



# Regulations for provisions and reserves

## Vita Select

**Vita Select Joint Foundation  
of Zurich Life Insurance Company Ltd, Zurich**

# Regulations for provisions and reserves

(as per Art. 48e BVV2)

## Edition 2022

### 1 Introduction

These regulations lay down the rules for the formation of provisions and value fluctuation reserves in accordance with Art. 48e BVV2. The expert recommendations for financial reporting Swiss GAAP FER 26 are taken into account and the principle of consistency is observed.

The foundation exclusively insures those wage fractions that are in excess of one and a half times the upper limit amount in accordance with Art. 8 paragraph 1 BVG and enables the insured to choose their individual investment strategy as per Art. 1e BVV2.

Based on Art. 19a FZG, the foundation provides the departing insured in derogation of Articles 15 and 17 FZG with the effective value of the retirement assets at the time of departure.

### 2 Definitions

The *pension assets* in this sense are the sum of the individual legal claims of the actively insured on the balance sheet date.

*Technical provisions* refer to retirement provision balance and their financing.

Retirement provision balance and provisions to secure the foundation's obligations are calculated according to recognized principles (static method) and are indicated on the liability side of the balance sheet.

The insured person's claims are restricted to the market value of their retirement provision balance. Since the foundation insures exclusively those wage fractions in excess of one and a half times the upper limit amount as per Art. 8 Para. 1 BVG and offers the insured person various investment strategies as per Art. 1e BVV2, value fluctuation reserves are not accumulated.

In this respect reference is made to the foundation's investment regulations.

### 3 Responsibility

At the recommendation of the occupational benefits expert, the Foundation Board decides on the actuarial bases to be used.

### 4 Provisions and reserves at the foundation level

At the foundation level, no value fluctuation reserves are formed for the market-specific risks underlying the asset investments (including real estate) on the liability side of the balance sheet, and generally no technical provisions are recorded.

The formation of provisions for special events and reserves or of unrestricted foundation funds from surpluses of collective life insurance contracts remains reserved.

Risk and cost contributions are levied at the foundation level to finance the risk and administration costs.

### 5 Provisions and reserves at the pension fund level

At the pension fund level, no value fluctuation reserves as elucidated in Item 4 Para. 1 are maintained.

However, technical provisions and any unrestricted assets are in use at the pension fund level.

### 6 Provision types

Based on the Swiss Accounting and Reporting Recommendations Swiss GAAP FER 26 and taking into account the provisions of Art. 19a FZG on investment strategies as stated in Art. 1e BVV2, the following technical insurance liabilities are disclosed in the annual report:

- A. retirement provision balance of actively insured persons
- B. Technical provisions
- C. Provisions for exceptional occurrence

### 7 Provisions for exceptional occurrences

Provisions for exceptional occurrences take into account decisions that require funding at short notice. Such events include, for example:  
Performance improvements  
Merger or partial liquidation  
Transitional benefits and early retirements

The Foundation Board may at any time decide to recognize new provisions that are not listed in the regulation. Such provisions are explained in the notes to the annual financial statements.

### 8 Employer contribution reserves

Any employer contribution reserves are maintained at the pension fund level. They may be held as liquid assets or be invested in an investment strategy (collective investment scheme). In this case, the amount of the employer contribution reserve corresponds to the market value of the collective investment.

### 9 Final provisions and entry into force

These Regulations Provisions and Reserves shall enter into force on 1 January 2022 and replace all previous incl. any addenda.

It may be amended, supplemented or repealed at any time by the Foundation Board within the framework of the provisions of the foundation charter and the relevant laws.

The occupational benefits expert shall comment periodically, but at least every three years, in his report on the technical provisions. Based on the recommendations of the occupational pension expert, the regulations may need to be adapted to the new circumstances.

If these regulations are translated into other languages, The German original of this translation is binding.

Zurich, November 2021

Vita Select Joint Foundation of Zurich  
Life Insurance Company Ltd

The Foundation Board