

Press Release

Interest rates significantly above the BVG minimum interest rate at Vita Joint Foundation

Zurich, November 9, 2015 – The insured of Vita Joint Foundation will again benefit from a high level of interest earned on their retirement assets in 2016. Mandatory savings balances will earn 2.25% interest – 1% higher than the BVG minimum interest rate. Super-mandatory balances will earn as much as 3%.

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Even in today's difficult savings environment with negative interest rates, balances with the Vita Joint Foundation are earning interest at a rate far above the minimum interest rate of 1.25% adopted by the Federal Council on October 28, 2015.

The interest earned on the savings capital for 2016 is

- 2.25% on BVG mandatory savings (1% above minimum rate)
- 3% for super-mandatory balances (1.75% above minimum interest rate)

This good level of interest earned is possible thanks to the successful and broadly diversified investment strategy the Vita Joint Foundation pursues in administering 10 billion in pension assets. The Foundation's innovative pension planning model is to form interest reserves in good investing years using returns above the target coverage ratio of 106% as of October 31. The Vita Joint Foundation then distributes these funds to the insured over a five-year period as additional interest. Over the years, this model has resulted in more balanced interest earned on retirement assets. The Vita Joint Foundation will thus be paying up to 1% more than the BVG minimum interest rate for the fourth time in a row (see table below).



Vita Joint Foundation coverage ratio holding up well in low-interest-rate environment

The 2015 investing year has already impacted most pension funds' coverage ratios, but the Vita Joint Foundation has held up well despite the unfavorable conditions. On the cut-off date of October 31, 2015, the coverage ratio was 106.5% (in acc. with Article 44 para. 2, BVV2)*. This is made possible not only by a broadly diversified investment strategy, but also by the Vita Joint Foundation's high structural risk capacity resulting from separation of the saving process for the active insured and risk insurance.

Some 19,000 businesses with over 115,000 employees have entrusted their occupational pension plans to the Vita Joint Foundation.

*The coverage ratio is calculated according to the Vita Classic pension planning model and is currently 106.5%. (Coverage ratio of comparable competitors 110.2%). In 2015 a new interest reserve of 0.5% is being allocated. The distribution mechanism in the Vita Classic pension model is such that the Joint Foundation immediately passes on one-fifth of the current year's interest reserve and one-fifth of the previous year's interest reserve to the insured (total 1% additional interest).

Vita Joint Foundation interest earned 2013 - 2016

	2016	2015	2014	2013
Vita Joint Foundation BVG interest earned on mandatory savings	2.25%	2.65%	2.75%	2.0%
BVG minimum interest rate	1.25%	1.75%	1.75%	1.5%
Vita Joint Foundation difference above minimum interest earned on BVG mandatory savings	1.0 %	0.9%	1.0%	0.5%
Vita Joint Foundation interest earned on super-mandatory balances	3.0%	3.4%	3.75%	2.5%



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This press release is available online at www.vita.ch

Die **Vita Joint Foundation** was established in 2004 by Zurich as a partially autonomous joint foundation. It offers all companies a simple, secure and clear occupational retirement provision on attractive terms. Partially autonomous means that the investment and insurance sectors are kept strictly separate at the Vita Joint Foundation. The risks of old age, death and disability are insured at Zurich Life Insurance Company Ltd. This separation only has advantages for customers – transparency, interest earned in line with the market and full participation in investment performance, security and flexibility. Thanks to its innovative model, the Vita Joint Foundation has developed into the market leader among partially autonomous joint foundations. The Vita Joint Foundation is the largest partially autonomous joint foundation in Switzerland. More than 18,000 affiliated companies with about 115,000 insured have entrusted their occupational retirement provision to the Vita Joint Foundation. www.vita.ch