



ABB Supplementary Insurance TEDC Plan, Issue 2012

Contents

	Paragraph	Page
A General provisions		
Overview	51	4
Definitions	52	4
Admission, determination of savings credits	53	4
Start and end of membership	54	5
Insured salary	55	5
B Benefits		
Savings capital	56	6
Disability capital	57	6
Death benefit	58	7
Termination benefit	59	7
C Funding		
Contributions	60	8
D Final and transitional provisions		
Entry into force	61	9
Appendix:		
Buy-in table		10
Entry threshold		10

A General provisions

51 Overview

- 51.1** Within the ABB Supplementary Insurance there are 2 pension plans, the Supplementary Plan and the TEDC Plan. The detailed provisions governing these plans are laid down in the rules of the ABB Supplementary Insurance Plan, comprising paragraph 1 ff (ABB Supplementary Insurance Plan) and paragraph 51 ff (TEDC Plan).
- 51.2** The provisions below govern the specific rules for the TEDC Plan. Otherwise the rules of the ABB Supplementary Insurance Plan are applicable (i.e. paragraph 1 ff, in particular the paragraphs “Organisation and administration” and “Final provisions” as well as all provisions applying to entitlement, calculation and payment of benefits). In addition to this, investment and organisational rules exist that are applicable to the whole Foundation (comprising 2 pension plans).

52 Definitions

- 52.1** Active member refers to any person admitted to the TEDC Plan.
- 52.2** Retirement age is deemed to be reached on the first day of the month following the 60th birthday.

53 Admission, determination of savings credits

- 53.1** Membership of the TEDC Plan is open for all employees of ABB Ltd or its group companies who are members of the Executive Committee and domiciled in Switzerland.
- 53.2** The grade for the contribution rate and the precise date of admission must be confirmed by the employer, who in doing so must observe the principles of objectivity, equality, collectivity and regularity.
- 53.3** The annual savings credit rate is:
- 15% of insured salary for the CEO
 - 12% of insured salary for members of grade 1
 - 10% of insured salary for members of grade 2
- 53.4** Members can choose between 4 investment categories: Defensive, Basis, Growth and CHF Money Market. The savings assets may also be apportioned to several strategies. An investment decision is valid as long as a member does not make any new decision. If the members do not make a choice, their balance will be automatically invested in the CHF Money Market investment category.
- 53.5** The rate of interest is calculated on the basis of the actual return on investments in the 4 categories during the year (after an allowance for expenses). No interest or capital guarantee is granted for the invested savings assets.

A General provisions

53.6 On leaving the company, retirement or in the event of disability or death the interest rate will be determined based on the investment return as per the end of the respective month and confirmed by the trustees.

54 Start and end of membership

54.1 Membership starts when the terms of admission as per paragraph 53 are fulfilled.

54.2 Membership ends with the cessation of employment at ABB Ltd (or one of its group companies) or on the Executive Committee but at statutory retirement age at the latest.

55 Insured salary

55.1 The insured salary is that part of a member's basic salary in excess of the entry threshold according to the appendix plus 50% of the maximum scorecard bonus. The insured salary is limited to the statutory maximum (CHF 835,200 as of 1 January 2012) less the entry threshold defined by the trustees.

B Benefits

56 Savings capital

56.1 Retirement

At the cessation of employment after the 60th birthday, active members may request payment of their retirement pension. The retirement pension is consistent with the accrued savings capital.

56.2 Early and late retirement

Active members may at their request take early retirement, but not earlier than age 58. Paragraph 56.1 then applies accordingly. Active members may with the company's consent postpone retirement until not later than age 65. Paragraph 56.1 then applies accordingly. If upon postponement of retirement the accrued savings capital exceeds the maximum capital at age 60 according to the table in the appendix no further savings contribution may be made.

57 Disability capital

57.1 In the case of disability as defined by the Federal Disability Insurance (IV) before regular retirement age, members are entitled to disability capital provided they are at least 40% disabled and were insured as active members under the TEDC Plan at the onset of the disability that led to their incapacity to work.

57.2 If a member is not insured under the IV scheme because he is working abroad on behalf of the employer, the degree of disability shall be decided by the trustees on the basis of an opinion drawn up on their behalf by an expert (e.g. doctor) or competent authority.

57.3 The date on which the disability capital is due shall be decided by the trustees. In principle it corresponds to the date on which payment of the IV pension commences.

