

Your pension cover with PUBLICA

A summary of the ETH Pension Plan Regulations for employees in the ETH Domain (VR-ETH 1) and for professors in the ETH Domain (VR-ETH 2)

This brochure gives an overview of

- ▣ the general principles of occupational pension plans
- ▣ the benefits we provide, and
- ▣ the contributions you make.

The ETH Pension Plan Regulations are legally binding in all cases.

You can download these Regulations and calculate your benefit entitlements at www.publica.ch.

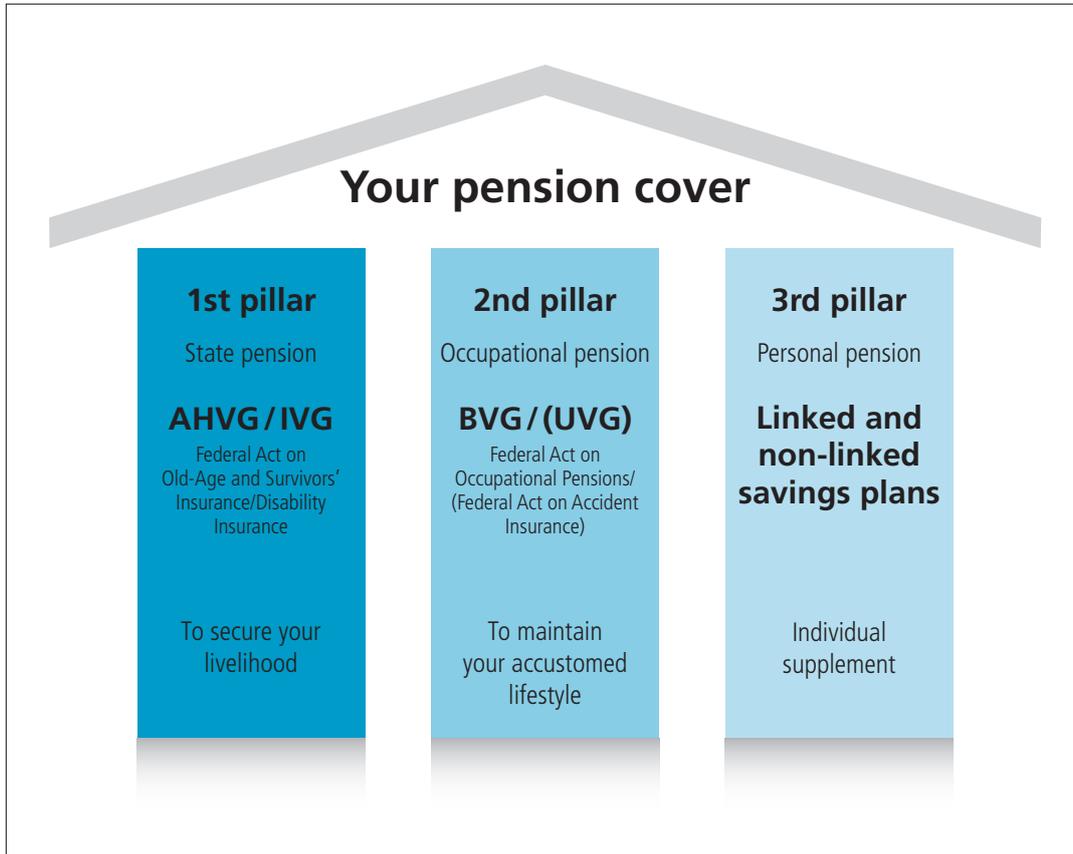


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The three pillars of pension provision

The Swiss pension system is based on three pillars



The first two pillars are compulsory insurance schemes. The third pillar (personal savings) is voluntary and enjoys certain tax privileges.

Occupational pension provision (second pillar) supplements the State old-age/survivors' and disability insurance (first pillar), allowing beneficiaries to maintain their accustomed lifestyle after retirement or in the case of death or disability of the insured person.

The Federal Occupational Pensions Act (BVG) defines a minimum insurance provision for the second pillar. However, individual pension funds are free to offer supplementary benefits.

PUBLICA's pension provision extends beyond the statutory minimum.

What do you mean by...?

