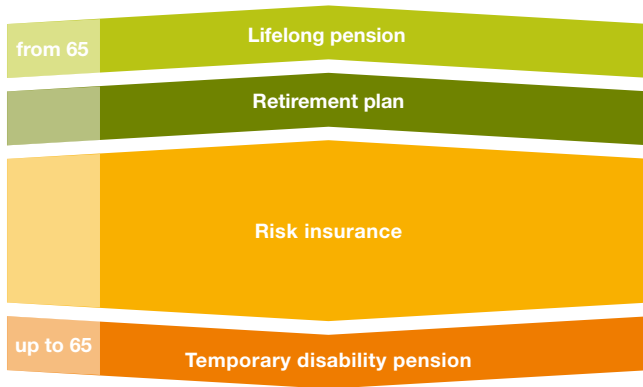


Disability

Insured members who are at least 40 % unable to work are entitled to a disability pension. The degree of disability is defined according to the Federal Disability Insurance. At age 65 the disability pension is redefined by means of the continued retirement savings and the conversion rate applicable at age 65.

Disability benefits



Who is entitled to disability benefits?

The insured person is regarded as disabled if wholly or partly unable to work because of damage to physical or mental health resulting from a disease, affliction or accident, and this incapacitation is likely to be permanent or last for a long time. The decision of the federal disability insurance (IV) is relevant for the recognition of the disability and the definition of the degree of disability.

What happens in the event of a partial disability?

Depending on the degree of disability, the Pension Fund pays a full pension or a partial pension as follows:

Degree of disability	Pension entitlement (in % of full pension)
40 % – 49 %	25 % + 2.5 % per percentage point in excess of a disability degree of 40 % (e.g. disability degree of 41 % = pension entitlement of 27,5 %)
50 %	50 %
51 % – 69 %	The pension entitlement expressed as a percentage corresponds to the degree of disability (e.g. disability degree of 53 % = pension entitlement of 53 %)
70 % – 100 %	100 %

What disability benefits are paid out?

In the case of 100 % disability, the following disability pensions are paid out up to age 65.

- Temporary disability pension amounting to 60 % of insured remuneration upon onset of unfitness for work
- The retirement savings are continued by the Pension Fund with contributions (“Standard”/employee and employer contributions) up to age 65 and continue to bear interest.

In the case of partial disability, the benefits are paid out according to the degree of disability taken into account (disability pension entitlement).

How high is the pension from age 65 onwards?

At age 65, the existing retirement savings that have been continued are converted into a lifelong disability pension by means of the conversion rates applicable at the time. From then on, the disability pension will consist of the basic disability pension and the variable disability pension.

Do early withdrawals have an influence on disability benefits?

Early withdrawals in the context of home ownership using funds from the occupational benefits scheme or as a result of divorce do not have any influence on the level of the disability pension.

Are disability-related child pensions also paid out?

A disability-related child pension is paid out for children up to age 20. For children who are still in education or who are incapacitated because of a physical or mental affliction, the entitlement to a pension applies up to maximum age 25. This pension amounts to 20 % of the temporary disability pension drawn for each child. We must be notified immediately if the education is terminated or interrupted early.



When does payment of the temporary disability pension start?

The temporary disability pension from the Pension Fund is paid out at the earliest when the contractually agreed sick pay or daily sickness allowance payments come to an end.

How is the pension paid out?

The pensions are paid out in monthly instalments on the 25th of each month.

The payments are made by post-office or bank transfer to the place of payment in Switzerland designated by the beneficiary. On request and at the beneficiary's own cost, the payment may be transferred abroad.

What happens in the event of overinsurance?

According to the law and pension regulations, entitlements to disability benefits from the Pension Fund must be reduced if – together with the benefits from SUVA and the federal disability insurance – they exceed 100 % of the putatively achievable income of the insured member (proscription of overinsurance).

What income is included in the review for possible overinsurance?

Imputable income is considered to be a benefit of any kind and for any purpose which is paid out to the entitled person in respect of the damaging event (accident or illness), such as

- a) AHV/IV benefits (and/or benefits from domestic and foreign social security institutions), excluding attendance allowance for those needing permanent and considerable help from others (Hilflosenentschädigung);
- b) benefits from the military insurance or compulsory accident insurance;
- c) benefits from private insurance companies to whose premiums the company contributed at least half;
- d) benefits from benefit plans and vested benefits schemes.

Income from gainful employment and any unemployment benefits are also included.

