiary of a retirement pension for which the pension was divided, there is no entitlement to a spouse's pension, partner's pension or new children's pension for the part of the pension transferred to the divorced spouse. There is also no entitlement to children's or survivors' benefits in respect of benefits for the creditor spouse or benefits for his or her pension or vested benefits fund.
5. If a divorce procedure is or was in progress at the time of retirement and the termination benefit is divided as a result of the divorce, FTP shall reduce the retirement benefit and the termination benefit to be transferred to the ex-spouse in accordance with Art. 19g VBO.
6. For the application of Art. 26b OPO 2, a retirement pension that replaces an invalidity pension remains an invalidity pension.
7. In the case of a former beneficiary of an invalidity pension but whose pension was later replaced by a retirement pension, if the retirement pension is divided, the part of the pension allocated to the ex-spouse is still taken into account in the calculations as part of the retirement pension.
8. The insured member may repurchase his retirement savings capital through extraordinary contributions. These extraordinary contributions may not, however, exceed the amount of the component of the termination benefit (including accrued interest) transferred to the spouse.
9. A divorced spouse who was granted a pension or lump-sum payment for a life annuity before 01.01.2017 and which will not be legally converted into a pension in accordance with Art. 124a CC, is entitled to the minimum survivor's benefit under the OPA according to the law in force on 31.12.2016. The pension is reduced by the amount which, when

added to the survivors' benefits from other insurance schemes, in particular OASI and compulsory accident insurance, exceeds the amount of the claims arising from the divorce or dissolution of the registered civil partnership.

10. If a divorce occurs before 01.01.2017 and any funds transferred as a result of the adjustment have been repurchased, these funds are treated as voluntary purchases and are credited to the extended retirement savings capital. If the share of the OPA retirement savings capital in the above adjustment payment is known and if the insured member can prove that the contribution gap resulting from the pension adjustment has not yet been fully covered, or if the insured member was still insured with FTP even after the divorce, the buyback can be made by following the initial division between the OPA retirement savings capital and the remaining retirement savings capital.
11. If an advance withdrawal was made before 01.01.2017 and the share of the OPA retirement savings capital in the total withdrawal cannot be determined, the amount repaid is divided between the OPA retirement savings capital and the remaining retirement savings capital according to the ratio between the two figures immediately prior to repayment.

IV. Other provisions

Art. 27 Due date, payment arrangements and reimbursement

1. A right to a regulatory benefit arises as soon as the conditions laid down in these regulations have been fulfilled. Entitlement to retirement or death benefits commences at the beginning of the month following retirement or death. An invalidity pension is only paid if there is a legally valid IV decision. The start and duration of the pension are based on the IV decision.
2. The Foundation pays the benefits due as follows:
   a) As a rule, pensions are paid monthly or quarterly. For the month in which the entitlement expires, the pension is paid in full, with the exception of disability benefits;
   b) Lump-sum payments are paid within 30 days of the due date.
3. Employers must pay the contributions payable to the Foundation on the dates specified in the affiliation contract. In the event of late payment, the Foundation Council may decide on an annual rate of arrears of up to 5%, to be applied from the due date of the balance. Late payments of more than 3 months shall be reported to the regulatory authority.
4. FTP may require evidence to prove entitlement to benefits. If no evidence is received, the Foundation may postpone or refuse payment. In particular, lump-sum payments are not made without the necessary authenticated signatures. In these cases, for any late payment, the FTP is not due to pay interest on deposits with a retroactive due date.
5. The lump-sum payment of a retirement benefit is suspended if divorce proceedings are pending at the time of retirement. If the Foundation has not been informed of the divorce proceedings and payment is made before the divorce becomes official, any claims by the ex-spouse relating to this portion shall be deemed to have been settled.
6. The benefits are paid to the beneficiaries via the bank details notified to FTP.
7. The Foundation shall pay the pensions provided for in these regulations with a lump-sum payment if the retirement or invalidity pensions are less than 5%, the spouse's or partner's pensions are less than 3%, and the children's pensions are less than 1% of the maximum OASI retirement pension. This one-off payment is calculated on the basis of the Foundation’s current technical bases. By paying a lump sum, any entitlement to claims against FTP shall lapse, in particular those relating to future legal or voluntary adjustments to pensions in line with price trends.
8. Benefits unduly received from the Foundation must be repaid. The Foundation Council may dispense with the refund if the person concerned acted in good faith and the restitution would involve too great a burden for him or her. If a refund is not possible, the benefits will be reduced by the amount outstanding.
9. If FTP is obliged to pay survivors' or invalidity pensions but the termination benefit has already been paid out, this should be refunded. If a refund is not possible, the survivors' or disability benefits (and the future retirement pension) are reduced by the amount outstanding.
10. In the event of an obligation for FTP to provide advance benefits (Art. 26 para. 4 OPA), the entitlement to the statutory minimum benefits under the OPA is limited. If it is subsequently found that FTP is not obliged to pay benefits, the pension fund with the obligation to pay benefits shall be required to repay the amounts advanced with interest.

