



Translation for information purposes – only the German text is binding

**Rules for the apportioning of rights to an occupational pension
on the basis of the German Act on the Structural Reform of the Equalisation of Pension Rights
(Gesetz zur Strukturreform des Versorgungsausgleichs, VAstrRefG)
(hereinafter, the “Apportioning Rules”)
of the Support Funds**

**Willis Towers Watson Unterstützungskasse e. V.
Willis Towers Watson First e-Trust e. V.
Willis Towers Watson Second e-Trust e. V.
Willis Towers Watson Third e-Trust e. V.
Willis Towers Watson Fourth e-Trust e. V.
(hereinafter, the „Support Fund“)**

Section 1: Scope

In cases of divorce or, as the case may be, dissolution of a registered domestic partnership¹ falling within the scope of the German Act on Equalisation of Pension Rights (*Versorgungsausgleichsgesetz, VersAusglG*), these Apportioning Rules address the apportioning of pension rights implemented by the Support Fund under the pension plan in effect for the sponsoring company.

Section 2: Definitions

Pension fund means the aforementioned umbrella group support fund.

Marital period means the period from the start of the month in which the marriage was entered into until the end of the month preceding the point at which the divorce petition becomes pending (i.e. service by the family court on the other spouse).

Marital period share means the share of a right to an occupational pension acquired during the marital period. This is to be apportioned in equal parts between the divorced spouses.

Person owing equalisation (hereinafter, the “**Obligated Spouse**”²) means the person who has rights under a pension plan of the Support Fund in effect for the sponsoring company. Such rights include, in particular, rights to an occupational pension within the meaning of the German Company Pension Plan Act (*Gesetz zur Verbesserung der betrieblichen Altersversorgung, BetrAVG*).

Person entitled to equalisation (hereinafter, the “**Beneficiary Spouse**”) means the person entitled to one half of the respective marital period share.

Equalisation value means one half of the marital period share.

Life insurance company means the life insurance company with which the Support Fund has concluded a corresponding reinsurance policy for the rights of the Obligated Spouse.

Section 3: Method of apportioning

- (1) As a rule, the equalisation of pension rights takes place in the form of **external** apportioning pursuant to sections 14 et seq. VersAusglG, taking into account the arrangements in these Apportioning Rules, provided that at the end of the marital period the equalisation value, as asset value, does not exceed the income ceiling in general pension insurance under sections 159 and 160 of the Sixth Book of the German Social Code (*Sozialgesetzbuch*).
- (2) If at the end of the marital period the equalisation value, as asset value, exceeds the income ceiling in general pension insurance under sections 159 and 160 of the Sixth Book of the German Social Code, the equalisation of pension rights likewise takes place in the form of external apportioning, provided that the Beneficiary Spouse agrees to external apportioning.
- (3) If in the case of subsection (2) the Beneficiary Spouse does not agree to external apportioning, the equalisation of pension rights takes place in the form of **internal** apportioning pursuant to sections 10 et seq. VersAusglG, taking into account the arrangements in these Apportioning Rules.
- (4) If, in accordance with the provisions of the underlying pension plan of the Support Fund or in accordance with the provisions of some other pension arrangement of the sponsoring company, the pension right implemented by the Support Fund is to be set off against some other pension right of the Obligated Spouse – particularly against an occupational pension under the BetrAVG – that is owed by the sponsoring company, then at the request of the sponsoring company and with the consent of the Support Fund, internal apportioning may take place in derogation from subsections (1) and (2).

¹ In order to make these Apportioning Rules easier to read and understand, only the terms “marriage” and “spouse” are used here. However, the arrangements in these Apportioning Rules apply equally to registered domestic partnerships under the German Domestic Partnership Act (*Lebenspartnerschaftsgesetz, LPartG*).

² In the interest of easier legibility and comprehensibility of this Pension Plan, any reference to persons or groups of persons is meant to refer to persons of any gender (m/f/d).

