



# Occupational Benefits at General Electric Schweiz

2021 edition



Claims for benefits are governed by the latest German versions of the Rules of the Pension Fund (PF) and of the Supplementary Insurance Plan (SIP) of General Electric Schweiz. The information contained in this brochure is based on the information in the Rules in force as of January 2021 and is subject to change. The conditions and tables set out in the latest version of the Rules should be used to calculate actual benefits.



# How Secure is my Retirement Pension?

**You have probably asked yourself this question every time you have seen the security of occupational benefits discussed in the media.**

We, the managers of the Pension Fund and Supplementary Insurance Plan of General Electric Schweiz, are doing everything we can to ensure that your occupational pension entitlements are safeguarded for the long term.

What is more, we want to offer you benefits that are tailored to your individual needs and that take into account developments in today's society.

This brochure tells you about occupational benefits at General Electric Schweiz – so that you know what's being done with your contributions and what benefits you can expect to receive.

Board of Trustees  
Pension Fund  
General Electric Schweiz

Board of Supplementary  
Insurance Plan  
General Electric Schweiz

# Security built on Three Pillars

**Switzerland's pension system is based on three pillars: AHV/IV state pension, occupational pensions and private pension. Three pillars ensure a solid and secure structure. And because its three pillars are constructed differently, the Swiss pension system is able to withstand all manner of problems.**

## **The foundation: AHV/IV state pension**

AHV/IV (old age, survivors and disability insurance) is an obligatory state insurance plan for the entire Swiss populace. Switzerland's commitment to social solidarity is expressed by the fact that contributions are based on an individual's total earned income, while pension benefits are bound by upper and lower limits. The AHV/IV scheme is financed via the pay-as-you-go principle: essentially, the current generation of workers finances the pension benefits received by the generation that has retired. Three factors are decisive when calculating the pension received by an individual: the number of years during which contributions were paid in; the level of earned income; and additional credits for the education and care of dependents.

More information about AHV/IV is available at [www.ahv-iv.ch](http://www.ahv-iv.ch).

## **Quality of life from the second pillar**

Pillar 2 cover is provided by General Electric Schweiz's Pension Fund and Supplementary Insurance Plan. According to the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Benefits Plans (known as the BVG), the second pillar of the pensions system should, in combination with AHV/IV benefits, help preserve the individual's accustomed standard of living after retirement. Employers are obliged to insure their employees under an occupational benefits scheme and – as with AHV/IV – pay at least half the contributions.

Occupational pensions are fully funded, meaning that the current working generation finances its own pension benefits.

Further information on occupational benefits is available at [www.bsv.admin.ch/bsv/de/home/sozialversicherungen/bv.html](http://www.bsv.admin.ch/bsv/de/home/sozialversicherungen/bv.html) or at [www.ge-vorsorge.ch](http://www.ge-vorsorge.ch).

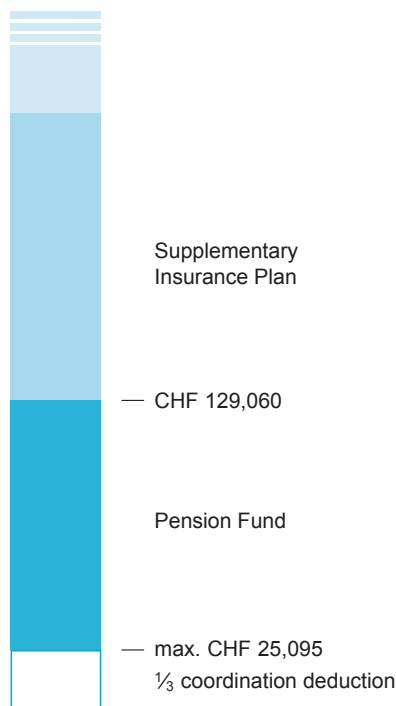
## **Private pensions**

The third pillar of the pension scheme is intended to help fulfil people's personal desires. It is subdivided into pillars 3a and 3b. Money paid into a 3a scheme is tied to a retirement pension. This money cannot be withdrawn on a whim, but it does enjoy preferential tax treatment. The pillar 3b facility – for example, a savings account with a bank or the Avadis Asset Growth – does not enjoy any tax relief, but it is more flexible: invested funds can be withdrawn at any time.

