

Vita Classic

The “Non-committed Funds” account

This info sheet for employers explains how the “Non-committed Funds” account is formed and how it can be used.

What are non-committed funds?

The “Non-committed Funds” account is for monies contributed to the pension fund of an affiliated company which have not yet been credited to individual insured persons. These funds accumulate, for example, through:

- the contractual takeover of non-committed funds from another pension plan
- the transfer of a credit balance from the “Special Measures” account

How can non-committed funds be used?

Non-committed funds can be appropriated by administration committee resolution to:

- enhance pension benefits accruing to insured persons
- temporarily reduce both employer and employee contributions
- fund restructuring measures

How can non-committed funds be distributed to insured persons?

These parties must at a minimum be included in any distribution of funds: active insured persons and former ones during the past three to five years who have been or were insured for a minimum period of one year. Current pension recipients should also be included. Lump-sum retirement benefit payments are not included in any distribution.

Criteria leading to a distribution of non-committed funds may be:

- existing retirement assets
- age of insured person
- contribution period
- insured salary

This list is non-exhaustive; other relevant criteria may be applied. Multiple criteria may be applied in combination. All insured persons meeting the criteria selected must be included. It is not permitted to make an independent individual-related selection.

How can non-committed funds be utilized to reduce contributions?

The administration committee can decide to implement a temporary reduction in contributions. The pension plan document has to be revised accordingly. Contributions cannot be reduced retroactively.

The reduction in contributions for employees must be equal to or greater than the reduction for the employer. The reduction must be time-limited in order to ensure that the available non-committed funds are not fully used up.

Current pension recipients must also be included.

Partial or complete liquidation of the pension fund

In a partial or complete liquidation of a pension fund, the non-committed funds of the pension fund are allocated in accordance with the partial liquidation provisions regulations.

A partial liquidation occurs after a substantial reduction in the employees insured under the affiliation contract due to layoffs or staff restructuring.

Non-committed funds are distributed among:

- active insured persons, based on their total retirement assets
- current pension recipients under affiliate plans, based on ten times their annual pensions

For further information see the info sheet on partial liquidations and the Partial Liquidation Regulations, available for download at → www.vita.ch

Preparation of a distribution proposal

The following information is required to prepare a distribution proposal:

- notification of whether a partial or total liquidation is to be conducted (the criteria and the procedure per the Partial Liquidation Regulations apply)
- the intended distribution criteria, if the distribution is voluntary

Costs for the proposal are charged in accordance with the cost regulations.

Do you have any questions?

Contact your personal administrator for information about your “Non-committed Funds” account.

