

## Pension Scheme Regulations

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Liberty Foundation for 3a Retirement Savings

The independent pension platform

## Contents

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- Art. 1 Purpose
- Art. 2 Scope and content of regulations
- Art. 3 Pension Scheme Agreement
- Art. 4 Contributions
- Art. 5 Taxes
- Art. 6 Obligation to deliver a certificate
- Art. 7 Account-holding banks
- Art. 8 Client accounts
- Art. 9 Interest
- Art. 10 Securities deposit account/retirement savings deposit account
- Art. 11 Asset management
- Art. 12 Investment guideline compliance and monitoring
- Art. 13 Obligation to inform
- Art. 14 Ordinary liquidation of account and deposit relationship
- Art. 15 Beneficiaries
- Art. 16 Early liquidation
- Art. 17 Disbursement of benefits
- Art. 18 Pledge, assignment and set-off
- Art. 19 Encouragement of home ownership
- Art. 20 Fee Schedule
- Art. 21 Reporting obligation to tax authorities
- Art. 22 Liability
- Art. 23 Diligence
- Art. 24 Omissions
- Art. 25 Amendments
- Art. 26 Validity

The independent pension platform

## Pension Scheme Regulations

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Relying on Article 9 of its Charter, Liberty Foundation for 3a Retirement Savings (the "Foundation") has adopted the following Pension Scheme Regulations:

### Art. 1 Purpose

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- 1 The Foundation provides tied individual retirement, survivors' and disability benefits within the meaning of Article 82 of the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (LPP/BVG) and the relevant implementing rules.
- 2 The Foundation itself does not offer death and disability risk coverage. However, at the client's request, the Foundation will act as an intermediary introducing the client to specialised insurers and obtaining the corresponding offers.

### Art. 2 Scope and content of Regulations

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These Regulations govern the rights and obligations of the account holder and his authorised representatives and beneficiaries, hereafter referred to as the "client", vis à vis the Foundation.

### Art. 3 Pension Scheme Agreement

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Persons who are gainfully employed and subject to 1st pillar coverage (Federal Retirement and Survivors' Insurance AHV/AVS and Federal Disability Insurance IV/AI) may enter into a Pension Scheme Agreement with the Foundation and pay contributions in accordance with Article 4. Clients who are temporarily unemployed may pay contributions to the Foundation as long as they receive unemployment benefits.

### Art. 4 Contributions

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- 1 Clients are free to decide the amount and the timing of their tax-deductible contribution payments to their pillar 3a retirement savings account within the maximum annual tax-deductible allowance under Article 7(1) BVV3/OPP3 in conjunction with Article 8(1) BVG/LPP. In order to be tax deductible in any given year, contributions must be credited to retirement savings accounts on the last business day of that calendar year. Contributions received after that time may not be retroactively credited to retirement savings accounts.
- 2 If a client contracts risk insurance from an insurer pursuant to Article 2(1), the client shall in any event be liable towards the Foundation for the relevant risk insurance contribution. In that case, the Foundation shall be entitled to debit the risk premium to the retirement savings account held in the client's name. If the client's assets are fully invested in securities, the Foundation may sell securities for an amount corresponding to the risk premium and debit the retirement savings account accordingly.

3 If both spouses or both registered partners are gainfully employed and pay contributions to a recognised form of pension benefits, they may both claim the tax-deductible allowance.

4 In the year they reach the normal retirement age, clients may pay the full contribution.

### Art. 5 Taxes

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1 The contributions paid by clients may be deducted from their income in accordance with federal tax regulations and the tax regulations of their canton of residence. The accrued retirement savings and the income earned thereon are tax-exempt until maturity.

2 When benefits are cashed in, the Foundation is required by law to declare the amounts disbursed to the competent tax authorities and to withhold the tax payable on the disbursements.

### Art. 6 Obligation to deliver a certificate

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Once a year, the Foundation shall deliver to the client a certificate confirming the amounts contributed.