Annual insured salary	Calculated by the employer and communicated to PUBLICA.
BVG	Federal Act on Occupational Old Age, Survivors' and Invalidation Pension Provision.
BVG minimum interest rate	Set by the Federal Council. Applicable only to the minimum retirement pension under the BVG.
Collective institution	Collective institutions run the pension plans for a number of employers. PUBLICA is one such collective institution.
Conversion rate	The percentage rate used to convert your retirement assets into your pension upon retirement. Depends on your age at the time of retirement. Also used to calculate disability benefits and, in part, survivors' benefits.
Coordination amount	Used to coordinate benefits between the 1st and the 2nd pillars.
Defined contribution scheme	A pension plan where the benefits paid out are calculated on the basis of the contributions and investments made (including interest). While the level of contributions and investments is known, factors such as investment and inflation risks mean that the level of future benefits cannot be predicted exactly.
ETH Domain pension plan	Comprises the employers ETH Board, ETHZ, EPFL, PSI, WSL, Empa and Eawag together with their present and past employees (pension recipients).
Insured income	The annual insured salary less the coordination amount. The basis for calculating contributions.
Interest on retirement assets	The interest rate is set annually by the parity commission, based on PUBLICA's investment income and financial situation.
IVG	Federal Act on Disability Insurance.
Parity commission	Each pension plan has its own parity commission. The commission is involved in matters such as the conclusion of the contract of affiliation, and also decides how any surplus income of a pension plan is to be used.
Pension plan	An individual plan comprising the employer, employees and pension recipients. The Federal Administration, the ETH Domain, Swissmedic, etc. form pension plans that are affiliated with the collective institution PUBLICA.
Retirement assets	The insured person's assets in the pension fund. Serves as a basis for calculating benefits.
Retirement credits	Total savings contributions made by the insured person and the employer. Credited to the insured person's retirement assets.
Risk premium	Premium for funding benefits in the case of disability or death.
Savings contributions	Contributions made by the insured person and the employer and added to the retirement assets in the form of retirement credits. The contribution rate is age-dependent.
Voluntary savings contributions	Additional contributions made by the insured person.
VR-ETH 1	The Pension Plan Regulations for employees as defined in Article 1(1) of the Ordinance on the Personnel of the Federal Institutes of Technology (PVO-ETH) and pension recipients in this staff category.
VR-ETH 2	The Pension Plan Regulations for professors as defined in Article 1(1) of the Ordinance on the Faculty of the Federal Institutes of Technology, for full-time members of the ETH Board, school presidents, directors of the research institutes and for the pension recipients in these staff categories.

Your contributions

Insured persons and their employer pay contributions based on insured income to fund subsequent retirement, disability or death benefits.

Savings contributions for employees in the ETH Domain (VR-ETH 1)

a) Standard plan for employees up to and including function level 9 and for those with flat-rate remuneration:

Age group	Savings contribution of insured person	Savings contribution of employer	Total retirement credits
22 – 34	4.60%	8.15%	12.75%
35 – 44	5.85%	10.40%	16.25%
45 – 54	8.55%	15.15%	23.70%
55 – 70	11.25%	20.00%	31.25%

b) Executive plan 1 for employees at function level 10 up to and including function level 12:

Age group	Savings contribution of insured person	Savings contribution of employer	Total retirement credits
22 – 34	4.60%	8.15%	12.75%
35 – 44	5.85%	10.40%	16.25%
45 – 54	9.60%	17.00%	26.60%
55 – 70	12.25%	21.85%	34.10%

c) Executive plan 2 for employees at or above function level 13:

Age group	Savings contribution of insured person	Savings contribution of employer	Total retirement credits
22 – 34	5.60%	10.00%	15.60%
35 – 44	6.85%	12.20%	19.05%
45 – 54	10.60%	18.90%	29.50%
55 – 70	13.35%	23.70%	37.05%

Savings contributions for professors in the ETH Domain (VR-ETH 2)

Age group	Savings contribution of insured person	Savings contribution of employer	Total retirement credits
22 – 34	5.60%	10.00%	15.60%
35 – 44	6.85%	12.20%	19.05%
45 – 54	10.60%	18.90%	29.50%
55 – 70	13.35%	23.70%	37.05%

If you were insured with PUBLICA on 30 June 2008 and were aged between 45 and 55 on that date, the employer will pay part of your savings contribution for seven years. This «contribution relief» amounts to

- one percentage point for insured persons who were at least 45 but not yet 50 on 30 June 2008;
- two percentage points for insured persons who were at least 50 but not yet 55 on 30 June 2008.

