

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 coverage ratio including interest on the retirement assets of active insureds is decisive for determining pension participation.

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. The coverage ratio according to the forecast may differ from the definitive coverage ratio in the annual report due to market changes.

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 target value for the interest for the employer contribution reserves and the unallocated assets is 0.5%. 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, March 7, 2025 / December 9, 2025

Example

If the coverage ratio according to the forecast is between 110% and 112.99%, active insureds will receive interest of 2.75% in accordance with level 4. If the coverage ratio including interest remains at least 110% (level 4), eligible pensioners will receive a one-time payment of up to one month's pension in addition to their pension in the spring. The allocation and amount of the one-time payment depends, among other things, on the year of retirement and the conversion rate applied.