

VP Bank Ltd · Valid from January 2018

# Terms and conditions for **vested benefits** **account**



# Terms and conditions for vested benefits account

## 1. Account holder

Account holders are limited to:

- members of pension funds who temporarily cease to be employed by a Liechtenstein employer and therefore leave that employer's occupational pension scheme;
- members of pension funds for whom, on changing jobs, less than the full vested benefits are transferred to the new occupational pension scheme.

## 2. Account opening

The vested benefits account must be in the name of the pension fund member. Changes of address must be notified to VP Bank Ltd (hereinafter referred to as the "Bank") without delay.

## 3. Deposits

Personal deposits by the account holder are not permissible. Credit interest and, where applicable, credits relating to fund investments (distributions, redemptions of fund shares, etc.) will not be deemed to be a deposit. A confirmation of the amount of the vested benefits payment must be issued by the pension fund and submitted to the Bank.

## 4. Interest

The interest rate applicable to the vested benefits account at any given time is indicated in the Bank's "Accounts and payment services" brochure ("Overview of current interest rates" supplementary sheet). A preferential interest rate will apply to the vested benefits account. The Bank reserves the right to modify the interest rate terms at any time.

## 5. Year-end statement

At the end of each year, the interest and all credits relating to fund investments will be added to the capital balance. Where the account holder has no right of disposal, neither the capital nor the interest nor any credits from fund investments may be withdrawn.

## 6. Fund investments

Under the Liechtenstein law on occupational retirement provision and the associated implementing ordinances, the vested benefits account assets may be invested in fund shares. A mandate in writing from the account holder and, if applicable, his or her spouse or registered partner is required for this. The "Fondsanlage mit dem VP Bank Freizügigkeitskonto" form should be used.

The fund shares are booked into a securities account in the name of the account holder and held there. All risks related to investment funds (e.g. issuer risk, market risk, credit risk, liquidity risk, interest risk, currency risk and economic and political risk) are to be borne by the account holder. The account holder will receive a corresponding statement of account upon purchase or sale of fund shares, and a statement of his or her credits and the balance of his or her securities account at the end of each year.

## 7. Charges

The Bank is entitled to levy fees for the management of the vested benefits account. In particular, subscription and redemption fees may be levied on fund investments. Additional handling fees may be levied for certain activities.

## 8. Right of disposal

The right of disposal in respect of vested benefits account assets will be governed in principle by the Liechtenstein law on occupational retirement provision and the associated implementing ordinances. Once the account holder reaches the envisaged age at which the right of disposal is acquired or upon the account holder's death, the balance on the vested benefits account will fall due. The account holder or any other person wishing to dispose of the account funds must provide proof of his or her right of disposal. The Bank reserves the right to have disbursement of the account funds approved by the Financial Market Authority (FMA) Liechtenstein, which is responsible for supervising pension funds. As long as no right of disposal applies, the account assets cannot validly be pledged or assigned.

### **9. Transfer to another pension fund or vested benefits policy**


If the account holder joins the pension fund of a new employer, on request the vested benefits account assets may be transferred directly to this new pension fund by way of additional voluntary contribution without need for notice served by either party. The Bank is entitled to require the account holder to redeem or sell their fund shares prior to the transfer of a vested benefits account to the new pension fund. The Bank is entitled to require the new pension fund to issue confirmation that the transferred benefits have been used solely for the purpose of pension provision. If the account holder takes out a vested benefits policy with a licensed insurance company in an amount equivalent to the balance on the vested benefits account, the vested benefits account may be closed and the balance transferred to said insurance company.

### **10. Notice of disbursement by the Bank**

If, on reaching the appropriate age, the account holder has become entitled to disbursement of the balance on the vested benefits account, or if said balance has become payable following his or her death, the Bank is entitled to give notice to disburse the balance on the account at any time. If the Bank refrains from giving notice of disbursement, it will be entitled to transfer the balance to another account in the name of the account holder.

### **11. Amendments to the Regulations**

The Bank reserves the right to amend the conditions for the vested benefits account at any time. Amendments will be notified to account holders at the latest when the next account balancing is sent. By opening a vested benefits account, the account holder accepts these regulations and the general terms and conditions.



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