

Information leaflet on lifetime partner pensions

With a lifetime partner pension, the legal position of the surviving lifetime partner is now commensurate with that of a marriage partner. Partners in a non-conjugal lifetime relationship are to a large extent on an equal footing with marriage partners in terms of the survivors' insurance, provided the surviving partner can show evidence that the marriage-like partnership has existed for at least five years when the benefit falls due (i.e. upon retirement, death, disability) or that he or she has to support one or more children from this relationship.

The reasons for terminating entitlement apply, by analogy, as laid down in the regulations governing the spouse's pension. No entitlement arises if, as a result of the death of the insured person, benefits become due to the benefit of a surviving spouse. Any entitlements to survivor benefits that are due within the terms of social security or providence plans laid down in law will be taken into account in the lifetime partner's pension.

The entitlement to the *lump sum on death* is calculated as before according to the regulations with regard to beneficiaries and actual circumstances at the time of death. A ranking order of beneficiaries that differs from that stipulated in the regulations must be agreed separately, for which a written application, explaining the reasons for this difference, is to be submitted to the Pension Funds. The support agreement alone is not sufficient for the beneficiary status of the lifetime partner.

Extracts from the providence scheme regulations (effective from 1 January 2011)

Article 13 Domestic partner's pension

1. If an unmarried insured person can show that he or she lived with an unmarried unrelated lifetime partner in the same household continuously for at least the last 5 years before death with a mutual obligation of support or if the domestic partner has to support one or more children from the relationship, then this person is entitled to the same benefits as a surviving spouse, provided this partnership has been registered in writing with the Pension Fund. A written request for benefits must be submitted to the Pension Fund within six months of the death of the insured person at the latest.
2. The partnership must be registered in writing with the Pension Fund in the form of a support agreement. The sample agreement provided by the Pension Fund must be used and sent to the Pension Fund during the lifetime of both partners and signed by both partners. The Pension Fund must be notified immediately if the partnership is dissolved.
3. The domestic partner's pension ceases when the partner marries or enters into a new partnership within the meaning of Paragraph 1. The Pension Fund periodically checks the entitlement to pensions.
4. If the recipient of a retirement or disability pension dies, the domestic partner is entitled to a pension, provided the conditions set forth in Paragraph 1 and 2 were met at the time of the first payment of the (retirement or disability) pension.
5. If the recipient of a domestic partner's pension is receiving a widow(er)'s pension from the AHV or a widow(er)'s pension or domestic partner's pension from a pension scheme, no domestic partner's pension is paid out.

6. Maintenance payments resulting from a divorce decree are counted towards the domestic partner's pension to be paid out.
7. The duration of a partnership according to Paragraph 1 and 2 is counted as duration of marriage as defined in the entitlement conditions of Article 12 for the spouse's pension, provided there is a support agreement to this effect.
8. The provisions governing the domestic partner's pension likewise apply to same-sex partners.
9. If a partnership is dissolved, there is no further entitlement to a domestic partner's pension. Therefore Paragraph 3 for the spouse's pension to the divorced spouse does not apply by analogy.
10. The entitlement of the domestic partner to the lump sum on death is defined in Article 15 Paragraph 5.

Article 15 Lump sum on death (Pension Fund Novartis 1)

1. If an insured person or the recipient of a retirement or disability pension dies before reaching the age of 65, a lump sum on death is paid out to the claimants.
2. For an insured person the lump sum on death corresponds to 200% of the disability pensions insured at the time of death plus the existing savings assets according to Article 6, while for the recipient of a retirement or disability pension it corresponds to 200% of the current retirement or disability pension.
3. The lump sum on death is increased by the savings assets of the incentive/bonus insurance and shift insurance on 31 December 2010 transferred to the retirement assets on 1 January 2011, excluding interest, and by the voluntary extra contributions paid into the retirement account since 1 January 2011 according to Article 8 Paragraph 5 and Paragraph 6, excluding interest. The increase is diminished by any Pension Fund benefits already paid according Article 9 Paragraph 1, excluding interest, and any early withdrawal for home ownership purposes (Article 25) and/or any withdrawal occasioned by a divorce (Article 26).
4. If, in the event of early retirement, an insured person claims a bridging pension according to Article 10 Paragraph 5 and dies before reaching the age of 65, the lump sum on death according to Paragraph 2 increases by that part of the savings assets not used for the bridging pension.
5. Persons with entitlement, regardless of inheritance law, are:

 - a) the spouse and the children of the deceased insured person who are entitled to an orphan's pension from the Pension Fund,
 - b) in the absence of beneficiaries as defined under a) persons who were supported to a substantial degree by the deceased insured person or the person who lived without interruption in a domestic partnership with the deceased insured person for the last five years until death with a mutual obligation of support or who are required to support one or more children from the relationship,
 - c) in the absence of beneficiaries as defined under a) and b) the other children, the parents or siblings of the deceased insured person.

