



**tellco**

Pension solutions. Banking. Real estate.

## Pension Fund Regulations

# Tellco Pension solutions 3a

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Based on Article 9 of the Foundation Deed of Tellico Pension solutions 3a (hereinafter referred to as the «Foundation»), the Board of Trustees issues the following Pension Fund Regulations:

## I General provisions

### 1 Purpose

- 1.1 The purpose of the Foundation is to implement the restricted individual pension scheme within the meaning of Article 82 of the Swiss Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (OPA; Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge, BVG) by concluding retirement savings agreements with individual insured persons.
- 1.2 The Foundation is permitted to offer insurance coverage for the risks of disability and death and also broker insurance contracts for this purpose.

### 2 Subject matter of the Pension Fund Regulations

These regulations specify the rights and obligations between the insured and/or claimant and the Foundation.

### 3 Retirement savings agreement

- 3.1 The Foundation will conclude a retirement savings agreement with the insured which sets out the details of the pension relationship. The pension relationship begins with the conclusion of this retirement savings agreement and ends with its termination.
- 3.2 Insured persons may conclude a retirement savings agreement if they are gainfully employed and are insured in the first pillar (Swiss old age and survivors' insurance/Swiss disability insurance). If the insured is temporarily unemployed, he/she may make deposits to the Foundation as long as he/she receives compensation from the unemployment insurance fund.
- 3.3 The insured shall apply to the Foundation for a pension account and, if necessary, a supplementary pension custody account using the corresponding form.

### 4 Pension assets

- 4.1 The following items are credited to the pension assets:
  - a) Contributed pension assets from pillar 3a institutions
  - b) Contributions within the legal ceiling
  - c) Interest or securities income
- 4.2 The following items are debited from the pension account:
  - a) Transfers of pension assets to other pillar 3a institutions and for the purpose of buying into a tax-exempt pension fund
  - b) Withdrawals by the insured in compliance with statutory provisions, such as withdrawals to finance
    - ba) the purchase or construction of residential property for own use;
    - bb) the purchase of shares in residential property for own use; or
    - bc) the repayment of mortgage loans on such residential property.
  - c) Fees charged by the Foundation
  - d) Fees related to investments (fees, brokerage fees, transfer stamp tax, custody account and administration fees)
  - e) Referral and/or advisory fees with the express written consent of the insured
  - f) Securities losses



## II Savings insurance

### 5 Account model (pure savings account)

- 5.1 The funds under the restricted retirement savings agreement must be invested as savings deposits (account model) at a bank subject to the Swiss Banking Act (Bankengesetz) of 8 November 1934; and in the case of investments in the form of an investment-linked savings solution (securities savings) via the brokerage of such a bank (Article 5(1) of the Swiss Ordinance on Tax Relief on Contributions to Recognised Pension Schemes [OPO 3; Verordnung über die steuerliche Abzugsberechtigung für Beiträge an anerkannte Vorsorgeformen, BVV 3]).
- 5.2 The Foundation determines which banks the pension assets may be invested at. The retirement savings agreement sets out with which bank the account will be held.
- 5.3 The interest rate will be determined by the Board of Trustees and continually adjusted to take account of market conditions.
- 5.4 A maximum of five accounts may be opened for an individual insured.

### 6 Securities investment model (securities saving)

- 6.1 In the retirement savings agreement, the insured shall specify whether the pension assets are to be invested in whole or in part in securities. The Foundation shall invest the assets in accordance with the investment strategy selected by the insured. The Foundation opens a maximum of five custody accounts per individual insured. Monies deposited by the Foundation at a bank in its own name shall be deemed to be the savings of each individual insured within the meaning of the Swiss Banking Act of 8 November 1934.
- 6.2 The Foundation will specify the custodian.
- 6.3 The insured does not have any claims to interest payments or preservation of the value of the pension assets invested in securities. The insured alone bears the investment risk. Income and losses from securities investments are credited or debited to the pension assets.
- 6.4 Insured persons who are deemed to be US persons (persons with citizenship, residence or tax liability in the USA) are not permitted to invest in securities. If the Foundation identifies insured persons holding securities as being US persons, it will request that they sell their securities within 30 days. If this deadline is not met, the Foundation will issue a sell order and credit the amount to the corresponding pension account.

### 7 Contributions

- 7.1 The insured is free to determine the amount and time of the tax-privileged contributions to his/her pillar 3a pension account up to the maximum annual tax-privileged amount in accordance with Article 7(1) of the OPO 3 in conjunction with Article 8(1) of the OPA. Contributions must be credited to the pension account by the last bank working day of a calendar year at the latest in order to be tax-effective for the corresponding tax year. A retroactive crediting of contributions received after this payment date is excluded.
- 7.2 If both spouses or both registered partners are gainfully employed and both earn an income subject to contributions to the old-age and survivors' insurance scheme (OASI; Alters- und Hinterlassenenversicherung, AHV) and make contributions to a recognised form of pension scheme, both may claim these deductions for themselves.



7.3 Provided that employment is continued, contributions may be paid for a maximum of five years after reaching the regular OASI retirement age. The full contribution can still be made in the last year.

## 8 Taxes

8.1 The amounts paid by the insured may be deducted from income in accordance with the tax regulations of the Swiss Confederation and the canton of residence. The accumulated pension capital and the income from it are tax-free until maturity.

8.2 When paying out pension benefits, the Foundation must comply with the statutory provisions and report the corresponding payments to the competent tax authorities or withhold the tax amounts due.

## 9 Certification requirements

Once a year, the Foundation certifies the contributions made to the insured.