### Art. 7 Account-holding banks

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Liberty shall choose the account-holding banks, which must be subject to FINMA regulatory oversight, taking into account security, quality and cost criteria and shall inform clients in its annual report.

### Art. 8 Client accounts

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1 The Foundation shall conclude a Pension Scheme Agreement with each client regulating the terms and conditions of the pension scheme relationship.

2 The Foundation shall open and hold a retirement savings account for each client in the name of each client. For that purpose, the Foundation shall be entitled to exchange all necessary account and securities deposit data with the pension scheme administration and the account-holding and custodian banks.

3 No more than five accounts may be opened in the name of any single client.

4 Clients holding several retirement savings accounts shall decide how contribution payments and credit balances are distributed and allocated between those accounts.

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- 5 The retirement savings account will be credited with the following amounts inter alia:
  - a. pension assets transferred from 3rd pillar pension institutions;
  - b. contributions within the maximum legal allowance;
  - c. interest and income from securities.
- 6 The retirement savings account will be charged with the following amounts inter alia:
  - a. pension assets transferred to other 3rd pillar pension institutions;
  - b. withdrawals by the client in accordance with legal provisions;
  - c. fees and commissions due to the Foundation and the asset manager, brokerage fees, stamp duties and custodian fees;
  - d. risk premiums, if any;
  - e. intermediation and consulting fees subject to the client's explicit written consent.
- 7 The Foundation shall be entitled to debit expenses to the retirement savings account held in the client's name. If the client's assets are fully invested in securities, the Foundation may sell securities for an amount corresponding to the expenses and debit the retirement savings account accordingly.
- 8 The retirement savings account qualifies as a privileged savings account within the meaning of the Federal Law on Banks.

### Art. 9 Interest

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- 1 The interest rate on retirement savings accounts is set by the Foundation Board. The interest rate applicable at any time is published on [www.liberty-pension.ch](http://www.liberty-pension.ch) or can be obtained from the Foundation.
- 2 Interest is credited at the end of every calendar year.
- 3 If a client leaves the Foundation in the course of a year, interest for the current year will be credited pro rata temporis up to the exit date.

### Art. 10 Securities deposit account/retirement savings deposit account

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- 1 Clients may, at their request, open up to five securities deposit accounts (hereafter referred to as "securities accounts"). For each client, the Foundation may open and hold no more than five retirement savings securities deposit accounts in the client's name.
- 2 The custodian banks will be chosen by the Foundation in agreement with the client. Custodian banks shall always be selected based on security, quality and cost criteria.

### Art. 11 Asset management

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There is no entitlement to a minimum interest rate or to guaranteed asset value in respect of the pension assets under management. The client alone bears the investment risk.

### Art. 12 Investment guideline compliance and monitoring

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- 1 The appointed asset managers shall ensure compliance at all times with the investment guidelines under Article 71(1) BVG/LPP, Articles 49 to 58 BVV2/OPP2 and Article 5 BVV3/OPP3. In case of non compliance with the investment guidelines, the Foundation shall be entitled to make the necessary adjustments in the portfolio concerned.
- 2 The Foundation shall monitor compliance by periodical sampling, at least twice a year on 31 May and 30 November of each year.
- 3 If the guidelines are not complied with for any reason, the persons entrusted with asset management shall, of their own accord, promptly restore due legal and contractual compliance.
- 4 Moreover, the asset managers undertake to make any necessary adjustments at the Foundation's first request and to confirm the due implementation of such adjustments to the Foundation in writing. In the case of alternative investments and other funds, adjustments shall be made on the next issue or redemption date.