Further information on the Avadis Asset Growth can be found at [www.avadis.ch/en/solutions/private-investors](http://www.avadis.ch/en/solutions/private-investors)



# Occupational Benefits at General Electric Schweiz



Status as at 2021

**Pillar 2 occupational benefits supplement the benefits paid by the AHV/IV scheme. They are notable for the flexibility they allow when structuring non-compulsory benefits. General Electric Schweiz runs an attractive and progressive occupational pension scheme.**

## Transparency

Transparency is a top priority at the General Electric Schweiz Pension Fund. In addition to the insurance certificate, which shows the current savings capital and the insured benefits as they stand at the beginning of the year, you receive a short report in the second quarter of the year with information regarding the Pension Fund's financial situation as per the end of the reporting year as well as the further development. You can also find out how the foundations are doing at any time by going to [www.ge-vorsorge.ch](http://www.ge-vorsorge.ch). After logging in, you have access to a personalised area where you will find a lot of information and data on your personal pension situation and where you can simulate individual pension situations and retrieve documents.

## Profit participation

In the case of the Pension Fund, in years when the stock market performs well, members profit from bonus interest payments. A portion of surplus profits is used to bolster the fluctuation reserve, which acts as a cushion in years when investments perform poorly, or even negatively. In the case of the Supplementary Insurance Plan, only the members bear the profit or loss risk. In return, they fully participate in the development of the financial markets with opportunities for higher long-term returns. Members who have opted for the so-called 1e plan choose their individual investment strategy from among five strategies offered.

## Investments

General Electric Schweiz's occupational pension schemes contain assets of about CHF 1,6 billion. A professional investment concept facilitates an optimal relationship between yield and security. Within the scope of legally prescribed investment guidelines, the pension schemes seek to achieve a balanced mix of investments. Selected portfolio managers from around the world manage the assets, and these managers are regularly monitored by independent supervisors to ensure that they are complying with investment guidelines.

### Competent partners

All governing bodies and specialist teams form a tightly woven net that ensures the security and quality of the occupational pension schemes.

### Board of Trustees

The pension schemes are set up as foundations that are legally independent of the company. In each case General Electric (Switzerland) GmbH is the founder, and the Board of Trustees is the governing body. Within the Pension Fund, five trustees represent the employer and five represent the employees. In the Supplementary Insurance Plan, three people represent the employer and one the employees.

### Management

Operational activities are handled by Avadis, a company specialised in managing pension funds. This company manages day-to-day operations and takes care of the accounts and asset management of the Pension Fund. The assets of the Supplementary Insurance Plan are managed by the Zürcher Kantonalbank. Avadis also offers experienced advisory teams that you can contact by ringing 058 585 54 91 (members) or 058 585 13 34 (pensioners).

### Expert

The occupational benefits expert verifies whether the foundations are capable of fulfilling their obligations, and – together with the Board of Trustees and management – draws up the Rules.

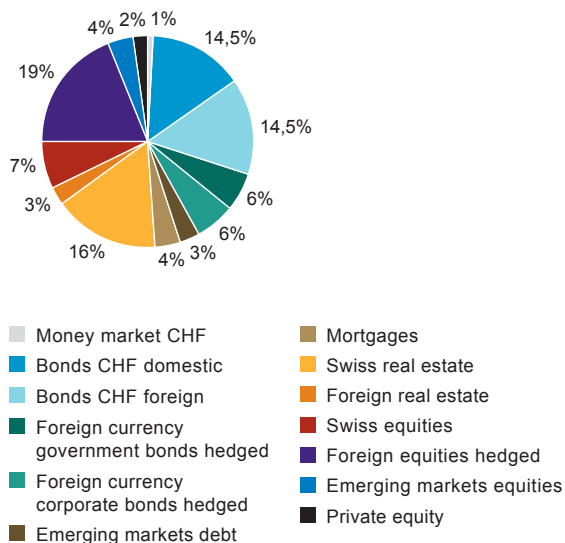
### Auditor

Every year, an independent fiduciary company examines the management practices, bookkeeping and investments.