## III Termination of the retirement savings agreement

### 10 Ordinary termination of the retirement savings agreement

The pension assets become due when the regular OASI retirement age is reached. The pension assets can be drawn at the earliest five years before the regular OASI retirement age. If the insured can prove that he/she is still in gainful employment, the withdrawal may be deferred for a maximum of five years after reaching the regular OASI retirement age.

### 11 Early termination of the retirement savings agreement

11.1 Early withdrawal of the pension assets is permitted if the retirement savings agreement is terminated for one of the following reasons:

- a) if the insured draws a full disability pension from the Swiss disability insurance and the risk of disability is not insured;
- b) if the insured dies;
- c) if the insured uses the benefit paid to make buy-ins into a tax-exempt pension fund or another recognised form of pension scheme;
- d) if the insured ceases his/her previous self-employment and takes up another self-employment activity;
- e) if the pension fund is obliged to make a cash disbursement under Article 5 of the Swiss Vested Benefits Act (VAB; Freizügigkeitsgesetz, FZG) of 17 December 1993.

11.2 If the insured is married or lives in a registered partnership, payment in accordance with sections 11.1(d) and (e) of the Pension Fund Regulations is only permitted if the spouse or registered partner gives his/her consent by means of a certified signature. If the insured cannot obtain such consent, or if such consent is denied, he/she can bring the matter before civil court.



## 12 Payment formalities

12.1 Pension assets are only paid out if the Foundation is in possession of the following documents:

- a) Officially certified certificate of marital status for unmarried insured persons
- b) Officially certified signature of the spouse for married insured persons or the registered partner for insured persons living in a registered partnership for payments that require by law the consent of the spouse or registered partner

## 12.2 Tax liability upon payment

- a) The payment of pension assets must be reported to the tax authorities to the extent required by law or official orders of the federal and cantonal governments.
- b) If the insured is domiciled abroad at the time of the payment, the Foundation will levy a withholding tax and deduct it directly from the pension benefits to be paid out.

## 12.3 Transferred assets

On request of the insured, the Foundation may also transfer the securities in his/her pension custody account, provided that the securities can be delivered and such a transfer is legally permitted. Any costs/charges will be borne by the insured.

## IV Pension benefits

### 13 Benefits on maturity

The claim to a pension benefit arises when the insured reaches the age given in section 10 of these regulations. The pension benefit consists of the pension assets.

### 14 Disability benefits

The right to early payment of the pension benefit exists if the insured draws a full disability pension from the Swiss disability insurance and the risk of disability is not additionally insured.

### 15 Death benefits

15.1 If the insured dies before the old-age benefits are due, the pension assets fall due for payment. The pension assets are paid to the following persons in the following order:

- a) the surviving spouse or the surviving registered partner; if none,
- b) direct descendants and individuals who have received substantial financial support from the deceased person, or any individual who has been cohabiting with the insured on a continuous basis for a period of five years prior to his/her death, or is required to support one or more of the couple's children financially; if none,
- c) the parents; if none,
- d) the siblings; if none,
- e) the other heirs.

15.2 The insured may designate one or more beneficiaries among the beneficiaries listed in section 15(1)(b) and specify their entitlements.

15.3 The insured has the right to change the order of beneficiaries set out in sections 15(1)(c) to (e) and to specify their entitlements.



## V Other provisions

### 16 Promotion of home ownership

- 16.1
- a) The insured may request a payment to finance residential property for own use up to five years before reaching the regular retirement age.
  - b) The insured may pledge his/her claim to pension assets to finance residential property for own use up to the same date.
  - c) Advance withdrawals and pledges are governed by the statutory provisions.

16.2 If the insured is married or lives in a registered partnership, payment is only permitted if the spouse or registered partner gives his/her consent by means of a certified signature. If the insured cannot obtain such consent, or if such consent is denied, he/she can bring the matter before civil court.

### 17 Assignment and pledge of assets

Entitlements to benefits may not be assigned or pledged before they fall due. The provisions of section 16 are reserved.

### 18 Liability

The Foundation is not liable to the insured for any consequences of the insured's non-compliance with statutory or contractual obligations or those set forth in the regulations.

### 19 Notifications to the insured

Notifications to the insured shall be deemed to have been properly served if they are sent to the last address recorded by the Foundation.

### 20 Dormant accounts

If the Foundation does not receive clear payment instructions from the insured when the old-age benefits fall due, the Foundation may transfer the dormant pension assets to a normal savings account at a bank subject to the Swiss Banking Act, in compliance with tax regulations.

### 21 Fees

According to the Foundation's Fees and Charges Policy, the Foundation may charge fees for its activities. These will be debited from the pension account.

### 22 Data protection provisions

Certain aspects of IT will be performed by subsidiaries (including subsidiaries abroad). In certain circumstances, the employees of such subsidiaries may be able to access personal data from Switzerland. However, the physical storage location for personal data will remain in Switzerland.

### 23 Place of performance

The place in which the Foundation's registered office is located, i.e. Schwyz in the canton of Schwyz, will be the place of performance.



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- 24 Place of jurisdiction**  
The place of jurisdiction is the defendant's registered office or place of residence in Switzerland.
- 25 Amendments to the Pension Fund Regulations**  
The Board of Trustees is permitted to amend these regulations at any time.
- 26 Entry into force**  
These regulations enter into force at the time the Foundation is established.

Schwyz, 14 February 2019

Tellco Pension solutions 3a  
Board of Trustees

Peter Hofmann

Reto Wehrli

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