

# Explanation of the ABB Pension Scheme certificate

The certificate is issued at the beginning of each year, as well as upon demand.

Key data in CHF	PF	SI
Income limit	21 330	130 000
Coordination deduction	$\frac{1}{3}$ , max. 28 440	130 000
Maximum insured salary	101 560	723 200

## Insured salary

Insured salary represents the employee's regular monthly salary multiplied by 13.

## Employee contribution

This amount is calculated on the basis of the tables included in the annex to the Rules. For effect January 1<sup>st</sup> of each year, the employee may opt for one of the three contribution tables: Standard, Standard plus and Standard minus.

## BENEFITS

### Retirement benefits

#### Retirement pension

At the retirement age of 65, the retirement pensions paid by the Pension Fund and the Supplementary Insurance Plan are calculated by multiplying the savings capital by the appropriate conversion rate listed in Appendix 2 of the Rules.

#### Savings capital

The following are used to calculate the savings capital accumulated by the statutory retirement age of 65: total future contributions to be paid up to the statutory retirement age in accordance with the chosen contribution tables; the savings capital held for the employee in the Pension Fund, in the Standard strategy of the Supplementary Insurance Plan; and a basic annual interest rate of 1%. On top of this, in the years 2017 to 2022, additional interest of 1% will be granted on the savings capital in the Pension Fund. Not included in this calculation are the portions of savings capital invested in the Inastra strategies of the Supplementary Insurance Plan. On request, the savings capital may be paid out as a lump sum at the time of retirement instead of as a regular old-age pension.

### Risk benefits (death or disability)

#### Disability pensions

The disability pensions amount to 60% (Pension Fund) or, as it were, 65% (Supplementary Insurance Plan) of the insured salary and, subsequent to the occurrence of disability, is paid out until statutory retirement age. Afterwards, it is replaced by the payment of retirement benefits.

#### Children's pensions associated with disability pensions

The children's pensions amount to 20% of the disability pensions and are paid out until the disabled person reaches statutory retirement age. Thereafter, the children's pensions are covered by the retirement old-age insurance. Payment prerequisites: the child has not yet reached the age of 18, is still in formal education or is disabled (paid at most until the age of 25).

#### Spouse's pension

Upon the death of an insured employee prior to the age of 65, his or her husband or wife has the right to receive a spouse's pension, provided that the survivor has raised children or has completed his or her 45th year of age. The spouse's pension amounts to 60% of the insured disability pension. It will be paid out at that level until the time the deceased employee would have reached the age of 65. Thereafter, the amount corresponds to 60% of the implied retirement pension. Spouses who are not formally entitled to receive a spouse's pension will be paid a one-time settlement amounting to 5 times the annual spouse's pension.

#### Partner's pension

Upon submission of a written request, the boards of trustees may grant benefits to life partners. Prerequisite: If an unmarried member has demonstrably lived continuously in the same household with an unmarried, unrelated domestic partner for a period of at least 5 years prior to the member's death, or if he was responsible for the maintenance of children that the couple had together, then the deceased member's partner has the right to receive the same benefits as a spouse.

#### Orphans' pension

Essentially the same provisions apply to the orphans' pension as those for the children's pension associated with a disability pension. The pension is doubled for orphans bereaved of both parents.

**Death benefit**

If death occurs before retirement, the death benefit is equal to the accrued net savings capital (savings capital minus buy-ins personally paid into the fund, minus the costs of funding the survivors' benefits, but at least 100% of the insured salary. In the event of death, the total amount of buy-ins personally paid into the fund shall be paid out to the beneficiaries in addition to the death benefit.

**Buying-in limit**

This is the maximum extra contribution you can pay in to increase your old-age benefits. The amount you pay in can be deducted from your taxable income. Please note that buy-in contributions paid in shortly before retirement are in some cases no longer accepted by the tax authorities (only in case of drawing the capital).

If buy-ins are made, the resulting benefits may not be withdrawn from the fund in the form of a capital payment for a period of 3 years. If early withdrawals have been made in connection with the promotion of home ownership, voluntary buy-ins may be made only once such withdrawals have been repaid.

The provisions of the Pension Scheme Rules apply.  
The original German text is legally binding.