

Explanations of PF1 insurance statement

Basis of calculations

Base salary, incentive/bonus and shift allowance are insured up to a threshold of CHF 150,000 in PF1.

Insured remuneration

The insured remuneration in PF1 is calculated on the basis of the provisions set forth in the regulations.

Expected retirement benefits

The projected retirement benefits in PF1 are calculated on the basis of the existing vested benefits (transferabilities) with the future retirement credits and the anticipated rate of interest and converted to a pension using the conversion rate.

The savings are paid out at the time of retirement. Instead of the one-off payment, a fixed-term bridging pension may be paid out up to the statutory (AHV) retirement age.

Pension benefits PF1

- The disability pension (payable until statutory retirement age is reached) amounts to 60% of insured remuneration under the risk plan.
- The spouse's / lifetime partner's pension amounts to 60% of the insured disability pension.
- The child pensions (disability child and orphan's pension) amount to 20% of the insured disability pension per child. Child pensions are paid up to the age of 20, or 25 in the case of continuing education.
- The insured lump sum on death is additionally paid (as a single lump sum). Beneficiaries as defined in provisions set forth in the regulations.

Transferabilities

Existing vested benefits (in PF1 retirement plan and savings plan) on date of calculation in CHF.

Contributions

The contributions cover the retirement and savings plans and the pension benefits in PF1.

Basel, August 21, 2019

Insurance data on 01.08.2019

all amounts in CHF

Basis of calculation	Insured remuneration	PF1	PF2	MPF	
Level of employment	100.00%	Retirement plan	116'235.00	0.00	0.00
Base salary (100%)	105'000.00	Risk plan	80'115.00	0.00	0.00
Incentive/Bonus	12'915.00	Savings plan	116'235.00		
Shift allowance	23'205.00				

Expected retirement benefits (assumed rate of interest PF1: 2.5%, PF2: 2.5%, MPF: 2.5%)

Age	Retirem. acc. PF1	CR	Pension PF1 ¹	Savings acc.	Lump sum PF2	Lump sum MPF
60	1'012'667.05	4.71%	47'700.00	45'697.30	0.00	0.00
61	1'070'994.55	4.83%	51'732.00	50'907.75	0.00	0.00
62	1'130'780.20	4.95%	55'980.00	56'248.40	0.00	0.00
63	1'192'060.50	5.07%	60'444.00	61'722.60	0.00	0.00
64	1'254'872.80	5.21%	65'388.00	67'333.65	0.00	0.00
65	1'319'255.45	5.35%	70'584.00	73'085.00	0.00	0.00

¹ Possible children's pension: 20% of the received retirement pension

Pension benefits	PF1	PF2	MPF
Disability pension	48'072.00		0.00
Disability pension per child	9'624.00		0.00
Lump sum on disability (once)	32'664.30	0.00	
Spouse's pension / lifetime partner's pension	28'848.00		0.00
Orphans' pension per child ²	9'624.00		0.00
Lump sum on death (once)	158'027.10	0.00	0.00

² Orphan's pension: 20% (in case of death of both parents: 40%)

Transferabilities	PF1	PF2	MPF
Retirement account (incl. BVG CHF 256'522.80)	848'594.30	0.00	0.00
Savings acc.	32'664.30		

Contributions per month	PF1	PF2	MPF			
Contribution scale	Plus	Standard	Standard			
Retirement plan	10.20%	988.00	7.25%	0.00	10.00%	0.00
Risk plan	0.60%	40.05	0.40%	0.00		
Savings plan	1.75%	169.50				
Short Term Incentive (once a year)					10.00%	0.00
Total contributions employee	1'197.55	0.00				0.00
Retirement plan	10.40%	1'588.55	14.50%	0.00	15.00%	0.00
Risk plan	1.20%	80.10	0.80%	0.00	5.00%	0.00
Savings plan	1.75%	169.50				
Short Term Incentive (once a year)					15.00%	0.00
Total contributions employer	1'838.15	0.00				0.00

Explanations of PF1 insurance statement - continued

Purchase options

Amounts in CHF of the possible voluntary contributions that can be paid in as per the relevant date to finance missing contribution years in the PF1 retirement plan and the savings plan and to finance early retirement at 60.

Annual compensation payment I

Credit to compensate for pension losses resulting from the change in the pension plan on 1 January 2011

Annual compensation payment II

Credit to compensate for pension losses resulting from the adjustment of the conversion rate plan on 1 January 2016

Further information

Aside from the compensation payments, information filed with Novartis Pension Funds – where applicable – are listed here, such as:

- Vested benefits on marriage
- Vested benefits at age 50
- Withdrawal option for home ownership purposes
- Pledging for home ownership
- Unpaid leave

and details on benefits for survivors

- Support agreement,
- Order of beneficiaries

Insurance data on 01.08.2019
Mustermann Max, 2999999

Possible purchase	PF1	PF2	MPF
Retirement plan	170'205.50	0.00	0.00
Savings plan	54'395.70		
Early retirement	424'025.30		
Further information	PF1	PF2	MPF
Transferability at date of marriage	0.00	0.00	0.00
Transferability at the age of 50	431'527.15	0.00	0.00
Maximum amount for home ownership purposes	440'629.30	0.00	0.00
Compensation I (2011) Retirement plan PF1 / Savings plan PF1			
... Retirement plan PF1	8'337.15		
Compensation II (2016) Retirement plan PF1			
... Retirement plan PF1	18'943.65		
Support agreement deposited			No
Request for order of beneficiaries changes deposited			No
Pledge for home ownership purposes			No
Unpaid leave			No

This certificate replaces all previous ones. It is for information purposes only and does not constitute a legal claim to the benefits indicated therein. The benefits are calculated on a case-by-case basis based on the pertinent Regulations.