



Pensionskasse



Vorsorgestiftung

Pensionskasse and Vorsorgestiftung of the C&A Group

Information for the insured

The occupational pension (2nd Pillar) is now facing many new requirements and challenges. In particular, it has to manage the main challenge of how to pay pensions to its insured persons and pensioners that are safe and secure in the long term. To achieve this, one has to take into account the life expectancy and the yield that can be obtained with sufficient reliability.

Defined Contribution

The pension plans of the Pensionskasse and Vorsorgestiftung are organised as Defined Contribution Oriented schemes. This means that during the period when they are actively contributing to the insurance plan, every insured person has predefined contributions credited into an account that bears interest separately. These retirement assets that are saved up until the time of retirement are then used to finance a life-long pension. The level of the pension that can be financed using the available retirement assets is then decided by the life expectancy and the assumed interest rate. The relationship between the pension and the retirement assets is termed the conversion rate.

Life expectancy and interest rate environment

Life expectancy has constantly risen over the past decades. No levelling off is visible as yet. Unfortunately the "Reliable" yields have also declined in the past few years, with no recovery foreseeable in the mid-term. For these reasons, the Boards of Trustees of the Pensionskasse and Vorsorgestiftung have to take measures to secure the Pensionskasse and Vorsorgestiftung for the long term.

Measures that have been decided

Because of the increased life expectancy and the low interest rate environment, which both have an effect on the conversion rate, the conversion rates in the Pensionskasse and Vorsorgestiftung will be reduced from the current value of 6.4% to 5.9% with effect from 1 January 2015.

This means that the expected pensions of the persons who are now actively contributing to the pension scheme will be lower. In order to lessen the reduction in expected pensions, the Board of Trustees together with the employers has decided further measures.

Starting on 1 January 2015, the savings contributions in all the plans will be adjusted, so that the retirement assets will be higher at the time of retirement, which will serve to counteract the reduction in pensions. Furthermore, the insured persons who are near the age of retirement will receive a vested pension, which can further lessen the reduction in expected pensions or even avoid it entirely. The employers are participating in the financing of these vested pensions by contributing 2 million Swiss francs.

Effects

The various measures will have no effect on your currently received pension.

Merging of Pensionskasse and Vorsorgestiftung

For reasons of efficiency, the pension plans of the Vorsorgestiftung will be transferred to the Pensionskasse with effect from 1 January 2015. The retirement assets that are insured in the Vorsorgestiftung will be transferred in their entirety to the retirement assets in the Pensionskasse.

To assist you with any suggestions or questions you may have, Mr R. Schnyder of Libera AG can be reached by phone on 061 / 205 74 25, or you can send an email to: rafael.schnyder@libera.ch.

Yours sincerely,

Your Pensionskasse and Vorsorgestiftung