### Art. 13 Obligation to inform

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- 1 The Foundation shall send the client a confirmation when the retirement savings account is first opened, and an account statement at the beginning of each year for the year just lapsed indicating all the transactions on the account, the amounts credited by way of interest and the balance on the account as at 31 December.
- 2 For securities deposit accounts, the Foundation shall send the client a confirmation when the account is first opened and a statement of account at the beginning of each year indicating the value of the securities deposit on 31 December.
- 3 The client shall automatically communicate any changes in address, name or civil status to the Foundation. If the client is married, the client shall also communicate the date of his marriage to the Foundation. The Foundation declines any responsibility for any consequences arising from a belated communication, or from the communication of incomplete or incorrect particulars. Notices to the client are deemed valid if they are sent to the last address filed with the Foundation.
- 4 The client shall address all correspondence directly to the Foundation or its regional representative offices. The Foundation's address and that of its regional representative offices are published on [www.liberty-pension.ch](http://www.liberty-pension.ch).

### Art. 14 Ordinary liquidation of the account and deposit relationship

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- 1 The Pension Scheme Agreement shall terminate as soon as the client reaches the normal AHV/AVS retirement age and in any event at his death. Withdrawal of the retirement benefit can be deferred for a maximum of five years after the normal

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AHV/AVS retirement age if the client can show that he continues to be gainfully employed. Clients who have deferred the withdrawal of their retirement benefit must inform the Foundation immediately in writing as soon as they give up gainful employment. Clients may withdraw their retirement benefit at the earliest five years before reaching the normal AHV/AVS retirement age. Before that date, save for the exceptions listed in Article 17, no withdrawals may be made from the retirement savings account or securities deposit.

- 2 If deliverable, securities held on a client's securities account may be transferred to his private assets.

### Art. 15 Beneficiaries

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- 1 The following persons qualify as beneficiaries:
  - a. during his own lifetime, the client;
  - b. after his death, the following persons in the stated order:
    - i the surviving spouse or registered partner;
    - ii the client's direct descendants and persons who were substantially dependent on the client for maintenance, or the person who shared a common life and destiny with the client for an uninterrupted period of at least five years immediately prior to the client's death, or who must support one or more of the couple's children;
    - iii parents,
    - iv brothers and sisters;
    - v the other heirs.
- 2 In the Agreement, the client may specify his beneficiaries under paragraph 1(b)ii of this Article, indicating their individual entitlements.
- 3 The client may change the order of beneficiaries under paragraph 1(b)iii to v of this Article, and specify their entitlements.
- 4 Beneficiaries are required to provide proof to the Foundation that an event justifying liquidation has occurred. If there are several beneficiaries and their individual entitlements are not clearly determined, the distribution will be agreed between them or distribution will be subject to the consent of all the beneficiaries. Otherwise, each shall receive an equal share.

### Art. 16 Early liquidation

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- 1 An early transfer of pension assets is admissible if the client uses the pension assets to buy into a recognised pension institution.
- 2 The pension assets may be paid out at the client's request if the client is drawing a full disability pension from the Federal Disability Insurance (IV/AI) and has no disability risk insurance.
- 3 Pension assets may be cashed in if:
  - a. the client is leaving Switzerland permanently;
  - b. the client becomes self-employed as a main occupation and is no longer subject to compulsory occupational pension insurance. In that case, the client must apply to withdraw the pension assets within one year of becoming self-employed;

- c. the client gives up his current self-employed occupation for another self-employed occupation. In that case, the client must apply to withdraw the pension assets within one year of taking up the other self-employed occupation;
- d. the client's retirement savings capital is lower than the maximum admissible amount under Article 4(1).

- 4 If deliverable, securities held on a client's securities account may be transferred to his private assets.

- 5 Partial pay outs are allowed subject to tax exceptions.

- 6 In the following cases, the retirement savings account or securities deposit will be liquidated or partially liquidated ex officio without an explicit termination of the client's Pension Scheme Agreement or investment mandate:

- a. if a pledge within the meaning of Article 30b BVG/LPP is satisfied or enforced;
- b. in case of a court order following a divorce.