### Regulatory authority

The BVG- und Stiftungsaufsicht Aargau, BVSA (BVG and foundation supervisory authority) regulates the foundations and monitors their compliance with the relevant legal provisions.

Investment strategy Pension Fund



Status as at 2020

# Flexible and Secure

**Together, the Pension Fund (PF) and the Supplementary Insurance Plan (SIP) constitute General Electric Schweiz's occupational pension provision. Individual provision is based on the level of salary earned and reflects a basic philosophy: to provide protection against the financial consequences of old age, death and disability.**

## Commencement and termination of insurance coverage

As a general rule, insurance coverage in the PF commences on the contractually stipulated first day of your employment relationship with the company. Death and disability cover begins at the age of 18 at the earliest, and savings towards retirement benefits are paid in from the age of 25.

In the SIP, insurance cover commences as of an income of CHF 129,060 (status 2021) and from the age of 25.

Insurance coverage normally ceases upon termination of the employment relationship, provided that no claim for current insurance benefits exists. Under certain circumstances, insurance cover by the General Electric Schweiz Pension Fund can be continued.

## Insured salary

Your insured salary is 13 times your monthly salary, reduced by a so-called coordination deduction to take account of AHV/IV benefits. This deduction amounts to at least one-third of your annual salary up to a maximum of CHF 25,095 (as of 2021). Any portion of your salary exceeding CHF 129,060 (as of 2021) is insured by the SIP.

## Contributions

Together with the employer, insured members save up money that becomes their savings capital. At General Electric Schweiz, there is a choice of three different contributions tables. Those who wish to pay in greater amounts than stipulated by the Standard contributions table should choose Standard plus, while those who want to make lower contributions can opt for the Standard minus plan. The amount contributed by the employer is the same in each table, graduated according to the members' age. In the PF, employer and employee both pay a contribution of 1.60% for the risks of death and disability and for further expenses such as the bridging pension. In the SIP, the full risk contribution of 3.0% is paid by the employer.

## Savings capital

In the case of the PF, the total savings capital is made up of vested benefits transferred from previous employers, voluntary contributions and regular contributions paid in by employer and employee. This savings capital earns annual interest. If the foundation has enjoyed a good investment performance, it will also make a bonus interest payment.

In the case of the SIP, the savings capital is made up of voluntary contributions as well as employer and employee contributions. It is not subject to any fixed interest. The profit or loss risk is borne by the members. In return, they fully participate in the development of the financial markets with opportunities for higher long-term returns.

## Retirement benefits

Pension or lump-sum payment? General Electric Schweiz's occupational pension scheme offers you the option to receive a one-time lump-sum payout of capital upon retirement instead of a lifelong annuity. This lump-sum payment is equal to the amount of your savings capital at the time you retire. It is also possible to take part of the savings capital as a lump sum and the rest as a pension. In the case of the SIP, retirement benefits are paid exclusively in the form of a lump-sum payment.

## Retirement pension (PF)

If you retire at age 65, the annual pension is worth 5.25% of your savings capital in 2021. Every CHF 100,000 of savings capital thus gives you an annual pension of CHF 5,250.

## Pensioner's child benefit (PF)

If at retirement you have children who are minors or still in education, you are also entitled to receive a pensioner's child benefit from the PF in the amount of the minimum statutory BVG benefit.

## Retirement à la carte

After consultation with the employer, you are free to choose the precise time of your retirement anywhere between the age of 58 and 70.