11. For the purposes of the regulations, a signature is deemed to be authenticated if it has been authenticated by a notary or a Municipality. A signature is also considered to be authenticated if it is done at the Foundation's head office in the presence of an FTP employee.

Art. 28 Coordination with third party benefits, overcompensation, reduction of benefits

1. FTP reduces the survivors' or disability benefits to the extent that, in addition to other benefits of a similar nature and purpose and other qualifying income, they exceed 90% of the estimated loss in earnings of the insured member.

   The following are considered as eligible income:

   a) survivors' and disability benefits paid to the beneficiary on the basis of the loss event by Swiss and foreign social insurance policies and pension funds; capital benefits are calculated at their pension conversion value;

   b) daily allowances under compulsory insurance policies;

   c) daily allowances from optional insurance policies, if at least half of these are financed by the employer;

   d) for recipients of disability benefits, the income from gainful employment or the replacement income earned or likely to be earned.

   However, this does not include allowances for helpless persons, allowances for physical or mental impairment, capital allowances, contributions to care and similar benefits, as well as additional income earned during participation in reintegration measures pursuant to Art. 8a InvIA.

2. If a beneficiary of an invalidity pension has already reached normal retiring age and receives disability benefits under the AIA/MillA or comparable benefits from a foreign institution, FTP shall reduce the retirement benefits (including any child's pensions) by the amount of these benefits. In the event of a subsequent death, FTP shall reduce the benefits for the spouses by the amount of the benefits for the spouses under the aforementioned insurance policies.

3. One-time lump-sum payments are converted into pensions for the calculation of overcompensation. Benefits for partners and orphans are calculated together.

4. In the event of overcompensation, all benefits are reduced by the same amount.

5. FTP grants supplementary survivors' or invalidity pensions if the accident or military insurance policies have to pay benefits for the same event. If the accident or military insurance policy does not pay the full survivor's or disability benefit because the death or disability of the insured member is not exclusively due to a cause covered by these insurance policies, FTP shall provide its benefits proportionately (Art. 25 OPO 2). However, the Foundation is not obliged to compensate for refusals or reductions in benefits from accident or military insurance policies due to an insured event where the insured member was at fault. For insured members who are at least 40% disabled but only receive an invalidity pension from the accident or military insurance policy, FTP continues to accumulate retirement savings credits as for its benefit recipients and transfers any vested termination benefits.

6. At the time of the insured event, FTP is subrogated, up to the amount of the statutory benefits, to the rights of the insured member, his survivors and other beneficiaries against third parties liable for the insured event. The Foundation is entitled to suspend benefits until this transfer has taken place.

7. Reductions can be reviewed when conditions have fundamentally changed.
8. If the OASI/IV, compulsory health insurance, accident insurance or military insurance benefit is reduced, withdrawn or refused because the beneficiary has caused death or disability through fault or gross negligence or opposes an IV reintegration measure, the Foundation may reduce the benefits accordingly. The same applies to a survivor who caused the death of the insured member through fault or gross negligence. If the insurance funds listed above do not provide for a survivor among the beneficiaries, the Foundation may reduce the benefit of its own accord. The benefits that form the basis for calculation of the reduction are the minimum OPA benefits. In particular, if a survivor does not meet the OPA eligibility conditions for a spouse's or orphan's pension, the OPA minimum benefit is considered null and void.

Art. 29 Assignment and compensation

Entitlement to benefits can only be offset against credits that the employer has paid into the pension fund if these relate to contributions that have not been deducted from the salary.

Art. 30 Pension adjustments

1. Invalidity and survivors' pensions with a duration of more than three years are adjusted by order of the Federal Council in line with price trends until they reach the normal retiring age.
2. The remaining pension payments are adjusted in accordance with an annual decision of the Foundation Council within the limits of the funds available to FTP. The Foundation Council explains its decision in the annual financial statements.

