



### Introduction

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Members who are at least 58 years old and are no longer subject to compulsory death and disability insurance because their employer has terminated their employment contract may opt to maintain their prior coverage with the Fund. This does not apply to members who join a new pension fund or who become self-employed as their main occupation.

Members who are partially disabled within the meaning of the Swiss Federal Law on Disability Insurance (AI) are only eligible to maintain their prior coverage in proportion to their remaining capacity to work as defined in Article 4 of the Swiss Federal Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (OPP2).

Members who opt to maintain their coverage have the same rights as members of the same pension plan who are still working, particularly in terms of the interest rate and conversion rate. Exceptions to this concern how their retirement capital is paid out and the home ownership encouragement initiative.

Members who maintain their coverage are not subject to the law that requires unemployed people to have death and disability insurance.

Cross-border workers whose employment contract is terminated by their employer cannot maintain their coverage, as this option is only available to people subject to Swiss social security legislation (AVS).

### Options for maintaining coverage

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Members may choose to maintain only their death and disability insurance or to also continue making retirement contributions. However, they are not permitted to make retirement contributions without maintaining their death and disability insurance.

### Deadline for requesting to maintain coverage

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Members must inform the Fund of their decision in writing within 30 days after being informed by the Fund of the option to maintain coverage.

To maintain coverage, the member must request the appropriate form from the Fund, fill it out, and send it back together with a copy of the termination letter or the termination agreement.

### Insured salary and benefits

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The annual reference salary on the member's last day of work will be used to calculate their insured salary, their insured benefits, and their contributions. Their insured benefits and contributions will be those in effect when their employment contract ends.

### Retirement savings capital

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As long as the member maintains coverage, their retirement savings capital will remain with the Fund, even if they choose to only maintain death and disability insurance.

The member's retirement savings capital will earn interest at the rate set each year by the Pension Board. Their retirement savings capital will also grow if the member opts to continue making retirement contributions.

### Start of coverage

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If the member maintains their death and disability insurance, their coverage begins the day after they cease to be subject to compulsory death and disability insurance, provided they have properly submitted their request, meet the requirements, and have paid all their contributions.

Members who also choose to continue making retirement contributions can decide at any time to stop making those contributions and simply maintain their death and disability insurance. However, if they decide to stop making retirement contributions, at the start of the period in which the member maintains coverage or any time thereafter, that decision is irrevocable.

## Contributions

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The member alone is responsible for paying their contributions for death and disability insurance and administrative costs. The same applies to retirement contributions, if the member decides to continue making them.

The contributions are billed annually and payable in monthly installments due on the first day of each month.

If the Fund becomes underfunded, the member may be required, just like all other members of their pension plan, to make remedial contributions, in accordance with Article 48 of the Fund Regulations. The employer's remedial contributions cannot be charged to members.

As long as the member maintains coverage, the member's contributions can be deducted from their direct taxes at the local, cantonal, and federal levels.

## Vested termination benefits and voluntary contributions

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The member may transfer vested termination benefits and pay voluntary contributions into their retirement savings capital as long as they maintain coverage, even if they opt to maintain only death and disability insurance. Provisions governing the transfer of vested termination benefits and the payment of voluntary contributions are set out in Articles 51 and 52 of the Fund Regulations.

## Home ownership encouragement

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Members who maintain coverage for more than two years (24 months) are no longer entitled to withdraw funds early, or pledge termination benefits, for home ownership purposes.

However, members are permitted to pay back early withdrawals until they become entitled to receive retirement benefits or until another insured event occurs.

## End of coverage

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The death and disability insurance ends if the member becomes disabled within the meaning of the AI at a level of 70% or more, reaches normal retirement age, or dies.

The coverage also ends if, before an insured event occurs (disability, retirement, or death), the member joins a new pension fund and more than two-thirds of their termination benefits are transferred to the new pension fund, if the member becomes self-employed as their main occupation, if the member decides to end the coverage, or if the member stops paying their contributions or administrative fees.

a) If the member reaches normal retirement age

When the member reaches normal retirement age, the Fund will pay them retirement benefits in accordance with Articles 18 to 21 of the Fund Regulations.

b) If the member joins a new pension fund

If the member joins a new pension fund during the period in which they maintain coverage, the Fund will transfer their termination benefits to the new fund.

Only the amount of termination benefits required to obtain full regulatory benefits under the new pension fund will be transferred.

With the written approval of the new pension fund, the member can have the full termination benefits transferred to the new pension fund.

If the termination benefits transferred to the new pension fund amount to more than two-thirds of their retirement savings capital, the coverage will end. The member will be entitled to receive an early retirement pension or vested termination benefits paid out of the retirement savings capital that was not transferred.

If the termination benefits transferred to the new pension fund are less than or equal to two-thirds of their retirement savings capital, the member may maintain coverage on the basis of an annual reference salary that is reduced in proportion to the amount of retirement savings capital that was not transferred. The member can also choose to end the coverage and request an early retirement pension or vested termination benefits in accordance with Articles 18 to 21 and Articles 34 to 37 of the Fund Regulations.

c) The member chooses to end their death and disability insurance

The member can decide to end their death and disability coverage at any time. If they had opted to continue paying retirement contributions, they can also decide to stop paying those contributions while simply maintaining death and disability insurance.

The Fund must be informed of any such decisions in writing. The death and disability insurance and the right to continue making retirement contributions end on the last day of the month in which the Fund receives the member's written notification.

If the member decides to end both their death and disability insurance and the right to continue making retirement contributions, they can request an early retirement pension or vested termination benefits in accordance with Articles 18 to 21 and 34 to 37 of the Fund Regulations.

d) Failure to make contributions

If the member does not make their contributions, their coverage will end on the last day of the month in which the full contributions were made. In that case, the member can request an early retirement pension or vested termination benefits in accordance with Articles 18 to 21 and 34 to 37 of the Fund Regulations.

If the member fails to make a retirement contribution, only the member's death and disability insurance will be maintained, while the right to make retirement contributions will be ended.

Death and disability insurance and the right to pay retirement contributions cannot be resumed after they have ended.

## Retirement benefits

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If the member maintains coverage for more than two years (24 months), they are no longer entitled to request a full or partial lump-sum capital payment. Their retirement benefits will be paid out in the form of a retirement pension.

## Changes to the pension contract and changing pension funds

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Members who choose to maintain their coverage continue to be insured as part of the pension plan they belonged to previously and are subject to the same membership contract that applies to all other members of that plan. They are also subject to all contractual modifications, including changes to the pension plan, that are carried out while they maintain coverage.

If any legal, contractual, or regulatory provisions that apply to the other members of the plan are modified, these changes also apply to members who decided to maintain coverage. This rule concerns the insured salary, insured benefits, contributions, and conversion rate, in particular.

The same holds true if their company's pension committee decides to change pension funds. If that happens, the member is transferred to the new pension fund along with the other members of the plan.

## Duty of disclosure

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Members who maintain coverage must immediately inform the Fund of any events affecting their coverage, such as if they join a new pension fund or experience a partial or total disability for more than 90 days. The member must also inform the Fund immediately of any change in address.

## Contact

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Please do not hesitate to contact our specialists if you require any further information.



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[www.lpp-avena.ch/fr/contact](http://www.lpp-avena.ch/fr/contact)

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