

GEMINI Collective Foundation

**STABILISATION MEASURES  
EMPLOYEE BENEFITS UNIT PENSIONS**

VALID AS OF 1 JANUARY 2018

## 1 General remarks

- 1.1 The following measures were adopted by the Foundation Board of the **GEMINI Collective Foundation** (hereinafter GEMINI) to manage the level of solidarity contributions between the associated employee benefits units and GEMINI's employee benefits unit Pensions.

## 2 Profit sharing mechanism

- 2.1 In accordance with the resolution adopted by the Foundation Board on 31 August 2017, GEMINI will introduce the following mechanism to manage the level of solidarity contributions between clients' employee benefits units and the employee benefits unit Pensions as of 1 January 2018:

Coverage ratio <b>EBU Pensions</b>		Solidarity contribution	Solidarity bonus	Pension bonus	Effect
from	to	in % of savings capital	in % of savings capital	in % of pensions	
	92.5%	0.75%	0.00%	0.00%	Debit VFR client
> 92.5%	97.5%	0.50%	0.00%	0.00%	Debit VFR client
> 97.5%	100%	0.25%	0.00%	0.00%	Debit VFR client
> 100%	105%	0.00%	0.00%	0.00%	
> 105%	107.5%	0.00%	0.25%	0.00%	Credit VFR client
> 107.5%	110%	0.00%	0.25%	1.00%	Credit VFR client / credit pensioners*
> 110%	115%	0.00%	0.50%	2.50%	Credit VFR client / credit pensioners*
> 115%		0.00%	0.75%	5.00%	Credit VFR client / credit pensioners*

\*Only those Pensions are considered who retire from 2019 on.

- 2.2 This mechanism does not apply to clients affiliated with GEMINI in the context of an executive solution (without BVG portion) which exclusively provides for retirement benefits in the form of lump-sum payments. The exclusion of the pension option from such executive affiliations only results in the inapplicability of the mechanism if neither retirement pensioners nor recipients of a survivor's pension of these affiliated companies remain in GEMINI's employee benefits unit Pensions. A corresponding adjustment may not be effected before 1 January of the following year.
- 2.3 In addition, this mechanism does not apply to clients who decide to manage their pensioners within their own employee benefits unit. A transfer of their pensioners from the employee benefits unit Pensions into their own employee benefits unit may not be effected before 1 January of the following year.

## 3 Funding of the target value fluctuation reserve

- 3.1 Upon retirement or partial retirement of active members, the accumulated savings capital is transferred to GEMINI's employee benefits unit Pensions. In addition, 1.5% of the savings capital is charged to the client's employee benefits unit as a buy-in into the target value fluctuation reserve of the employee benefits unit Pensions. In the case of a partial lump-sum payment, the charge is determined as a proportion of the pension component of the savings capital.

## **4 Provisions upon termination of the agreement as of 1 January 2019**

- 4.1 Upon termination of an affiliation agreement with a duration of less than 10 years, the employee benefits unit is liable to pay a longevity surcharge. The longevity surcharge amounts to 2.5% of the pension coverage capital for recipients of retirement or survivor's pensions as per the termination date. Employee benefits units that leave GEMINI have the option to transfer their recipients of retirement or survivor's pensions together with their active members to the new employee benefits institution instead of paying the longevity surcharge.
- 4.2 If the client's affiliation agreement provides for a transfer of all recipients of retirement or survivor's pensions together with their active members to the new employee benefits institution upon termination of an agreement with a duration of less than 10 years, the client does not have the option to leave these pensioners with GEMINI and pay the longevity surcharge pursuant to paragraph 4.1.
- 4.3 As previously, recipients of a disability pension shall be transferred to the new employee benefits institution upon termination of the agreement.

## **5 Funding of BVG retirement losses as of 1 January 2019**

- 5.1 Employee benefits units shall finance their own retirement losses resulting from raising the plan pension to the BVG minimum pension (charge to their employee benefits unit's value fluctuation reserve). A BVG retirement loss arises if the BVG retirement pension (i.e. accumulated BVG retirement assets multiplied by the BVG conversion rate) of members who retire at statutory retirement age is higher than the retirement pension as set out in the Regulations (entire savings capital multiplied by the GEMINI conversion rate).

### **GEMINI Collective Foundation**

Zurich, 26 October 2017