- 7 Clients who are married or live in a registered civil partnership may not withdraw their pension assets in cash under paragraph 3 of this Article without the officially authenticated written consent of their spouse or registered partner. Such consent is only required in the cases contemplated in Article 5 LFLP/FZG (permanent move abroad, self-employment or small amount). If consent cannot be obtained or is unreasonably withheld, the member may turn to the court.

### Art. 17 Disbursement of Benefits

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Benefits are payable as a lump sum only (cash or securities), 10 to 90 days after receipt of the complete application. The payout is equal to the balance on the vested benefit account and securities deposit.

### Art. 18 Pledge, assignment and set-off

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- 1 Article 39 BVG/LPP applies mutatis mutandi to the pledge, assignment and set-off of pension assets.
- 2 Article 30b BVG/LPP or Article 331d of the Swiss Code of Obligations and Articles 8 to 10 of the Ordinance on the Use of Pension Assets for the Encouragement of Home Ownership (WEFV/OEPL) apply mutatis mutandi to the pledge or withdrawal of pension assets for the purchase of an own home.
- 3 Claims to retirement benefits can be fully or partially assigned to the spouse by the client, or allocated to the spouse by the court if the matrimonial property scheme is dissolved otherwise than by death. The client's pension institution is then required to transfer the relevant amount to a recognised form of pension, within the meaning of Article 1(1) BVV3/OPP3, designated by the spouse or to a pension institution; Articles 15 and 17 of these Regulations remain reserved.
- 4 Paragraph 3 applies mutatis mutandi in the case of a registered partnership dissolved by a court decision if the two partners had agreed that assets would be divided in accordance with the community of accrued gain.

## The independent pension platform

### Art. 19 Encouragement of home ownership

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- 1 The client may pledge or withdraw his pension assets to finance the purchase of an own home under the measures for the encouragement of home ownership.
- 2 Pension assets may be withdrawn or repaid, up to five years before the normal retirement date (Article 13 BVG/LPP). Pension assets may be pledged up to the normal AHV/AVS retirement age.
- 3 A withdrawal is possible only once every five years.
- 4 As a rule, the amount which may be withdrawn or pledged is equal to the total retirement savings.
- 5 In the case of married clients, or clients living in a registered civil partnership, the consent of the spouse or registered partner – with an officially authenticated signature – is required. If the spouse's or partner's consent cannot be obtained, or if it is withheld without good reason, the client may turn to the court.

### Art. 20 Fee Schedule

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The Foundation reserves the right to amend its Fee Schedule at any time. The Fee Schedule applicable from time to time is available at [www.liberty-pension.ch](http://www.liberty-pension.ch) or may be obtained from the Foundation.

### Art. 21 Reporting obligation to tax authorities

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- 1 The Foundation shall declare any pension benefit pay-outs to the tax authorities if such declarations are required by law or by official federal or cantonal ordinances. If there is an objection to such a declaration, tax will be withheld at the withholding tax rate set by the tax office.
- 2 If, when the pay-out is made, the client is a foreign resident, the Foundation shall deduct the withholding tax directly from the pension assets to be disbursed.

### Art. 22 Liability

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The Foundation is not liable to the client for any consequences arising from the client's failure to comply with his legal, contractual and regulatory obligations.

### Art. 23 Diligence

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The Foundation shall perform its administrative tasks in connection with the pension scheme in good faith, i.e. with the same diligence it uses in the conduct of its own business affairs. Apart from its diligence obligation, the Foundation is only liable for gross negligence and deliberate breaches of statutory and contractual obligations.

### Art. 24 Omissions

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If there are any omissions in these Regulations with regard to any specific point, the Foundation Board shall adopt an appropriate rule.

### Art. 25 Amendments

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The Foundation Board may decide to amend these Regulations at any time: these Regulations are freely available at [www.liberty-pension.ch](http://www.liberty-pension.ch) or may be obtained from the Foundation.

### Art. 26 Validity

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These Regulations are effective from 1 January 2011 and replace all prior regulations.

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Schwyz, 16 March 2011

Foundation Board, Liberty Foundation for 3a Retirement Savings