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Section 4: Determination of the marital period share and the equalisation value

(1) Contribution-oriented benefit promise (section 1 (2) no. 1 BetrAVG) and salary conversion (section 1 (2) no. 3 BetrAVG)

a. Direct valuation of the right (controlling applicability of the reinsurance policy)

The Support Fund is a reinsured support fund within the meaning of section 4d (1) sentence 1, no. 1 c) of the German Income Tax Act (Einkommensteuergesetz, EStG), and it congruently insures all promised benefits with respect to the time when pension benefits begin to be paid through the conclusion of an insurance policy (pensions benefits are identical to benefits under the reinsurance policy in terms of their nature, amount, and due date).

The amount of vested entitlements from contributions in connection with defined-contribution benefit commitments and from deferred compensation is calculated by the Support Fund in accordance with section 2 (5) BetrAVG. Therefore, the reference parameters in the reinsurance policy underlying the right to be equalised are used to determine the marital period share and the equalisation value resulting from this. The Support Fund receives corresponding calculation documentation and valuation information upon request from the life insurance company concerned. The calculation documentation and valuation information are provided to the family court by the Support Fund in connection with the information procedure.

b. Marital period share

Pursuant to section 45 (1) sentence 1, alternative 2 VersAusglG, the marital period share is calculated by the life insurance company with which the relevant reinsurance policy was concluded as an asset value (asset value pursuant to section 4 (5) BetrAVG). The calculation takes into account the relevant provisions of the applicable apportioning rules of the life insurance company for life insurance policies in connection with occupational pensions.

The applicable apportioning rules of the life insurance company concerned are provided to the family court by the Support Fund in connection with the information procedure.

c. Equalisation value

The equalisation value is calculated by the life insurance company with which the relevant reinsurance policy was concluded in the form of an asset value (halving of the asset value pursuant to section 45 (1) sentence 1, alternative 2 VersAusglG, in conjunction with section 4 (5) BetrAVG). The calculation takes into account the relevant provisions of the applicable apportioning rules of the life insurance company for life insurance policies in connection with occupational pensions.

(2) Defined benefit promise (section 1(1) BetrAVG)

a. Time-pro-rated valuation of the right

For defined benefit promises implemented by the Support Fund, the amount of vested entitlements is calculated by the Support Fund in accordance with section 2 (1) in conjunction with subsection 4 BetrAVG. Therefore, in these cases a time-time proportion is calculated by the Support Fund – related to the amount of the right of the Obligated spouse determined under section 2 (1) BetrAVG – to determine the marital period share and the equalisation value resulting from this (section 45 (2) sentence 2 VersAusglG in conjunction with section 2 (1) BetrAVG).

b. Marital period share

Based on the data provided by the family court, the Support Fund calculates the value of the right to be equalized pursuant to the calculation rules of section 45 (2) sentence 2 VersAusglG (quotient of marital employment period to total employment period until the end of the marital period) as an asset value pursuant to section 45 (1) sentence 1, alternative 2 VersAusglG in conjunction with section 4 (5) BetrAVG).

c. Equalisation value

The equalisation value in the form of an asset value amounts to half the calculated marital period share (division by two of the asset value pursuant to section 45 (1) sentence 1, alternative 2 VersAusglG in conjunction with section 4 (5) BetrAVG, "division by two of the asset value").

Section 5: Apportioning costs

(1) In the case of **external apportioning**, no apportioning costs are incurred.

(2) In the case of **internal apportioning**, apportioning costs are incurred in the amount of the costs set by the life insurance company in this regard and notified in writing to the Support Fund. The Support Fund does not deduct any additional costs from the rights. The incurred apportioning costs are deducted in equal amounts from the right to be assigned to the Beneficiary Spouse and from the right remaining with the Obligated Spouse

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Section 6: Procedure for establishing a right in the case of external apportioning

- (1) In the case of external apportioning, the family court establishes a right for the Beneficiary Spouse in the amount of the equalisation value, at the expense of the right of the Obligated Spouse, at a pension fund (target pension fund) other than the Support Fund.
- (2) In such case, the Support Fund pays the target pension fund the equalisation value calculated in accordance with section 4 (1) lit. c. or section 4 (2) lit. c. of these Apportioning Rules. The equalisation value may also be disbursed directly by the life insurance company concerned to the target pension fund on behalf of the Support Fund.
- (3) The payment is made immediately after the decision by the family court on the equalisation of pension rights becomes final and binding.