### **Bridging pension**

From the age of 63 and until reaching statutory retirement age, members of the PF also receive a bridging pension equivalent to the maximum AHV retirement pension. Even if you choose to withdraw your retirement capital in one lump sum, this bridging pension will still be paid. It is co-financed by the employer and the PF. The average employment level of the last five years determines the amount of the bridging pension.

If the member so requests, the bridging pension can be paid as of age 62. The amount of the bridging pension is determined by the member's age when they start drawing the bridging pension and the time for which the bridging pension is drawn. The total sum of monthly bridging pensions is limited to twice the annual amount of the maximum AHV retirement pension.

### **Gradual retirement**

After consultation with the employer, you have the option to retire in stages and you are free to choose any level of employment with the corresponding degree of partial retirement.

### **Risk benefits**

#### **Spouse's pension or lump-sum payment**

Men and women are on an equal footing in the General Electric Schweiz pension schemes in every respect, including the payment of spouse's pensions to widows and widowers. This similarly applies to members living in a registered partnership, who are put on an equal footing with married persons. On the death of an insured member, his or her spouse is entitled to receive a spouse's pension as long as he or she has children to support or is at

least 40 years of age. Otherwise, the foundation will make a lump-sum payment to the spouse.

At the time of their retirement or, as the case may be, when they start to draw a retirement pension, insured members have the option to increase or reduce their so-called "prospective spouse's pension". The retirement pension of insured members will be commensurately reduced or increased for the remainder of his or her lifetime.

#### **Partner's pension**

Partners are entitled to the same benefits as spouses if they can provide evidence of cohabitation for a minimum of five years and if they are 40 years of age or older, or if they provide for children the couple had together.

#### **Orphan's pension**

If an insured member or pensioner dies, his or her under-age children or children in full-time education will be paid an orphan's pension.

#### **Death benefit**

Upon the death of an insured member, a death benefit will be paid out in addition to any other spousal or children's benefits. Unmarried members who have no children can designate other beneficiaries with a specified order of precedence.

#### **Disability pension**

Members who are no longer able to work for health reasons are entitled to receive a disability pension provided they are disabled to a minimum degree of 40% as defined by the Swiss Federal Disability Insurance (IV).

#### **Disabled person's child pension**

If those receiving a disability pension have children who are under-age or still in education, they are entitled to receive a child benefit.

### **Change of job**

Upon their departure from the company, members are entitled to their accrued vested benefits. These correspond to the savings capital that has been saved by the individual up to the time of his or her departure, and are transferred to the pension fund of the new employer. Vested benefits can be paid out directly if the insured member is leaving Switzerland or becoming self-employed.

It is not possible to have the compulsory portion of the vested benefit paid out if the departing individual takes up residence in a member country of the EU or another EFTA country and is subject to compulsory old-age, death and invalidity insurance there. In this case, the compulsory portion must be transferred to a vested benefits account or a vested benefits policy in Switzerland.

### **Buying a home**

Saved retirement capital can be used to purchase owner-occupied residential property. Members can use their savings capital to pay off an existing mortgage by drawing down vested benefits early, or to provide additional collateral by pledging the assets.





### Steven Sample rolls on toward retirement

Steven Sample is 59 and works as a project head. He has arranged with his employer to reduce his employment rate to the 60% level and take partial retirement in the form of a 40% draw against his pension benefits. At that part-time employment rate of 60%, his annual salary amounts to CHF 62,400. The insured salary of CHF 47,343 is calculated as follows: 100% of the sum left after the coordination deduction (CHF 25,095, status 2021) has been deducted from the annual salary (CHF 104,000).

Steven and his employer continue to make retirement plan contributions based on these new criteria. His available retirement assets will be converted into a pension that corresponds to his degree of retirement – in this instance, 40%. Therefore Steven will receive an annual pension of CHF 18,000. At the age of 63, he will go into full retirement and his remaining retirement assets will be converted into regular pension payments; but Steven also has the option of withdrawing his retirement assets in the form of a lump-sum payment. Between the age of 63 and 65, he'll receive a partial bridging pension paid out by the PF.



