

Modifications to regulations

At 1 January 2019

Society, the economy and long-term pension requirements are evolving. To anticipate these changes while sustaining its existence, the CIEPP has modified its pension regulations effective 1 January 2019.

This notice is intended to inform you, **in a non-exhaustive manner**, about the modifications made to the regulations of the CIEPP effective from 1 January 2019, together with an extract of several new regulatory provisions. It is issued for information purposes, the law and the French version of our regulations being the prevailing texts.

MODIFICATION OF THE CONVERSION RATE

From the perspective of a risk approach over the long term and for better alignment with demographic and economic reality, it has been decided to reduce the conversion rate (i.e. the rate used to convert the retirement savings capital into pensions).

Accordingly the CIEPP's conversion rate will be progressively reduced from 1 January 2019 to be set at 6% for men aged 65 and for women aged 64 as of 1 January 2022, in the following manner:

Article 3 of the technical appendix to the principal regulations - Conversion rates

1. For the conversion of the retirement capital into retirement pension, the conversion rates applied are set as follows:

Completed age of the insured (*)		Conversion rate (**)			
Men	Women	2019	2020	2021	from 2022
60	59	5.70%	5.55%	5.40%	5.25%
61	60	5.85%	5.70%	5.55%	5.40%
62	61	6.00%	5.85%	5.70%	5.55%
63	62	6.20%	6.00%	5.85%	5.70%
64	63	6.40%	6.20%	6.00%	5.85%
65	64	6.60%	6.40%	6.20%	6.00%
66	65	6.75%	6.55%	6.35%	6.15%
67	66	6.95%	6.70%	6.50%	6.30%
68	67	7.15%	6.90%	6.65%	6.45%
69	68	7.35%	7.10%	6.85%	6.60%
70	69	7.55%	7.30%	7.05%	6.75%

(*) The completed age of the insured person is reached on the first day of the month following the birthday.

(**) When the age of the insured person does not represent a full year, the conversion rate is obtained by linear interpolation.

Benefits calculated as per the LPP minimum are guaranteed. For more information, we refer you also to the edition of the Bleu Horizon #5 dealing with this subject.



IMPROVEMENT OF THE INSURANCE COVERAGE

Adjustment of the coordination deduction of the Minima, Media and Supra plans

Until now only non-disabled employees working part-time were able to benefit, upon request by their employer, from the adjustment of the access threshold and the coordination deduction pro rata to their activity rate.

From 1 January 2019 employers will have the possibility of requesting that the amount of the insured salary of their non-disabled employees be established taking account of the access threshold and coordination deduction reduced by 75%, 50% or 25%:

Article 55 of the regulations - Determining salary and insured salary

3. Upon request of the employer, the Fund may set, for the whole of the non-disabled staff, or for a category of non-disabled employees defined on the basis of objective criteria:
 - a) the annual minimum salary as per the LPP and the coordination deduction as per the LPP in proportion to the activity rate
or
 - b) the annual minimum salary as per the LPP and the amount of the coordination deduction as per the LPP at 25%, 50% or 75% of their values.The annual insured salary used by the Fund may not, however, be lower than the annual LPP minimum coordinated salary

In the Media plan, it will also be possible to remove the coordination deduction to establish the insured salary for risks:

Article 63 of the regulations - Determining salary and insured salary

4. Upon request of the employer, the Fund may set, for the whole of the non-disabled staff, or for a category of non-disabled employees defined on the basis of objective criteria, the annual insured salary for risks as being equal to the annual determining salary.

Additional savings rate in the Media, Supra, Maxima and Optima plans

In order to boost the savings of those insured, it will be possible to increase contributions to a greater extent than that already proposed in our Media, Supra, Maxima and Optima plans (art. 64, art. 70, art. 74, art. 81).

Evolution of the ceilings in the Maxima plan

In future, they may be set at the same level as those in the ceilings in the Optima plan, i.e. respectively up to a maximum of CHF 853,200 for the annual insured salary for savings, and CHF 450,000 for the annual insured salary for death and disability risks (art. 73).

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CIEPP
Caisse Inter-Entreprises
de Prévoyance Professionnelle
ZKBV - Zwischenbetriebliche Kasse für Berufliche Vorsorge
CIPP - Cassa Interaziendale di Previdenza Professionale

Option Risk+ in the Media and Maxima plans

This option, already known in the Optima plan, makes it possible to improve the benefits in the event of disability and death in the following manner (art. 67 and art. 78):

	Media Plan	Maxima Plan
Disability pension	50% of the annual insured salary (instead of 40%)	50% of the annual insured salary (instead of 40%)
Pension for child of disabled	10% of the annual insured salary (instead of 8%)	10% of the annual insured salary (instead of 8%)
Pension for spouse, registered partner (as per the LPart) or surviving assimilated partner	38% of the annual insured salary (instead of 30%)	32% of the annual insured salary (instead of 25%)
Orphan's pension	10% of the annual insured salary (instead of 8%)	10% of the annual insured salary (instead of 8%)

This option can be envisaged subject to acceptance by the CIEPP and on the conditions set out in the affiliation agreement or the addendum to the affiliation agreement for non-disabled staff (the cost of this option will be mentioned in art. 1 of the technical appendix relating to contributions).

Calculation of the disability pension in the Supra plan

The disability pension of the Supra plan will be calculated on the basis of pension assets and projected future credits with an interest rate of 2%, instead of the legal minimum interest rate (art. 71 and technical appendix to the principal regulations).

REDUCTION OF CONTRIBUTIONS

The CIEPP will reduce the risk contributions for insured persons aged 18-24 and 25-44 as of 1 January 2019 (art. 1 technical appendix relating to contributions).

VARIOUS ADJUSTMENTS

Transformation of lifelong disability pensions into temporary disability pensions

Lifelong disability pensions, that is disability pensions opened before 1 January 2005, will be transformed into temporary disability pensions as of 1 January 2019. The CIEPP will implement this adjustment while respecting vested rights (art. 30 and art. 34).

MISCELLANEOUS

- From 1 January 2019, the regulation on application of legal provisions on the encouragement of home ownership will be repealed. The legal provisions concerning advance payment under the encouragement of home ownership scheme and concerning pledging will be applicable (art. 33).
- Moreover, the CIEPP reserves the right to terminate the affiliation agreement in advance if the employer fails to respect formal notices from the CIEPP in connection with the application of the legal and regulatory provisions (art. 5 para.1).
- Certain provisions have also been adapted in order to improve understanding of the regulations. This applies in particular to the provisions relating to the pension of the spouse, registered partner (as per the LPart) or the surviving assimilated partner (art. 44), to the employer's duty to provide information (art. 11 para. 4), to the expenses incurred in collecting contributions (art. 18 para.5), to the form and minimum amount of benefits (art. 24 and 36), to the calculation of the amount of benefits in the event of retirement and partial retirement (art. 36 and 37), and to buy-ins in connection with early retirement (art. 35 para. 2).

This information notice and the pension regulations valid on 1 January 2019 can be downloaded from our website www.ciepp.ch. Upon request to our administration department on 058 715 32 06, we will be glad to send you these documents by post. Our legal department is also at your disposal on 058 715 31 11 for any questions relating to our regulations.