Section 7: Procedure for transferring a right in the case of internal apportioning

- (1) In the case of internal apportioning, the family court assigns a right for the Beneficiary Spouse in the amount of the equalisation value, at the expense of the right of the Obligated Spouse, at the Support Fund.
- (2) Unless these Apportioning Rules specify otherwise, the arrangements of the right of the Obligated Spouse apply *mutatis mutandis* to the right of the Beneficiary Spouse to be granted by the Support Fund.
- (3) The Support Fund grants the Beneficiary Spouse a right in the amount of the equalisation value in accordance with section 4 (1) lit. c. or section 4 (2) lit. c. of these Apportioning Rules, as reduced by one half of the apportioning costs to be taken into account under section 5 (2) of these Apportioning Rules.
- (4) Pursuant to section 11 (1) no. 3, half-sentence 2 *VersAusglG*, the risk protection of the right to be established in favour of the Beneficiary Spouse is limited to a retirement pension. If the right of the Obligated Spouse to be equalised provides for a disability and/or survivor's pension, an additional equalisation of the retirement pension is undertaken with respect to the right to be established in favour of the Beneficiary Spouse for the lost disability and/or survivor's pension. This is increased by the actuarial value of the lost disability and/or survivor's pension. Pursuant to the provisions set forth in subsections (6) or (7) – as applicable –, below, the actuarial bases in the underlying reinsurance policy are taken into account for this purpose in the case of a contribution-oriented benefit promise, and the actuarial bases applied for the calculation of the equalisation value (section 45 (1) sentence 1, alternative 2 *VersAusglG* in conjunction with section 4 (5) *BetrAVG*) are taken into account in the case of a defined-benefit promise.
- (5) In cases of internal apportioning pursuant to section 3 (4) of these Apportioning Rules, the risk protection of the right to be established in favour of the Beneficiary Spouse is, in derogation of subsection (4), wholly or partially maintained at the request of the relevant sponsoring company and with the consent of the Support Fund.
- (6) Contribution-oriented benefit promise (section 1 (2) no. 1 *BetrAVG*) and salary conversion (section 1 (2) no. 3 *BetrAVG*)**
 - a. The right for the Beneficiary Spouse is granted by the Support Fund as follows: With the equalisation value pursuant to section 4 (1) lit. c. of these Apportioning Rules, as reduced by one half of the apportioning costs to be taken into account in accordance with section 5 (2) of these Apportioning Rules, a deferred or immediately commencing, premium-free annuity policy is established as a reinsurance policy on the life of the Beneficiary Spouse at the life insurance company at which the reinsurance policy of the Obligated Spouse is in effect, and it is allocated to the segment of the sponsoring company (employer or former employer of the Obligated Spouse) within the Support Fund. If the right of the Obligated Spouse includes a lump-sum option, this is also to be granted for the right of the Beneficiary Spouse in connection with the reinsurance policy to be established. If the right of the Obligated Spouse provides solely for a lump-sum distribution of assets as a retirement benefit, this is also taken into account for the right of the Beneficiary Spouse in connection with the reinsurance policy to be established. The Support Fund is the policyholder under the reinsurance policy to be established.
 - b. With respect to the reinsurance policy to be established for the Beneficiary Spouse under lit. a. and thus also to the nature and amount of the pension for the Beneficiary Spouse that results from it, the relevant provisions of the applicable apportioning rules of the life insurance company concerned regarding "Structuring of the insurance policy of the person entitled to equalisation" apply in connection with internal apportioning, provided that the life insurance company is willing to apply those to the reinsurance policy to be established even though it is not itself the pension fund. Otherwise, the approach that the life insurance company is willing to apply to the establishment of reinsurance policies in connection with the equalisation of pension rights under pension promises covered by accessory reinsurance applies to the reinsurance policy to be established.
 - c. In supplementation of lit. a. and b., corresponding risk protection is also taken into account for the reinsurance policy to be established in accordance with lit. a. in cases pursuant to subsection (5).
- (7) Defined benefit promise (section 1(1) *BetrAVG*)**
 - a. The right for the Beneficiary Spouse is granted by the Support Fund as follows: in the amount of the retirement benefit resulting from the recalculated equalisation value pursuant to lit. b., a deferred or immediately commencing annuity policy is established as a reinsurance policy on the life of the Beneficiary Spouse at the life insurance company at which the reinsurance policy of the Obligated Spouse is in effect, and it is allocated to the segment of the sponsoring company (employer or former employer of the Obligated Spouse) within the Support Fund. If the right of the Obligated Spouse includes

