



PENSIONSASSE FÜR KMU

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## Choice of prospective survivors' benefit for persons drawing a retirement pension

### General

On reaching the ordinary retirement age, insured persons are entitled to a retirement pension which is paid until the end of the month of their death (Art. 35 Pension Regulations).

A surviving spouse, registered partner, or under certain conditions also a surviving life partner, is entitled to a spouse's pension/life partner's pension amounting to 60% of the retirement pension after the death of the person drawing a retirement pension (Art. 36 Pension Regulations).

In the context of the flexible retirement option, insured persons may arrange to take full or partial retirement on request from the age of 58 and up to the age of 70 (Art. 41 Pension Regulations).

The prospective spouse's pension/life partner's pension amounts to 60% of the retirement pension as standard and is automatically included for the person drawing a retirement pension. There are no further entitlements to death benefits.

### Choice of prospective survivors' benefits

#### Basic principle

Insured persons can submit a written application when they retire to adjust the prospective survivors' benefits, to which their surviving dependents are entitled in case of death.

#### Time of application

The application for adjustment of the prospective survivors' benefits must be submitted to the PKG Pensionskasse in writing prior to retirement and no later than the first pension payment and requires the consent of the spouse or registered partner (officially authenticated signature).

In case of semi-retirement in accordance with Art. 41 of the Pension Regulations with the drawing of a retirement pension, the same prospective survivors' benefits which apply to the first retirement step apply to the subsequent retirement steps.

#### Choices

There is an option of adjusting the prospective survivors' benefits to suit individual requirements. Either an adjustment of the amount of the prospective spouse's pension/life partner's pension can be applied for or a lump sum death benefit can be co-insured up to the age of 75.

A combination thereof, i.e. an adjustment to the spouse's pension/life partner's pension and the co-insurance of a lump sum death benefit, is not possible.

### Adjusting the amount of the prospective spouse's pension/life partner's pension

Insured persons can on written request change the standard spouse's pension/life partner's pension amounting to 60% of the retirement pension as follows:

- Spouse's pension/life partner's pension amounting to 80% of the retirement pension
- Spouse's pension/life partner's pension amounting to 100% of the retirement pension
- Spouse's pension/life partner's pension according to the minimum amount under the Occupational Pensions Act (OPA)

**Financing:** The increase in the prospective spouse's pension/life partner's pension will be financed by reducing the retirement pension. The reduction of the retirement pension is determined individually depending on the insured person's gender and the age difference with their spouse/life partner.

**Restriction:** It is only possible to choose to increase the spouse's pension/life partner's pension above 60% of the retirement pension if the reduced retirement pension is higher than the retirement pension according to OPA.

**Duty to make payments:** If in the case of the death of the person drawing a retirement pension, the PKG Pensionskasse is obliged to make payments to a different spouse/life partner than the one for whom the costs were calculated, the entitlement to the increased prospective spouse's pension/life partner's pension lapses, i.e. in this case, the normal spouse's pension/life partner's pension amounting to 60% of the retirement pension will be paid.

**Spouse's pension/life partner's pension according to the minimum amount under OPA:** In case of a reduction of the prospective spouse's pension/life partner's pension to the minimum amount under OPA, the retirement pension will be increased. The increase in the retirement pension will be determined depending on the gender, the retirement age and the ratio between the amount of the regulatory retirement pension and the insured person's retirement pension according to OPA.

### Lump sum death benefit for persons drawing a retirement pension

Normally, the PKG Pensionskasse does not pay a lump sum death benefit in case of the death of a person drawing a retirement pension. Insured persons can deviate from standard procedure by co-insuring a lump sum death benefit. In this case, a lump sum death benefit will be paid out if the person drawing a retirement pension passed away before turning 75.

**Amount:** The amount of the lump sum death benefit matches the retirement pensions theoretically payable after the retirement pension expired until the deceased would have turned 75. If following the death of the person drawing a retirement pension, a surviving dependent is eligible for a spouse's pension/life partner's pension, the lump sum death benefit will be reduced by 60%.

**Financing:** The insurance of the prospective lump sum death benefit will be financed by reducing the retirement pension. The reduction of the retirement pension amounts to 2% for women and 3% for men of the retirement pension pursuant to Art. 35 of the Pension Regulations.

**Duty to make payments:** The co-insured lump sum death benefit is payable in accordance with the following order of precedence irrespective of inheritance law:

- a. to the surviving spouse;
- b. to the surviving life partner in accordance with Art. 36(2) of the Pension Regulations;
- c. to the person who is required to support one or more joint children;
- d. to natural persons who were supported to a considerable extent by the person drawing a retirement pension, insofar as a written beneficiary declaration was submitted during the lifetime of the deceased;
- e. to the children;
- f. to the parents;
- g. to the siblings;
- h. to the remaining statutory heirs, excluding the local community.

**Restriction:** It is only possible to choose to insure the prospective lump sum death benefit if the retirement pension resulting from the reduction exceeds the retirement pension according to OPA.