

SE Plans offered by the VMS/SMPV Pension Foundation: Our Facultative Occupational Pension (FOP) solution for income earned from self-employment

Valid as from October 1, 2006

A large number of schools already take advantage of the occupational benefits insurance coverage offered by the VMS/SMPV Pension Foundation in order to provide compulsory benefits for their teaching staff at unparalleled prices.

In addition to the salary earned from a permanent position with one or more schools, many teachers obtain a considerable part of their income from self-employment which is not subject to compulsory occupational benefits insurance. Through the pension plans described below, the VMS/SMPV Pension Foundation also acts as occupational pension provider as defined in Art. 44 BVG/LPP (voluntary occupational benefits insurance) by offering teachers in Switzerland the option to voluntarily insure the income earned from self-employment. This attractive offer is available to the members of various affiliated associations.

The retirement assets accrued under these pension plans are treated as extra-mandatory assets, but the conversion of these assets into a pension at retirement age is governed by the state pension regulations.

A. Pension Benefits

Pension benefits are at all times calculated in accordance with the applicable regulations of the VMS/SMPV Pension Foundation in German.

Upon retirement	
Retirement pension with reversionary surviving spouse's pension	Determined by the accrued retirement assets at retirement age and the conversion rate
Retirement capital	Subject to a six-month option period, the accrued retirement assets can be drawn in the form of a lump sum instead of as regular pension payments
Pensioner's child's pension	20% of the retirement pension per eligible child
In the event of disability	
Disability pension	40% of the pensionable salary Waiting period: 12 months
Disabled person's child's pension	20% of the disability pension per eligible child <i>Waiting period: 12 months</i>
Exemption from payment of contributions	After the insured has been unable to work for three months
In the event of death	
Surviving spouse's pension	60% of the disability pension or 60% of the current retirement pension
Orphan's pension	20% of the disability pension per eligible child
Lump sum payable at death	The lump-sum payment equals the accrued retirement assets, provided that these assets are not required to finance a surviving spouse's pension

B. Pensionable Income

Pension benefits and contributions are calculated on the basis of the income reported to the Pension Foundation, not to exceed the annual income subject to AHV/AVS contributions.

C. Pension Plans and Contributions

Insured can choose from three pension plans, which are described below. The contribution rates are the same for all age groups (from 25 to 64/65). The risk benefits offered under these three pension plans are the same, but as the level of contributions increases, the savings component gains in importance, i.e. as the retirement credits increase, the retirement benefits at retirement age also increase.

Contribution components	Women *	18 - 24	25 - 34	35 - 44	45 - 54	55 - 64
	Men *	18 - 24	25 - 34	35 - 44	45 - 54	55 - 65
Retirement credits **	Plan SE1	-	7.0%	7.0%	7.0%	8.0%
	Plan SE2	-	12.0%	12.0%	12.0%	13.0%
	Plan SE3	-	17.0%	17.0%	17.0%	18.0%
Inflation contribution	Paid in full by the Pension Foundation					
Contribution to the BVG/LPP Security Fund	Paid in full by the Pension Foundation					
Administrative costs	Paid in full by the Pension Foundation					
Disability and death risk contribution **		3.5%	3.5%	3.5%	3.5%	3.5%
Pension Foundation contribution discount **		-0.5%	-0.5%	-0.5%	-0.5%	-1.5%
⇒ Total contributions **	Plan SE1	3.0%	10.0%	10.0%	10.0%	10.0%
	Plan SE2	3.0%	15.0%	15.0%	15.0%	15.0%
	Plan SE3	3.0%	20.0%	20.0%	20.0%	20.0%

* the applicable age of the insured equals the difference between the current calendar year and the year of birth

** as a percentage of the reported income (without coordination deduction)

D. Coordination with Accident Insurance

The income insured under an SE plan is income earned from self-employment that is not subject to compulsory accident insurance pursuant to the UVG/LAA. The disability and death benefits are therefore provided irrespective of whether the insured event occurred as a result of illness or an accident.

E. Cost-of-Living Adjustments

The disability and surviving dependants' pensions are extra-mandatory benefits that are not automatically adjusted according to the increase in the cost of living pursuant to the BVG/LPP.

However, the VMS/SMPV Pension Foundation does adjust the extra-mandatory pensions to the cost of living, provided that the required funds are available. The timing and frequency of pension adjustments are determined by the relevant provisions of the BVG/LPP.

F. Registration and Payment of Contributions to the Pension Foundation

Teachers can enroll with the VMS/SMPV Pension Foundation by submitting an enrolment agreement that enters into force after it has also been signed by the VMS/SMPV Pension Foundation.

Teachers must at the same time complete a registration form to apply for insurance coverage (the form is available on the internet or on request from the VMS/SMPV Pension Foundation). The person applying for insurance coverage must provide proof of association membership, which is available from your association on request.

The insured receive annual contribution invoices directly from the VMS/SMPV Pension Foundation. Contributions must be paid within 30 days of billing.