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Pension solutions. Banking. Real estate.

Terms and conditions

Tellco pkPRO

Tellco pkPRO
Bahnhofstrasse 4
Postfach 434
CH-6431 Schwyz
t +41 58 442 50 00
pkPRO@tellco.ch
pkPRO.ch

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1 General provisions

1.1 Purpose of the agreement

The employer affiliates with the foundation for the purposes of providing employee benefits insurance (retirement, survivors' and disability benefits) for the group of persons identified in the pension fund regulations. The foundation is entered in the occupational pensions register. The foundation establishes a separate pension provider for the employer's employee benefits insurance. It maintains the necessary accounts for the employer or its pension provider, in particular a contribution account, retirement savings accounts, a reserve account for fluctuations in asset values and, if appropriate, an account «Non-committed funds». At the employer's request, the foundation may open additional accounts, in particular a reserve account for employer's contributions. To ensure its compliance with the obligations set forth in the Swiss Federal Act of 25 June 1982 on Occupational Old Age, Survivors' and Invalidity Pension Provision (hereinafter the «OPA» – Bundesgesetz vom 25. Juni 1982 über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge; BVG) and the statutory obligations, the foundation enters into collective insurance contracts with insurance companies. The foundation's liability will not under any circumstances exceed that of the insurer to the foundation. Liability will be based on the relevant collective insurance contract.

The rights and duties of the employer and the foundation are set forth in the following provisions and regulations:

- Foundation deed
- Organisational regulation
- Fees and Charges Policy
- Pension fund regulations
- Regulations on technical rules and the use of surpluses
- Regulations on the partial liquidation of the foundation or pension providers
- Statement of Investment Policy

1.2 Pension fund regulations

The group of persons to be insured, the type and scope of the employee benefits, the contribution amounts and the rights and obligations of the beneficiaries are defined in the pension fund regulations. The pension fund regulations guarantee at all times the minimum benefits provided for in the OPA.

1.3 Pension fund commission

For the provision of occupational pension benefits, the employer is responsible for the establishment of a pension fund commission, which is jointly managed by an equal number of employee and employer representatives. The employer also ensures that new elections are held periodically and that elections are held to replace any members who leave the pension fund commission. The election procedure and the duties and powers of the pension fund commission are governed by the articles of foundation and the organisational regulation.

2 Employer's duty to cooperate

2.1 Reporting duties

The employer must inform the foundation in a timely manner of the following:

- a) The names of all the persons to be insured under the regulations
- b) New employees, at the latest 30 days after the beginning of their employment contract or after the beginning of the obligation to provide cover for occupational pension benefits, whereby persons not covered under the Swiss Accident Insurance Act (Bundesgesetz über die Unfallversicherung – UVG) must be identified accordingly
- c) The current number of employees at the beginning of each year and the relevant salaries for the purposes of providing occupational pension benefits
- d) The inability to work of any insured persons as from the third day, without delay; the foundation may appoint an (external) case manager to assist and coordinate the employee's reintegration
- e) Other changes concerning the employer, such as
 - a change in legal form
 - a change in company name
 - a change of domicile and change of correspondence address

The Foundation must be informed of the following changes in writing without delay:

- f) Death, without delay
- g) Termination of employment, without delay, whereby details of the payment address for the transfer of termination benefits must be supplied at the same time
- h) Other information relevant to the provision of occupational pension benefits (for example changes in salary or marital status), without delay
- i) Reduction in the number of employees or a restructuring of the company that could lead to a partial liquidation, without delay

Notices to the foundation concerning the employees must be submitted using the forms provided by the foundation or its online portal or apps. These must be completed accurately and in full.

2.2 Right of inspection

The foundation is entitled to inspect the documents of the employer insofar as they are relevant to the provision of occupational pension benefits (salary account, receipts, etc.).

2.3 Financing

- a) The employer is the debtor as regards all contributions invoiced by the foundation, in particular contributions for retirement credits, risk contributions, contributions to administrative costs, advisory and relationship management fees, interest charges and, if applicable, additional costs related to the partial or total liquidation of the pension provider or the foundation.