- 6.** The insured person may change the groups of beneficiaries listed in Paragraph 5 as follows at any time in a written notification to the Pension Fund:
- a) If persons defined under Paragraph 5 lit. b) exist, the insured person may combine the beneficiaries defined under Paragraph 5 lit. a) and b).
 - b) If no persons defined under Paragraph 5 lit. b) exist, the insured person may combine the beneficiaries defined under Paragraph 5 lit. a) and c).
- The notification must be submitted to the Pension Fund during the lifetime of the insured person.
- 7.** The insured person may send a written communication to the Pension Fund defining any entitlements of the beneficiaries within a beneficiary group (Paragraph 5 and 6) as he/she wishes. If no communication is received from the insured person, the lump sum on death falls equally to all beneficiaries within a beneficiary group. The communication must be submitted to the Pension Fund during the lifetime of the insured person.
- 8.** If there are no persons as defined under Paragraph 5, the lump sum on death falls to the Pension Fund.

Article 12 Lump sum on death (Pension Fund Novartis 2)

- 1.** If an insured person dies before reaching the age of 65, a lump sum on death is paid out to the claimants.
- 2.** The lump sum on death corresponds to the retirement assets available at the time of death according to Article 5, but at least 400% of the insured remuneration at the time of death.
- 3.** Persons with entitlement, regardless of inheritance law, are:
- a) the spouse and the children of the deceased insured person who are entitled to an orphan's pension from the Pension Fund,
 - b) in the absence of beneficiaries as defined under a) persons who were supported to a substantial degree by the deceased insured person or the person who lived without interruption in a domestic partnership with the deceased insured person for the last five years until death with a mutual obligation of support or who are required to support one or more children from the relationship,
 - c) in the absence of beneficiaries as defined under a) and b) the other children, the parents or siblings of the deceased insured person.
- 4.** The insured person may change the groups of beneficiaries listed in Paragraph 3 as follows at any time in a written notification to Pension Fund 2:
- a) If persons defined under Paragraph 3 lit. b) exist, the insured person may combine the beneficiaries defined under Paragraph 3 lit. a) and b).
 - b) If no persons defined under Paragraph 3 lit. b) exist, the insured person may combine the beneficiaries defined under Paragraph 3 lit. a) and c).
- The notification must be submitted to Pension Fund 2 during the lifetime of the insured person.
- 5.** The insured person may send a written communication to Pension Fund 2 defining any entitlements of the beneficiaries within a beneficiary group (Paragraphs 3 and 4) as he/she wishes. If no communication is received from the insured person, the lump sum on death falls equally to all beneficiaries within a beneficiary group. The communication must be submitted to Pension Fund 2 during the lifetime of the insured person.
- 6.** If there are no persons as defined under Paragraph 3, the lump sum on death falls to Pension Fund 2.

Support agreement

between

A.A. (insured member of providence scheme)

and

B.B. (lifetime partner of A.A.)

1. The present agreement serves to preserve any entitlements to survivor benefits as defined in the Regulations of the Novartis Pension Fund 1, which – subject to certain preconditions – provide for benefits in favour of the surviving lifetime partner of the person insured under the providence scheme or entitled to a pension.
2. The parties have taken note of the relevant information leaflet of the Novartis Pension Funds and expressly acknowledge the conditions laid down therein.
3. The parties both confirm that they have been sharing a common household as lifetime partners since [... *date* ...] and have lived together continuously since this date.
4. The parties further confirm that they mutually subsidize each other, and that [... *AA* ...] has borne responsibility for at least half of the shared costs of living – including the costs of the common household – since the start of their cohabitation and will continue to bear this responsibility. In the event of benefit payments falling due, the Novartis Pension Fund 1 is authorized to assess the entitlement with regard to the circumstances prevailing at that time. It is incumbent on [... *BB* ...], as the person laying claim to the entitlement, to furnish proof of the relevant support during the lifetime of the partner.
5. [... *AA* ...] shall bring the present agreement to the attention of the Novartis Pension Fund 1 and immediately report any change in the circumstances described therein.

Place

Date

Signatures