### Edward Example dies at the age of 55

At 55 years of age, Edward Example unfortunately passes away. Prior to his death, he worked in the bookkeeping department and earned an annual salary of CHF 87,750. He is survived by his partner, with whom he cohabitated for the past 22 years, as well as by their 19-year-old daughter, Edwina. His partner, Ellen, is not employed. Owing to the fact that Edwina is no longer in formal schooling, she is not entitled to receive an orphan's pension. Ellen, on the other hand, has the right to receive a partner's pension equal to 36% of Edward's insured salary (i.e. his gross salary reduced by CHF 25,095 coordination deduction, status 2021).

Thus Ellen will receive an annual partner's pension of CHF 22,560, and this up until the time that Edward would have reached 65 – in other words, for ten years. As an unmarried partner of an insured member, Ellen doesn't automatically receive this pension. She has to submit a written application to the Board of Trustees at the latest three months subsequent to Edward's death.



### Sylvia Specimen becomes disabled

Sylvia Specimen is 41 years old. She works in the sales division and has an insured salary of CHF 64,905 (gross salary of CHF 90,000 less the AHV coordination deduction of CHF 25,095, status 2021). She is married and has two children. Sylvia Specimen has taken ill and is forced to stop working. After a lengthy period of illness she is granted a full disability pension under Swiss Federal Disability Insurance. In addition she receives a disability pension from the Foundation. This is equivalent to 60% of the last insured salary. Sylvia Specimen receives CHF 38,943 per year.

Daughter Sally is older than 18 and no longer in formal schooling, so Sylvia has no right to a disabled person's child benefit. Sylke is still in school and thus Sylvia is entitled to receive a disabled person's child benefit until Sylke finishes her formal education, but at latest until her 25th year of age. That benefit amounts to 20% of the full disability pension, in other words the sum of CHF 7,800. On the basis of her most recent insured salary, contributions will continue to be credited to Sylvia's favour. At the statutory retirement age of 65, her disability pension will be converted into a retirement pension. The retirement capital will constitute the basis used in calculating the retirement pension she will receive.

# Benefits Paid by the Foundations

## Insured salary

**PF:** 13 times monthly salary, reduced by the coordination deduction ( $\frac{1}{3}$  salary, max. CHF 25,095). The maximum insured salary is CHF 103,965 (status 2021).

**SIP:** 13 times monthly salary, reduced by the wage component insured in the PF amounting to CHF 129,060. Wage components in excess of CHF 860,400 are not insured (status 2021).

Risk coverage  
(from age 18)

## Funding (contributions)

### PF

Up to age 24	Employee	1,00%
	Employer	1,50%
From age 25	Employee	1,60%
	Employer	1,60%

### SIP

Up to age 24	not insured	
From age 25	Employee	0,00%
	Employer	3,00%

## Disability benefits

Annual full disability pension:  
60% (PF) / 65% (SIP) of insured salary.  
Annual full child's pension:  
20% (PF and SIP) of paid disability pension.

## Death benefits

### Annual spouse's pension

36% (PF) / 39% (SIP) of insured salary at death before member is 65.  
From 65th birthday, 60% of retirement pension (PF).

### Annual orphan's pension

20% of the disability pension or 20% of the retirement pension as of age 65 (doubled for full orphans).

### One-time death benefit (PF and SIP)

At least 100% of the insured salary.

Retirement insurance  
(from age 25)

## Funding (contributions; PF and SIP)

Contributions are made in accordance with one of the three contributions tables in the appendix to the Rules.

## Benefits

### Retirement pension (PF)

The retirement pension is calculated based on the savings capital and the conversion rate as set out in paragraph 7.1 of the Rules.

### Lump-sum payment (SIP)

The retirement benefits are paid exclusively in the form of a lump sum.