- b) The foundation invoices the employer for the contributions set forth in the regulations and for any additional costs. The risk contributions and additional costs must be paid within 30 days of the date on which a change was recorded; the savings credits are due on 31 December every year. The foundation may specify other due dates for payment for individual employers and trade associations.
- c) The invoiced contributions are debited from the contribution account on the due date (value date). Payments will be credited as at the value date. Credits related to changes are credited 30 days after the change was made.
- d) The employer undertakes to pay the contributions to the contribution account on the due date, in particular the employee contributions deducted from the salaries, and to settle the account before 31 December every year if it should have a balance in favour of the foundation.
- e) The employer will be liable for any exceptional costs incurred by the foundation due to the employer's failure to cooperate in providing occupational pension benefits, non-payment of contributions, etc. Any such costs will be debited from the contribution account.
- f) Default interest at a rate of 6% p.a. will be charged from the due date on any outstanding amounts (premiums, administrative costs, etc.), irrespective of the date of the invoice and without any reminder to pay. Interest will be credited until the due date on any payments made prior to the due date.
- g) The interest paid on contribution accounts, accounts «Non-committed funds» and reserve accounts for employer's contributions is credited on 31 December every calendar year. The Board of Trustees determines the interest rates for all accounts at its last meeting for the calendar year.
- h) Any balance in favour of the foundation at the end of a calendar year, including any accrued interest charges, is carried forward to the next calendar year as a capital claim. Any balance in favour of the employer, including any accrued interest credits, is credited as a down payment on the contributions for the next year.
- i) The foundation issues account statements for the contribution account at the end of every quarter, and invoices the employer for the balance in favour of the foundation. If this balance is not paid within 30 days, the foundation will send the employer a reminder demanding the transfer of the outstanding amount within 14 days from the date that the reminder is sent. If the employer does not satisfy this demand, the foundation reserves the right to set off the outstanding employer contribution against any contribution reserves, to initiate legal proceedings to collect the outstanding contributions plus interest and costs, and to terminate the affiliation agreement with immediate effect.
- j) The foundation may demand monthly instalment payments from an employer which does not duly meet its payment obligations. This also applies to the savings premium which is not yet due. If the employer does not meet this demand, the

foundation reserves the right to initiate legal proceedings to collect the total outstanding amount plus interest and costs, and to terminate the affiliation agreement with immediate effect.

- k) The balance according to the account statement prepared at the end of the calendar year is considered to have been accepted if the employer does not object to it in writing within four weeks from its receipt.

2.4 Liability

If the foundation suffers a damage or loss as a result of a breach of contract by the employer, in particular as a result of the employer's inadequate collective daily sickness benefit and accident insurance, the violation of the obligation to cooperate, late reporting or outstanding payments, the employer will be fully liable to the foundation for all such resulting damage or loss.

3 Use of surpluses

The use of surpluses will be determined on the basis of the regulations on technical rules and the use of surpluses.

4 Entry into force/termination of affiliation agreement

4.1 Term and termination of the agreement

- a) The affiliation agreement begins and ends on the dates set forth therein. The affiliation agreement may first be terminated by giving six months' notice to the end of the fixed term of the agreement. Notice of termination must be given in writing. For the employer's notice of termination to be valid, the minutes of a resolution passed by the pension fund commission must be submitted to the foundation within the notice period.
- b) If the foundation does not receive notice of termination at the latest six months before the end of the fixed term of the agreement, the agreement extends automatically for another year at a time.
- c) The foundation is entitled to terminate the agreement without notice if
 - the employer does not comply with the reminder pursuant to section 2.3 i)
 - the employer has breached its duties to cooperate; or
 - the pension fund commission adopts provisions or passes resolutions that contradict the foundation's objective, its principles or the pension fund regulations, and refuses to change its decisions in spite of a written notice from the foundation.

The cover for occupational pension benefits ends if the affiliation agreement is terminated.



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- d) The foundation will, in accordance with the law, report the defaulting employer to the competent authorities and reserves the right to notify the members of the pension fund commission, the insured and any trade associations.

4.2 Cancellation of affiliation agreement

- a) The procedure for the partial liquidation of the foundation and the calculation of the funds to be transferred are governed by the regulations on the partial liquidation of the foundation or pension providers.
- b) After the cancellation of the affiliation agreement, the pension provider's assets are transferred to the new pension fund or, if the employer is liquidated at the same time, used in accordance with the provisions of the Swiss Vested Benefits Act (Freizügigkeitsgesetz – FZG) (Art. 23 of the FZG governing partial or total liquidation).
- c) If the affiliation agreement is cancelled, pension recipients and the relevant reserves for outstanding claims are transferred to the new pension fund. The foregoing is without prejudice to the right to conclude special agreements.

5 Concluding provisions

5.1 Data protection

- a) Information which is obtained in the course of providing occupational pension benefits may, insofar as necessary, be disclosed to other pension funds or insurance companies.
- b) The foundation will take all necessary measures to ensure that the information is treated confidentially.
- c) In the case of any recourse against the party responsible for a damage or loss, the foundation is entitled to disclose the information necessary for enforcing its claim to the liable party or his/her liability insurer.

5.2 Entry into force

These terms and conditions will enter into force on 15 November 2018 and replace the previous terms and conditions of 1 January 2017.

5.3 Right of amendment

Subject to the condition that it safeguards their objective, the foundation may, at any time, amend or revoke these provisions, in particular if this is necessary due to laws, ordinances or supreme court decisions.

Schwyz, 5 July 2018

Tellco pkPRO
Board of Trustees

Peter Hofmann
Chairman

Thomas Kopp
Vice-chairman

In case of differing interpretations, the German text is authoritative.