

Inability to work

Information sheet employee/employer

This information sheet serves only informational purposes. Only the regulations valid at the time of the onset of the inability to work (disability), the cause of which led to invalidity (permanent full disability), together with the associated laws and legal practice apply. The pension fund explicitly reserves the right to adjust this information sheet to currently valid conditions at any time.

End of obligation to provide insurance and information in accordance with Art. 8 section 2 FZP (law on vested benefits)

End of insurance obligation

Pursuant to Art. 10 section 2 BVG, the obligation to provide insurance ends, with the employer's obligation to continue salary payments in accordance with Art. 324a OR (Code of Obligations) and/or the claim to maternity indemnification pursuant to Art. 329f OR remaining reserved, in particular if:

- The employment contract is terminated;
- The minimum salary is no longer attained

Daily allowance payments from a social security or private insurance and pensions do not count as salary in accordance with the BVG, insofar as these exceed the threshold of Art. 324a OR or, in maternity cases, the threshold of Art. 329f OR. Despite the end of insurance coverage, entitlement to the following benefits remains:

- Disability or permanent full disability benefits in cases whose legally relevant beginning fall within the period of responsibility of the pension fund in accordance with Art. 18 or 23 BVG. This includes changes in the degree of disability which have a close causal and temporal link with the causes leading to the original disability.
- Accrued retirement and death benefits in proportion to the recognized degree of disability or permanent disability.

There is no insurance coverage in the remaining scope.

Obligation to provide information pursuant to Art. 8 section 2 FZG

If the insured person is not covered through the pension fund of the new employer or through the Supplementary Institution (Auffangeinrichtung), the following must be taken into consideration:

- When the obligation to provide insurance ends and the subsequent coverage extension of one month at most has elapsed (Art. 10 sections 2 and 3 BVG), coverage for retirement, death and disability ends.
- The insured person himself/herself is responsible for the continuation of insurance coverage.
- The insured person can take out insurance for the risks of death and disability by means of an individual life insurance policy with an insurance company or continue insurance with the Supplementary Institution pursuant to Art. 47 BVG.
- The insured person can maintain pension coverage through a vested benefit policy or a vested benefit account and in addition through a Pillar 3a or 3b life insurance policy or bank account.

Responsibility of the pension fund

Responsibility lies with the pension fund that provided insurance coverage for the insured at the time the inability to work occurred, the **cause** of which led to disability. Inability to work is defined as a **prolonged and relevant**, i.e. substantial, appreciable and obvious restriction of the insured's ability to function in his or her previous professional field. This restriction must be demonstrated in a legally adequate manner through up-to-date medical and management reports. In the event of prolonged disability, the insured's ability to work in another profession or sphere of activity is also taken into account. Furthermore, impairment to health is defined in terms of social insurance law and not medicine.

Pregnancy is not deemed to be an illness.

Inpayments to and withdrawals from the retirement assets

After occurrence of disability as defined in previous section, no inpayments or withdrawals of vested and departure benefits or divorce settlements with impact on benefits are possible on the liabilities side.

As a rule, withdrawals lead to a reduction in insured benefits. There is no reduction in benefits only if:

- In the case of early withdrawal in connection with home ownership promotion or a divorce settlement, repayment was effected before disability set in.

→ In the case of a transfer of departure benefits on termination or partial termination of employment, the insured person ensures that the departure benefits, the retirement credits (provided these are not to be financed by the pension fund in connection with a contribution waiver) and the accrued and missing interest credits are if possible re-transferred before any benefit payments are made (Art. 3 section 3 FZG).

Beginning of the waiting period for contribution waiver

The waiting period sets in as of the first day of the medically certified disability (if possible certified by a specialist) of the insured person which exceeds the applicable minimum degree of disability.

If during this waiting period there is a relevant break in disability of at least 30 consecutive days during which the insured person is again fully able to work, the waiting period for disability benefits thereafter begins anew.

A new cause of disability always leads to a new waiting period.

Provisional contribution waiver

The degree of disability (inability to work gainfully) is decisive for determining the extent of contribution waiver. This figure is to be calculated in accordance with economic criteria, taking into account the insured person's obligation to reduce impairment as far as possible, and is thus not identical with the medically certified degree of disability.

Since the second pillar was designed to supplement the first, the medical and professional assessment and ascertainment of disability (inability to work gainfully) is primarily the responsibility of the Federal Disability Insurance (IV).

Nevertheless the pension fund declares, provisionally and without acknowledgement of any legal obligation, that it is prepared, based on the medically certified disability, to grant a provisional contribution waiver at most up to the end of that month in which pension payment by the Federal Disability Insurance (IV) would set in if it has been applied for on time. For administrative reasons, the changes relevant for the determination of the extent of the provisional contribution waiver are collected up to the date of review which has been fixed in advance (as a rule for the first time 24 months after onset of disability, provided the pension fund has then already received a legally valid pension decision from the Swiss Disability Insurance, otherwise after its receipt) and only then effected together and retrospectively for the entire period.

If no application to the Federal Disability Insurance was made, or if the degree of disability decided on is below the statutory minimum threshold, the contribution waiver is effective at most up to the end of the month in which, on timely application, pension payment from the Federal Disability Insurance (IV) would set in.

The definitive decision on the extent of contribution waiver is taken only after the Federal Disability Insurance has made its decision known. A pension decision by the Federal Disability Insurance (IV) must be submitted if a claim for a pension and/or for further contribution waiver is lodged.

The insured is not entitled to a premium waiver during retraining.

Duty of cooperation

The insured person is obliged to inform the pension fund in writing comprehensively and without delay, during the entire duration of the case, on all facts and circumstances relevant for the claim to and amount of benefits. This applies in particular to:

- A copy of the application to the IV at the latest 6 months after onset of the disability;
- Changes in the degree medically certified disability;
- Measures and decisions by Swiss and foreign state and private insurers (especially regarding the end of entitlement to daily allowance benefits);
- Relevant changes in state of health;
- Changes in state of health are to be reported to the Federal Disability Insurance (IV).

Review

As with the Federal Disability Insurance (IV), all cases where benefits are due are subject to regular review. If a worsening health condition is claimed, a corresponding application must, in all cases, first be lodged with the Federal Disability Insurance (report in pending cases, otherwise request for review or new application).

The pension fund will, in accordance with the regulations of the Federal Disability Insurance (IV), accept a change in the degree of disability only if a relevant, i.e. long lasting, considerable and noticeable deterioration or improvement of the insured person's state of health has been ascertained by objective criteria and in an appropriately recent specialist examination in a legally satisfactory way.

Any excess benefits paid will be fully reclaimed.

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