# Pensionskasse Alcan Schweiz

## The Regulations at a Glance

This summary gives information on the important features of the applicable Pension Fund Regulations. For the concrete calculation of contributions and benefits the complete version of the Regulations applies in all cases.

## Why a Pension Fund?

Together with the other branches of the social security system, the Pension Fund is intended to protect our staff against the financial consequences of old age, death and invalidity. It provides significantly better benefits than would be required by law. All insured staff receives a statement every year giving information on the level of the insured benefits and contributions.

## Who is insured?

The Pension Fund accepts staff employed by the associated companies who

- have completed their 17th year of age,
- have a contract of employment for at least 3 months, and
- have an annual salary greater than the minimum defined on the annual Memo.

## Which salary is insured?

The basis for calculating the Pension Fund benefits and contributions is the **Eligible Annual Income**. It corresponds to the annual income less a co-ordination amount which takes into account of the benefits from the AHV/IV. With an annual income of Fr. 52,000 the Eligible Annual Income is Fr. 30,992, with an annual income of Fr. 104,000 it is Fr. 74,764 (values as at 1st January 2008).

## What benefits do I receive in my old age?

The normal retirement age for men and women is 65. For each year of insurance purchased or accrued the **old age pension** is 1.6% of the Eligible Annual Salary. With 40 years of insurance, for example, this corresponds to a pension rate of 64% (40 x 1.6%). Additionally a savings account is available at the moment of retirement, which is built by savings credits of 3% of the insured wages, lump sum purchases and credited interest. The savings account can be received as a lump sum or in form of a lifelong and/or temporary pension. An early retirement is possible starting from the age 60. With an early retirement the old age benefits will be reduced according to an actuarial calculation.

At the request of the insured person, part or all of the total old age pension can be taken as an **old age lump sum**. Such a request must be made in writing 6 months before the planned retirement date. For children under the age of 18, a **children's pension** of 4% of the old age pension is paid in addition to the old age pension.

## What benefits do I get for invalidity?

In the event of total and permanent inability to earn a living as a result of accident or illness, an **invalidity pension** is paid in the amount of the old age pension. For minors a **children's pension** of 15% of the invalidity pension is paid.

## What benefits do my dependants receive if I die?

In the event of the death of an insured person a **spouse's pension** resp. - in case of announcement of partnership - a pension for partner of 60% of the old age pension is paid. In addition, before retirement there is a right to a **death payment** of a maximum of twice the annual old age pension. Under-age children of Insureds receive an **orphan's pension** in the amount of 15% of the insured old age pension. If both parents have died, the orphan's pension is 30% of the insured old age pension.

## What happens if I leave the Company?

If the employment arrangement is terminated the **leaving benefit** is transferred to the new provision arrangement. If the insured person does not join a new provision arrangement, he can choose between arranging a freedom of movement policy with an insurance company or a freedom of movement account at a bank. The leaving benefit is only paid out in cash upon request if either

- the insured person starts to work on a self-employed basis and no longer has to have occupational provision,
  or
- the leaving benefit is less than one year's contribution.

A cash-payment is at least partially possible in case of a permanent leaving of Switzerland.

## How much does it cost?

The benefits mentioned are financed with ordinary contributions, increased contributions (in the case of salary increases), the compulsory joining benefits, and any voluntary purchases. Up to the age of 24 the **ordinary employee contribution** is 1.6%, there-after it is 8.7%, of the Eligible Annual Income. At the same time the Company pays 2.4% / 11.9% of the total of all its staff's eligible incomes. The **increased contribution** for the Insureds is 20% of the increase in the Eligible Annual Income, payable in twelve monthly instalments. The Company pays at least the same amount.

Until the maximum pension rate of 65.6% is reached or the maximum amount of the savings account, the insured person may make voluntary purchases at any time.

## Does the Pension Fund help with home ownership?

It is possible for Insureds to use part of their **funds from the Pension Fund** to finance home ownership for their own use. Up to the age of 50, the amount available corresponds to a maximum of the available leaving benefit, later the leaving benefit at age 50 or, if greater, half the current leaving benefit. This amount can either be taken or pledged. If taken, the insured benefits are reduced, in which case they can be bought out again in part or in full by an additional insurance.

The Pension Fund also gives **mortgage loans**. The interest rates are guided by the normal market conditions. Loans are given to a maximum of 80% of the basic value fixed by the Pension Fund, when the total charge for interest and repayment may not exceed 30% of the gross income. In principle first and second ranking loans must be paid off. Fixed annual payments are agreed for interest and redemption payments for three years.

## What do I do if I have any queries?

If you have any **queries** you can get in touch with your Personnel Department or you can contact the appropriate person at the Pension Fund directly. You will find the telephone number on your latest insurance statement. There is as well additional information available under www.pkalcan.ch.

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