Risk premium

A risk premium is applied by PUBLICA to cover the risks of death and disability. This is funded by both you, as the insured person, and the employer. The amount you pay comes to 0.75% of your insured income. The risk premium paid by your employer is at least 1.25% of your insured income.

Our benefits

Retirement pension

As an insured person, you receive a retirement pension from the time you retire. Early retirement is not possible before your 60th birthday. If your employer agrees, your employment relationship can be maintained until you reach the age of 70, at the latest. Payments you and your employer make into the pension plan after you reach the age of 65 continue to count towards the pension. You can take partial retirement on more than one occasion.

The annual retirement pension is calculated as follows: $RA \times CR = RP$

RA = Retirement assets at the time of retirement

CR = Conversion rate for the retirement age in question

RP = Retirement pension per annum

The conversion rate is calculated to the exact month.

Age	Conversion rate	Age	Conversion rate	Age	Conversion rate
60	5.01%	64 Men	5.51% / Women 5.65%	68	6.16%
61	5.12%	65	5.65%	69	6.35%
62	5.24%	66	5.82%	70	6.56%
63 Men	5.37% / Women 5.45%	67	5.98%		

You can generate simulations for your benefit entitlements at www.publica.ch.

Lump-sum payment instead of a pension

A lump-sum payment instead of a monthly pension is also possible: if the lump-sum payment is less than or equal to 50% of your retirement assets, you simply need to submit an application to PUBLICA at least three months before retiring. If you require a lump-sum payment exceeding 50% of your retirement assets, you must give PUBLICA at least one year's notice before retiring. The relevant form is available at www.publica.ch. If you are married, your spouse must submit written approval of the lump-sum payment. The same applies for registered partnerships. Buy-ins effected in the three years preceding retirement cannot be paid out as a lump-sum.

If the lump-sum payment option is used before the end of the three-year period, you should bear in mind that the buy-in concerned may not be tax-deductible.

Bridging pension

If you retire before 65 (men) or 64 (women), you can apply for a bridging pension. This is limited in duration until you reach the statutory retirement age. The bridging pension corresponds to either all or half of the maximum State pension, as you wish, weighted according to the average working hours reported by the employer. Employment-law regulations stipulate how the funding of the bridging pension is to be divided up between the employer and the insured person. As the insured person, you fund your share in one of the following ways:

- ☒ with a lifelong reduction in your retirement pension, with immediate effect; or
- ☒ with a lifelong reduction in your retirement pension and the associated benefits, starting when you reach the statutory retirement age; or
- ☒ by redeeming the reduction in your retirement pension before retirement.

Disability pension

In principle, you are eligible for a disability pension if you have been declared disabled under the Federal Disability Insurance scheme (IV/AI), the IV/AI ruling has come into force, and the employer's obligation to continue paying your salary has expired.

Degree of disability according to the IV/AI ruling	Eligibility for PUBLICA pension
Less than 40%	No pension
40% or above	25%
50% or above	50%
60% or above	75%
70% or above	Full pension

For as long as the disability lasts, you and your employer are exempt from having to pay the savings contribution and the risk premium in accordance with the pension entitlement.

Spouse's pension

Upon the death of an insured person, the surviving spouse is eligible for a spouse's pension if at least one of the following conditions is met:

- ☒ he/she is responsible for the maintenance of at least one child; or
- ☒ he/she is at least 40 years old and was married to the insured person for at least two years; or
- ☒ he/she is receiving a full pension under the Federal Disability Act or becomes eligible for such a pension within two years after the death of the insured person.

The full spouse's pension amounts to:

- ☒ two-thirds of the insured disability pension if the deceased was under 65;
- ☒ two-thirds of the current pension if the deceased was receiving a retirement or disability pension;
- ☒ two-thirds of the retirement pension received at the time of death if the deceased was 65 or over.

Spouse's pension after divorce

If the deceased was divorced, the former spouse may, under certain circumstances, be eligible for a spouse's pension. This will not exceed the spouse's pension (minimum pension) under the BVG. Please contact PUBLICA for additional information in this respect.

Registered partnerships

Registered partnerships are treated as marriages. If a registered partnership is legally dissolved, this is treated in the same way as a divorce.

Life partner's pension

Upon the death of an insured person, the surviving life partner is eligible for a life partner's pension if one of the following conditions is met:

- ⌘ he/she is at least 40 years old and had been in a life partnership with the insured person on a continuous basis for at least the last five years of the deceased's life; or
- ⌘ he/she is responsible for the maintenance of one or more joint children eligible for an orphan's pension.

