

FAR FOUNDATION

PARITY SOLUTION FLEXIBLE RETIREMENT AGE SWISS CONSTRUCTION INDUSTRY

Principles, Organisation, Services,
Development Status as at mid-2010

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Subject Overview

- Foundation history
- Legal basis
- Organisation of the FAR foundation
- Long-term security of financial balance
- Contributions
- Development Status as at 30.06.2010

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Long-term security of financial balance

- The contract runs until 31.12.2012 with a rolling extension of a further 5 years, to enable the Foundation to fulfil its obligations (pension payments)
- The collective labour agreement may be terminated with a notice period of 5 years

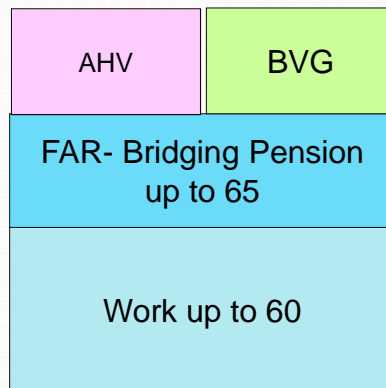
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What is the FAR Foundation

- The FAR Foundation is **not** a pension fund
- The Foundation is a non-registered pension provision in the sense of Art. 8o ff BVG
- There are **no** individual accounts for employees.
- **No** vested benefits are provided
- The length of employment by a GAV FAR member company is taken into account for the calculation of a bridging pension, rather than the amount of contributions paid
- There are employees who are unable to benefit from FAR, even though they have paid in.

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FAR Bridging Pension from 60 - 65



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Types of Service

Only the following services are provided:

- Bridging pensions
- Substitute for BVG age-related credits
- Time limited top-ups to widower's, widow's and orphan's pensions
- Additional hardship compensation services

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GAV FAR Criteria

- Minimum age is 60
- Full pension is payable if at least 15 years out of the last 20 years have been spent employed by companies which are members of the GAV FAR
- Reduced pension is payable if at least 10 but less than 15 years out of the last 20 years have been spent employed by companies which are members of the GAV FAR (reduction of 1/15 per year)
- Uninterrupted work for a company which is a member of the GAV FAR during the last 7 years
- Maximum of 2 years unemployed over the last 7 years
- Temporary companies are considered not to be members of the GAV FAR until 31.3.2006
- Maximum ½ IV pension – minimum 50% work

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Bridging Pension

- 65% of the contractually agreed average annual salary + a threshold contribution of CHF 6,000.00
- The pension, however, may not exceed
 - 80% of the salary used as the basis for the pension
 - 2.4 x the maximum simple AHV pension (maximum pension CHF 5,472.00)
 - Temporary measures ½ pension from 60-61, no BVG contributions

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Example Calculation

- Monthly salary of CHF 5,500.00 (annual salary CHF 71,500.00 / excl. bonuses, overtime, etc.)

Pension calculation 65% of annual salary plus CHF 6,000.00	Threshold 1 80% of annual salary	Threshold 2 2.4 times the maximum simple AHV pension
Annual salary CHF 71,500 Annual pension CHF 52,475	Annual salary CHF 71,500 Annual pension CHF 57,200	Annual salary CHF 71,500 Annual pension CHF 63,648
Monthly pension CHF 4,372.90	Monthly pension CHF 4,766.65	Monthly pension (max.) CHF 5,472.00

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Development Status as at

30.6.2010

Contributions Account

Business	Figure
GAV FAR members, with employees	4,423
GAV FAR members, but no employees	2,492
GAV FAR member companies	6,915
Number insured (2009)	83,585
(Number insured 2008 for comparison)	(77,567)
Total contributions paid from 1.7.03 to 30.06.2010	CHF 1,831,000,000

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Development Status as at 30.6.2010

Pensioner Statistics

Pension Start Date	Pensions Awarded	Pensions Expired	Active Pensioners
07.03 – 12.03	576	576	-
01.04 – 12.04	1,084	1,084	-
01.05 – 12.05	1,334	1,334	-
01.06 – 12.06	1,682	582	1,100
01.07 - 12.07	1,027	100	927
01.08 – 12.08	991	39	952
01.09 – 12.09	1,011	8	1,003
01.10 – 06.10	584	0	584
Total	8,289	3,723	4,566

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Thank you for your attention!

**IMPORTANT INFORMATION CAN BE
FOUND AT**

www.far-suisse.ch

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in German, French and Italian

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