X. Remediation measures

Art. 31 Underfunding, remediation measures

1. If the Foundation's assets are not sufficient to cover the vested termination benefits and the actuarial reserves for current pensions (insufficient coverage), the Foundation Council may, in agreement with the occupational pension expert, take appropriate and proportional restructuring measures in relation to the degree of the shortfall. In particular, the interest rates on the retirement savings capital and the financing and the benefits that exceed the OPA minimum may be adjusted if necessary.
2. If the above measures prove to be insufficient, the Foundation Council may decide to levy restructuring contributions on insured members, employers and pension recipients. The employer's contribution shall be at least equal to the sum of the employees' contributions. The contribution made by pension recipients is deducted from the current pensions and can only be deducted from the portion of the current pension that the Foundation has voluntarily increased in the last 10 years before the introduction of this measure.
3. If the measures included in paras. 1 and 2 are insufficient, the Foundation Council may, during the period of insufficient coverage, but for a maximum of five years, decide to apply a lower remuneration than the minimum provided for in Art. 15 para. 2 OPA.
4. The Foundation Council may also decide that pledging, early withdrawal and repayment may be temporarily and quantitatively restricted or refused for as long as the Foundation is in a period of insufficient coverage.
5. The Foundation Board may, in accordance with legal and statutory provisions, adopt other reorganisation measures. These measures do not affect benefits payable or rights acquired.
6. The Foundation shall inform the Regulatory Authority of the measures taken to absorb the shortfall and of the time limit within which it intends to implement the remediation measures. FTP must also periodically inform the Regulatory Authority, the affiliates, the insured members and the recipients of pensions about the underfunding, the measures imposed and developments in the situation.

XI. Organisation

Art. 32 Foundation Council

1. The Foundation Council is FTP's supreme decision-making body. The Foundation Council delegates the management and operations and the execution of resolutions to General Management, but is required to regularly monitor the Foundation.
2. The Foundation Council represents the interests of the affiliates and insured members. It represents the Foundation. The Foundation Council carries out the non-transferable and inalienable tasks under Art. 51a OPA and, in particular, issues the Foundation's regulations, determines the rate of return on the retirement savings capital, decides on the restructuring measures in the event of underfunding, decides whether to adjust the voluntary pensions to account for price developments and decides on the investments of the Foundation's assets.
3. The Foundation Council informs its insured members annually about:
   a) their entitlement to benefits, coordinated salary, contribution rate and retirement savings capital;
   b) organisation and financing;
   c) the members of the Foundation Council.
4. The Foundation Council is elected in accordance with the election regulations.

Art. 33 Pension fund commission

1. Each affiliate sets up a pension fund commission consisting of an equal number of employer and employee representatives. The articles on eligibility and term of office contained in the regulations for the election of the Foundation Council shall apply by analogy. The commission constitutes itself and appoints a chairman and vice-chairman, alternately choosing them from the representatives of the insured members and the company, and designates the persons authorised to sign on behalf of FTP.
2. The commission must protect the interests of its insured members. It represents the affiliate and the insured members in common matters in respect of FTP and carries out all the work of the affiliate required for the implementation of the pension scheme. Specifically:
   a) It decides, annually and on the reference day, the pension schemes(s) for the affiliate,
   b) It supervises the affiliate's payments to FTP,
   c) It sends notifications to the insured members,
   d) It ensures that employees and their salaries to be insured are reported to FTP annually and on the reference day,
   e) It ensures that FTP is notified of an event that could lead to an insured event as soon as possible.
3. The commission's members and the affiliate's employees in charge of day-to-day business are liable to FTP and the beneficiaries for any damage they may cause, either intentionally or through negligence.
4. The commission is convened at least once a year by its chairman. All resolutions of the commission that have implications for the Foundation must be recorded in the minutes and communicated to FTP. The commission makes its decisions by a majority of votes. In the event of a tie, the resolution is not approved, the item is put on the agenda of the next meeting and, in the event of another tie, the decision is taken by the Foundation Council.

The commission's decisions concerning all insured members must be communicated to them, and notifications to FTP must be communicated in writing.

5. The members of the commission shall keep confidential, both externally and with regard to other employees, any information they have learned about the personal and financial situation of the insured members, pension beneficiaries and their relatives, as well as the company. Violating this obligation will result in punishment. Both the affiliate and FTP may demand the removal of the guilty party from the commission. This obligation shall continue to apply even after their membership of the commission or their administrative duties have ceased.

XII. Final provisions

Art. 34 Unforeseen cases, implementing provisions, reference text

1. For cases not covered by these regulations, the Foundation Council is authorised to decide on regulations in accordance with the Foundation's deed and purpose and these regulations. This decision is incorporated into the next version of these regulations; until then, a circular is drawn up for this purpose.
2. The Foundation Council may issue circulars containing details of individual articles and ensuring the uniform application of the pension regulations.
3. These regulations have been prepared in Italian and may be translated into other languages. In the event of any discrepancy between the Italian version and the translation into other languages, the Italian version shall prevail.

Art. 35 Hardship cases

The Foundation Board may, in special cases and upon reasoned request, deviate from the provisions of these regulations if their application would result in a disproportionately high burden on the persons affected and if this deviation corresponds to the direction and purpose of FTP.

Art. 36 Right of information

1. Insured members may request to view the annual financial statements and the annual report. The Foundation is also obliged to inform insured members who so request of the investment income, the actuarial risk development, the administrative costs, the actuarial reserve calculation principles, additional reserves and the coverage ratio.
2. All documents containing information on the private or financial situation of other insured members or employers are excluded from the right to information.