An entitlement exists only if PUBLICA has received notification in writing of the life partnership during the lifetime of the insured person in the form of a life partnership agreement (available at www.publica.ch). Same-sex life partnerships are also possible.

The life partner's pension is calculated as for the spouse's pension.

Child's pension

The children of persons receiving a retirement, disability or professional incapacity pension are eligible for a child's pension until they reach the age of 18. This pension is extended until the 25th birthday if the child is still in education or is at least 70% disabled as defined under the Federal Disability Act. The child's pension amounts to one-sixth of the retirement, disability or professional incapacity pension for each eligible child.

Orphan's pension

The children of a deceased insured person or pension recipient are eligible for an orphan's pension until they reach the age of 18. This pension is extended until the 25th birthday if the child is still in education or is at least 70% disabled as defined under the Federal Disability Act. Where both parents are deceased, orphans receive a double pension.

Amount of the orphan's pension:

- ⌘ one-sixth of the insured disability pension if the deceased was under 65;
- ⌘ one-sixth of the current pension if the deceased was receiving a retirement or disability pension;
- ⌘ one-sixth of the retirement pension received at the time of death if the deceased was 65 or over.

Lump-sum death benefit

Under certain circumstances, PUBLICA may pay out a lump-sum death benefit upon the death of an insured person. This is equivalent to half of the insured person's retirement assets at the time of death, but no less than twice the annual spouse's pension. The lump-sum death benefit is reduced by the cash value of any orphan's pension being paid.

Beneficiaries are eligible in the following order:

- ⌘ natural persons who had been receiving significant financial support from the deceased insured person;
- ⌘ the person who had been in a life partnership with the insured person on a continuous basis for the five years immediately preceding the latter's death or is responsible for the maintenance of one or more joint children, provided the life partnership had been notified to PUBLICA in writing during the lifetime of the insured person in the form of a life partnership agreement;
- ⌘ the children of the deceased;
- ⌘ the parents of the deceased.

Any claims for a lump-sum death benefit must be filed within one year after the death of the insured person. Otherwise, it is forfeited to the ETH Domain pension plan.

Other issues to consider

Ways to improve your benefits

You can enhance your future entitlements with one-off investments (buy-ins), voluntary savings contributions or by redeeming your bridging pension. Such payments are tax-deductible and are independent of any third-pillar investments.

::: Buy-ins

Lump-sum buy-ins can be made to boost your retirement assets, resulting in higher pension entitlements and vested benefits. Before making any such buy-ins, you must submit a form to have PUBLICA calculate your maximum buy-in limit. This form is available at www.publica.ch. For the first 90 days after joining PUBLICA, you are free to choose the amount of a buy-in made in the form of a one-off payment; after that, any buy-ins made must be for at least CHF 5,000. Instead of a one-off payment, you can also opt to make your buy-in in monthly instalments. This requires an agreement between the insured person and PUBLICA; please contact PUBLICA for further details. If you have received an advance for purchasing your home, buy-ins are only possible after this has been repaid in full. If repayment of the sum advanced is no longer possible for age reasons, buy-ins may be made provided that, taken together with the advances, they do not exceed the maximum benefits under the regulations.

::: Voluntary savings contribution (supplementary pension plan)

Voluntary savings contributions have the effect of boosting your pension entitlements and vested benefits. You can simulate the various possibilities at www.publica.ch. In this case, the employer must inform PUBLICA. The amendment takes effect on the first day of the month after PUBLICA is informed.

For employees in the ETH Domain (VR-ETH 1):

As an insured person, you may make voluntary savings contributions of up to 4% – depending on your pension plan – in addition to the standard savings contributions.

For professors in the ETH Domain (VR-ETH 2):

As an insured person, you may make voluntary savings contributions of up to 2% in addition to the standard savings contributions.

Divorce

In the case of divorce, the court may rule that a portion of the vested benefits accumulated during the marriage should be transferred to the spouse's pension institution. This has the effect of reducing the insured benefits. You can restore your original benefits with buy-ins, however. Further information is available at www.publica.ch. The same applies where a registered partnership is legally dissolved.

Home ownership incentive

Insured persons may use or pledge all or part of their retirement assets under the home ownership incentive scheme. Further information is available at www.publica.ch.