

## Information note on the transfer of termination benefits

You have received your termination statement along with a form to be filled in and returned to us to provide us instructions on the transfer of your benefits

We would kindly ask you to return this form **within the next 10 days**.

This amount represents your have acquired from the pension fund of your last employer for your retirement, there are three options for the transfer:

**1- You now have a new job** and you are affiliated to the pension plan of your new employer. In this case you must give us the name and address of the institution, contract number and bank or giro details (if possible attach a deposit slip)

**2- You do not currently have a job.** In this case you need to request the transfer of your benefits to a blocked account LPP that can be opened with a bank or an insurance company account. This account is used to accumulate all amounts acquired through previous pension funds from your previous employers. When you have returned to work, and that you will be affiliated to a pension funds as active again, you can transfer the amount of the escrow account to the new institution. In the latter case, you must send us a copy of the statement of opening a vested benefits account.

If you already have an opened vested account, it is not necessary to open a new one, you only need to tell us the necessary details.

Warning: in both the above cases, the transfer can not be done on your personal account, no need to let us know.

**3- If you are leaving Switzerland and you provide a certificate of departure, or if you start your own account and you provide a certificate of registration to an AVS as an independent,** your benefits may be paid. In this case we need a signed agreement from your spouse, and information on your personal bank account for payment.

**Any payment of vested benefits made directly to the recipient is subject to tax.**

**Nota :** A foundation cannot preserve the assets of the insured that has been out for more than six months, which is why we ask you to give us as soon as possible the transfer details, otherwise, if we still haven't heard from you, your benefit will be transferred to the proxy LPP Foundation in Zurich, the institution which includes all unclaimed funds. The institution will charge a fee for account management.

### The agreement on the free movement of persons

The agreement on the free movement of persons is one of the seven agreements (bilateral agreements) between Switzerland and the EU June 21, 1999. This agreement coordinates amongst other things the different national systems of social security. It does not, however, lead to standardization of these systems.

In terms of occupational pensions, only the legal minimum pension (BVG) is governed by the scope of the agreement on the free movement of persons.

The agreement concerns Swiss nationals or other EU citizens working in the EU or Switzerland. It also applies to people who leave Switzerland for EU countries and vice versa.

Patrimonia Foundation

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## Coordination with member countries of the EU and EFTA

### **Ban on cash payment if leaving the country**

The most important effect on the European law of occupational pensions concerns the restriction on cash payment in case of going abroad. Under EU law, a refund of contributions at the end of compulsory insurance in a country is not allowed to the extent that the person continues to be compulsorily insured in another EU member state.

Based on this, the possibility of a cash payment of occupational pension assets stipulated in art. 5 of the Law on Free passage was restricted under the agreement on the free movement of persons and inserted in art. 25f of the act. This limitation will come into effect five years after the start of the Agreement on the free movement of persons, that is to say on the 1 June 2007. It has also been adopted by the EFTA countries.

### **The cash payment of pensions assets when going abroad is no longer possible under the following conditions:**

- The departure takes place after the 1.6.2007 **and**
- The cash payment concerns a credit under the legal minimum pension (BVG) **and**
- The person moves to a country in the EU or EFTA **and**
- The person is subject to this new country to compulsory state insurance for old age, disability and survivors' benefits.

If the eligible retirement asset of the insured consists of entitlements under compulsory insurance and non-compulsory insurance, only the provision of compulsory insurance can not be paid in cash. If one of the above conditions is not met, the total amount owed can be paid in cash upon departure abroad.

Cash payment can not be made if the person leaves Switzerland and settles in Liechtenstein.

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