

CIEPP CIRCULAR

February 2021

2020, an unprecedented year

Interest of 1,5% paid for 2020

At the end of 2020, the interest rate attributed on the whole of the retirement savings capital (accumulated at the end of 2020) of insured persons active on 1 January 2021 is **1,5%**. This rate exceeds by 0,5% the minimum LPP rate set by the Federal Council.

The CIEPP achieved in 2020 – a particularly turbulent year on the financial markets – a performance of nearly **3,81%**. The financial results and positive evolution of cash flows contributed to the growth in the CIEPP's assets. At 31 December 2020, assets under management exceeded 8 billion Swiss francs.

After a significant drop in the financial markets in mid-March 2020 (about -30% for the MSCI World index and -23% for the SMI) related to the Covid-19 crisis, confidence was restored thanks to stimulus packages on an unprecedented scale put in place on a global level, and also to encouraging news on the fight against the pandemic with, in particular, the launch of vaccines at the end of the year. The CIEPP maintained its investment principles and applied them systematically (annual rebalancing, regular investment of its net cash inflows, low management costs, etc.). Rigorous application of its principles and investment processes enabled the Fund to benefit from the positive performances of the financial markets over the year.

The CIEPP's coverage rate¹ remained stable in comparison with 2019. It is **expected to be around 120%**. It will be audited and communicated definitively in the annual report for 2020 next June.

Despite the difficult context, the CIEPP continued to develop in 2020

The CIEPP, the largest private-law foundation in French-speaking Switzerland, closed the year with a total balance sheet of over 8 billion Swiss francs. At the end of 2020, it managed the occupational retirement savings capital of 10 094 companies and independents (+1,77%), 45 570 insured persons (+0,28%). The number of pensioner beneficiaries was 6628 (+6,15%). In 2020, contributions billed amounted to over 398 million francs (+2,80%).

Changes in regulations from 2021

As of 1 January 2021, the CIEPP's pension regulations have been adapted to legal developments related to the revision of the law on supplementary benefits. These regulatory changes enable insured persons aged 58 and over, terminated as from 1 August 2020, to maintain – on the same conditions as before – their entitlement within the CIEPP. In return the insured person is obliged to pay the contributions for risks (disability, death) and is free to add, if he so wishes, contributions for savings. In the case of maintenance, all the contributions (employee part and employer part) are due from the insured person. The new pension regulations and explanatory note on the changes made on 1 January 2021 will be available on our new online service for the insured.

In its meeting of 16 October 2020, the Board of Trustees decided to lower the CIEPP's technical interest rate to 2.5%, and this will be applicable as from the closing of the accounts for 2020. This decision comes after completing an actuarial evaluation, taking into account the performances expected in the long term and the applicable technical directives. Furthermore, it is in line with the CIEPP's philosophy, while at the same time strengthening its financial security and its stability in the long term.

The Technical Appendix to the Principal Regulations of the CIEPP (art. 7) and the Regulations for Liabilities of an Actuarial Nature (art. 3) have been adapted accordingly.

The CIEPP's ESG (Environmental, Social and Governmental) policy

Today the CIEPP's ESG policy is based on a global strategy divided into four focal areas. One of these is the exercise of voting rights. In its meeting of 18 December, the Board of Trustees approved new directives concerning the exercise of voting rights following in particular a significant increase in voting rights abroad. A specific structure containing the North-American shares has been put in place in January 2021 enabling the CIEPP to exercise its votes on about 2/3 of its shares portfolio. More detailed information is available on our website and/or in our new online service for CIEPP insured persons.

Legal modifications

On 14 October 2020, the Federal Council decided to adapt the maximum amounts in occupational pension plans. Accordingly, since 1 January 2021, the amount of the coordination deduction in the compulsory occupational pension system is **25 095 francs** and the entry threshold **21 510 francs**. The maximum tax deduction authorised in the framework of tied private pension plans (pillar 3a) goes to **6883 francs** for persons possessing a 2nd pillar and to **34 416 francs** for those who do not have one.

Insurance certificate and interest rate 2021

The certificate established and available on our new online service for CIEPP insured persons (a paper version can be provided on request) indicates the status of the retirement savings account at 31 December 2020 after payment of 1,5% interest, as well as the projected benefits calculated on the basis of an interest rate of 1%.

For the year 2021, the CIEPP's Board of Trustees has set the interest rate at 1% (identical to the LPP minimum). The rate effectively credited to the retirement savings accounts of active insured persons in the Fund at 1 January 2022 will be determined definitively in January 2022, on the basis of the results posted by the CIEPP for the year 2021.

Launch of the portal for insured persons

The CIEPP is launching a **new online services for CIEPP insured persons**. Available as of today, this platform enables the insured to benefit from a secure space dedicated to the LPP. Among other things, it will make it possible not only to consult the insurance certificate but also to carry out various simulations related to their pension plans. It constitutes an additional and valuable communication aid between the Fund and its insured persons. The procedure to follow will be advised for the first connection.

The CIEPP's 60th anniversary

14 December 1960 is an anniversary date for the CIEPP. On that day the articles of association of the CIEPP were adopted following its creation by the Fédération des Entreprises Romandes (Federation of Companies in French-speaking Switzerland). To mark the event, a stylised logo has been created and specific actions will be organised throughout the year 2021.

Contact

For any information and updating of your data, the Administration Department of our headquarters or agencies is at your disposal.

Glossary

¹Funded status: this makes it possible to calculate the degree of financing for all the Fund's commitments at a given time.

Agencies

Bulle	Rue Condémine 56	1630 Bulle	T 026 919 87 40
Fribourg	Rue de l'Hôpital 15	1701 Fribourg	T 026 350 33 79
Neuchâtel	Av. du 1 ^{er} -Mars 18	2001 Neuchâtel	T 032 727 37 00
Porrentruy	Ch. de la Perche 2	2900 Porrentruy	T 032 465 15 80

Headquarters

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CIEPP 1961 – 2021

Caisse Inter-Entreprises
de Prévoyance Professionnelle

ZKBV - Zwischenbetriebliche Kasse für Berufliche Vorsorge
CIPP - Cassa Interaziendale di Previdenza Professionale