Art. 37 Disputes, Place of Jurisdiction

1. Disputes between an affiliate, an insured member or a beneficiary and FTP concerning the interpretation or application of these regulations or matters not covered by them shall be submitted to the Foundation Council with a view to reaching a settlement.
2. In addition, the parties are required to make an attempt at reaching a settlement with the assistance of an occupational pension expert before going before the competent courts.
3. If a settlement has still not been reached, the dispute is submitted to the courts provided for in the relevant provisions. A possible place of jurisdiction is the defendant's registered office or place of residence in Switzerland, or the place of business where the insured member was employed.

Art. 38 Entry into force, amendments to the regulations

1. These pension regulations come into force on 01.01.2021 and replace those of 01.01.2019.

2. The Foundation Council may amend these pension regulations at any time and retain any rights already acquired up to that time.

Lugano, 20 October 2020

ANNEX 1 CONVERSION RATES EFFECTIVE 01.01.2021 (Art. 12)
(Approved by the Foundation Council on 23.07.2020)

The so-called "Layer" system is used to calculate the retirement pension. The conversion rate for the insured member upon retirement is determined on the basis of the retirement savings capital. This is divided into sections ("bands") characterised by decreasing conversion rates, according to the following diagram:

"Layer" (Retirement savings capital on retirement)	Conversion rate
CHF 0 – 400’000	See table A1 for men and A2 for women
CHF 400’000 – 600’000	See table B
> CHF 600’000	See table C

The details of the various tables are illustrated on the following page.

1) Example: Man, 65 years old, retirement in 2022, retirement savings capital of CHF 900’000
Upon retirement, the annual retirement pension of this pensioner would be calculated as follows:

- CHF 400’000 at 5.70% = CHF 22’800
- CHF 200’000 at 5.00% = CHF 10’000
- CHF 300’000 at 4.65% = CHF 13’950

Total = CHF 46’750

2) Example: Woman, 62 years old, retirement in 2021, retirement savings capital of CHF 500’000
Upon retirement, the annual retirement pension of this pensioner would be calculated as follows:

- CHF 400’000 at 5.55% = CHF 22’200
- CHF 100’000 at 4.60% = CHF 4’600

Total = CHF 26’800

Table A1

Capital at retirement CHF 0 - 400'000 Conversion rate for men from				
Age	01.01.2021	01.01.2022	01.01.2023	01.01.2024
58	5.08%	4.90%	4.71%	4.56%
59	5.19%	5.01%	4.83%	4.68%
60	5.30%	5.13%	4.95%	4.80%
61	5.41%	5.24%	5.07%	4.92%
62	5.52%	5.36%	5.19%	5.04%
63	5.63%	5.47%	5.31%	5.16%
64	5.74%	5.59%	5.43%	5.28%
65	5.85%	5.70%	5.55%	5.40%
66	5.96%	5.82%	5.67%	5.52%
67	6.07%	5.94%	5.79%	5.64%
68	6.18%	6.06%	5.91%	5.76%
69	6.29%	6.18%	6.03%	5.88%
70	6.40%	6.30%	6.15%	6.00%

Table A2

Capital at retirement CHF 0 - 400'000 Conversion rate for women from				
Age	01.01.2021	01.01.2022	01.01.2023	01.01.2024
58	5.11%	4.96%	4.80%	4.68%
59	5.22%	5.07%	4.92%	4.80%
60	5.33%	5.19%	5.04%	4.92%
61	5.44%	5.30%	5.16%	5.04%
62	5.55%	5.42%	5.28%	5.16%
63	5.66%	5.54%	5.40%	5.28%
64	5.85%	5.70%	5.55%	5.40%
65	5.88%	5.76%	5.64%	5.52%
66	6.00%	5.88%	5.76%	5.64%
67	6.12%	6.00%	5.88%	5.76%
68	6.24%	6.12%	6.00%	5.88%
69	6.32%	6.24%	6.12%	6.00%
70	6.40%	6.36%	6.24%	6.12%

Table B

Conversion rate Capital at retirement CHF 400'000 - 600'000	
Age	Man / Woman
58	4.14%
59	4.25%
60	4.36%
61	4.48%
62	4.60%
63	4.73%
64	4.86%
65	5.00%
66	5.15%
67	5.31%
68	5.48%
69	5.67%
70	5.87%

Table C

Conversion rate Capital at retirement > CHF 600'000		
Age	Man	Woman
58	3.94%	4.08%
59	4.03%	4.16%
60	4.13%	4.25%
61	4.22%	4.34%
62	4.32%	4.44%
63	4.43%	4.54%
64	4.54%	4.66%
65	4.65%	4.77%
66	4.77%	4.90%
67	4.90%	5.04%
68	5.03%	5.19%
69	5.17%	5.35%
70	5.33%	5.52%