### Bridging pension (PF)

If members retire between the ages of 63 and 65, they will be paid a bridging pension until they reach the statutory retirement age of 65. If the member so requests, the bridging pension can be paid as of age 62. The amount of the bridging pension is determined by the member's age when they start drawing the bridging pension and the time for which the bridging pension is drawn. The total sum of monthly bridging pensions is limited to twice the annual amount of the maximum AHV retirement pension.

### Pensioner's child benefit (PF)

The annual pensioner's child benefit for each eligible child is consistent with the minimum statutory BVG benefit.

### Vested benefits (PF and SIP)

Vested benefits become due when the employment contract ends. They correspond to the savings capital available at this time.

# Provided for in all Life's Situations

## Joining the company

You join the occupational benefit plan when you start work at the company. Between the age of 18 and 25, you are only covered against the risks of disability and death. Subsequently you are also covered for retirement benefits.

## Marriage

When you marry or have your partnership registered, you need to report this to the personnel office, which then passes the information on to the Pension Fund and the Supplementary Insurance Plan (the two institutions will be referred to jointly hereafter as the PF). The PF sends you a vested benefit statement that indicates your retirement assets at the time of marriage or the registration of your partnership.

## Salary adjustment

An adjustment in salary is communicated directly to the PF by the personnel office. The PF recalculates the pension benefits using the new figures and sends you an updated benefits statement.

## Residential property

You may use your retirement assets to purchase your own home, though this is possible only up to age 62. Up to age 50, you can withdraw all the retirement assets that have been saved up to this point; afterwards the level of saved retirement assets at the time of one's 50th birthday, or 50% of the current vested benefits, count as the upper limit. Please note: an early payout will reduce your level of retirement benefits.

## Birth of a child

The birth of a child must be reported to the personnel office. For PF purposes, the fact that you have children becomes relevant when there is an entitlement to benefits, such as an orphan's pension.

## New personal details

If you report a change of address or marital status, the personnel office automatically forwards this information to the PF.

## Divorce

In the case of divorce, the court automatically sends a copy of the divorce decree to the PF. It indicates the amount of your spouse's claim to vested benefits. This amount is transferred by the PF to your spouse's occupational benefit plan.

## Change of jobs

If you leave the company, you receive the relevant vested benefits from the PF. These correspond to the savings capital amassed up to the time of your departure. The vested benefits shall be transferred to your new employer's pension fund. You may request a direct payment if you are leaving Switzerland (with allowance for the Bilateral Agreements) or becoming self-employed.

## Additional payments

You may at any time make additional capital payments into the PF in order to increase your retirement benefits.

The PF shall determine the buy-in limit (see benefits statement). Please note:

- Any amounts withdrawn to buy a home must be repaid first.
- The benefits resulting from buy-ins may not be drawn as a lump-sum during the subsequent three years.
- An application form must be filled in prior to a buy-in (obtainable from the administration or via the Internet at [www.ge-vorsorge.ch](http://www.ge-vorsorge.ch)).

## Disability

You are entitled to a disability pension if you are at least 40% disabled as defined by the IV, provided you were insured under the PF before the disability began. Until the PF benefits are paid, you receive benefits from the company's statutory sick pay scheme and the per diem health insurance scheme.

## Death

The personnel office reports the death of an insured employee to the PF. The death benefit as well as the widow's/widower's and orphan's pensions are paid as soon as the PF has received copies of the necessary documents, such as the inheritance register, children's birth certificates or educational certificates. The application for an unmarried partner's pension must be submitted to the PF no later than three months after the death of the member.

## Retirement

If you so desire and after consultation with your employer, you may enter retirement from your 58th birthday. The notification period is six months. The retirement benefits can be withdrawn in the form of a lump-sum payment and/or a pension. If the company agrees, you can postpone your retirement to age 70. If you retire between the ages of 63 and 65, an additional bridging pension will be paid up to age 65.



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