57.4 The full disability capital is equal to 100% of the savings capital calculated on the date the disability capital is due. The amount of disability capital to which the member is entitled is determined by the degree of disability in accordance with the following scale:

Degree of disability	Proportion of full disability capital
At least 40% disabled	25%
At least 50% disabled	50%
At least 60% disabled	75%
At least 70% disabled	100%

B Benefits

58 Death benefit

- 58.1** A capital sum is payable on the death of an active member. Entitled to payment are the survivors, irrespective of right of inheritance, in the following order of precedence and amount:
- a) the spouse and children under 25, in the full amount; failing them
 - b) domestic partners (as per paragraph 12.1) or persons who were supported to a substantial degree by the deceased member before his or her death, in the full amount; failing them
 - c) other children or parents, in the full amount; failing them
 - d) other legal heirs of the deceased member, excluding the state, in half the amount
- 58.2** By written instruction addressed to the Foundation, active members may determine which persons among the eligible group are entitled to death benefit, and in what proportions. If no such instructions are given, the death benefit is divided among the eligible group at the discretion of the trustees.
- 58.3** The death benefit is equal to the accrued savings capital at the moment of death.

59 Termination benefit

- 59.1** Active members are entitled to a termination benefit if they leave the Foundation before a benefit is claimed (e.g. on cessation of employment).
- 59.2** The amount of termination benefit is calculated on the defined contribution principle. It is equal to the accrued savings capital.
- 59.3** Otherwise paragraphs 14.3 to 14.6 apply.

C Funding

60 Contributions

- 60.1** The company pays the entire savings credits. The savings credits are calculated on the basis of the insured salary as per paragraph 55 and the grade for the contribution rate as per paragraph 53.3.
- 60.2** Within the limits of the legal provisions, members may at any time make payments into the Foundation in order to increase their retirement benefits. The Foundation shall define the buying-in limit in line with recognised principles in Swiss Law (see buy-in table in the appendix).
If buy-ins are made, the resulting benefits may not be withdrawn from the Foundation in the form of a lump-sum payment for a period of 3 years. If early withdrawals have been made in connection with the promotion of home ownership, voluntary buy-ins may be made only once such withdrawals have been repaid. Exempted from this limitation are buy-ins made in the case of divorce. Buy-ins after the age of 57 are not possible.

D Final and transitional provisions

61 Entry into force

- 61.1** These rules enter into force on 1 January 2012 and replace the rules of the TEDC Plan dated 1 January 2009.

Baden, 26 August 2011

Board of Trustees
ABB Supplementary Insurance

Appendix

Buy-in table

The buy-in table is used to determine the maximum savings capital as a percentage of insured salary pursuant to paragraph 60.2. The figures listed correspond to the maximum savings capital at year end for a given BVG age. Figures for dates before year end are reduced accordingly. The effective buy-in potential is derived from the maximum savings capital as reflected in this table, less the credit balance already available.

Maximum savings capital in % of insured salary

BVG age	CEO	Grade 1	Grade 2
25	15.0	12.0	10.0
26	30.3	24.2	20.2
27	45.9	36.7	30.6
28	61.8	49.5	41.2
29	78.1	62.4	52.0
30	94.6	75.7	63.1
31	111.5	89.2	74.3
32	128.7	103.0	85.8
33	146.3	117.1	97.5
34	164.2	131.4	109.5
35	182.5	146.0	121.7
36	201.2	160.9	134.1
37	220.2	176.2	146.8
38	239.6	191.7	159.7
39	259.4	207.5	172.9
40	279.6	223.7	186.4
41	300.2	240.1	200.1
42	321.2	256.9	214.1
43	342.6	274.1	228.4
44	364.5	291.6	243.0
45	386.7	309.4	257.8
46	409.5	327.6	273.0
47	432.7	346.1	288.4
48	456.3	365.1	304.2
49	480.5	384.4	320.3
50	505.1	404.1	336.7
51	530.2	424.1	353.4
52	555.8	444.6	370.5
53	581.9	465.5	387.9
54	608.5	486.8	405.7
55	635.7	508.6	423.8
56	663.4	530.7	442.3
57	691.7	553.3	461.1
58	720.5	576.4	480.3
59	749.9	599.9	499.9
60	779.9	623.9	519.9

Entry threshold 2012

The entry threshold according to paragraph 55.1 amounts to CHF 240,000.

Contact us

ABB Supplementary Insurance

c/o Avadis Vorsorge AG

Bruggerstrasse 61a

Postfach

5401 Baden

T 058 585 36 66

F 058 585 29 00

rene.siegrist@avadis.ch

www.abb.ch/vorsorge