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a lump-sum option, this is also to be granted for the right of the Beneficiary Spouse in connection with the reinsurance policy to be established.

If the right of the Obligated Spouse provides solely for a lump-sum distribution of assets as a retirement benefit, this is also taken into account for the right of the Beneficiary Spouse in connection with the reinsurance policy to be established. The Support Fund is the policyholder under the reinsurance policy to be established.

- b. The amount of the retirement benefit for the right granted to the Beneficiary Spouse is determined in such a way that the equalisation value pursuant to section 4 (2) lit. c. of these Apportioning Rules, as reduced by one half of the apportioning costs to be taken into account in accordance with section 5 (2) of these Apportioning Rules is converted into a corresponding retirement benefit, taking into account the actuarial bases applied for the calculation of the equalisation value and the rules of the pension plan of the Support Fund applicable for the right of the Obligated Spouse.
 - c. In supplementation of lit. a. and b., corresponding risk protection is also taken into account for the conversion in accordance with lit. b. and the reinsurance policy to be established in accordance with lit. a. in cases pursuant to subsection (5).
- (8) After the decision by the family court on the equalisation of pension rights becomes final and binding, the Support Fund promptly arranges to have the right of the Beneficiary Spouse established with the life insurance company concerned in the form of a corresponding reinsurance policy pursuant to the foregoing subsections (6) and (7) at the next start date possible from an actuarial standpoint. With regard to the amount of the pension resulting from this, the Beneficiary Spouse receives a corresponding pension certificate from the Support Fund promptly after the pension is established.
- (9) If the reinsurance policy underlying the right to be equalised is pledged by the Support Fund to the Obligated Spouse on the date on which the decision by the family court on the equalisation of pension rights becomes final and binding, the Support Fund will by means of special agreement also pledge the reinsurance policy for the Beneficiary Spouse to the Beneficiary Spouse promptly after it is established.

Section 8: Curtailment of the right of the Obligated Spouse

(1) Contribution-oriented benefit promise (section 1 (2) no. 1 BetrAVG) and salary conversion (section 1 (2) no. 3 BetrAVG):

- a. When so instructed by the Support Fund, the life insurance company concerned reduces the corresponding reference parameters in the reinsurance policy of the Obligated Spouse by the equalisation value in accordance with section 4 (1) lit. c. of these Apportioning Rules (in the case of internal apportioning, also by one half of the apportioning costs to be taken into account under section 5 (2) of these Apportioning Rules). The reduction is undertaken on the basis of the relevant provisions of the applicable apportioning rules of the life insurance company for life insurance policies in connection with occupational pensions. The benefits under the reinsurance policy, as well as any guarantees included therein, are reduced accordingly.
- b. The right of the Obligated Spouse to an occupational pension under the pension plan of the Support Fund underlying the apportioning is permanently reduced by the same extent starting on the date on which the decision by the family court on the equalisation of pension rights becomes final and binding. In this regard, the present structure – in particular, the risk structure – of the right to an occupational pension remains intact for the Obligated Spouse under the relevant pension plan of the Support Fund, whereby the underlying benefits are reduced proportionally.
- c. With regard to the new amount of the reduced pension benefits, the Obligated Spouse receives a new pension certificate from the Support Fund promptly after conclusion of the apportioning procedure.

(2) Defined benefit promise

- a. The Support Fund will determine a reduction vector for the right of the Obligated Spouse based on the the asset value in accordance with section 4 (2) lit. c. of these Apportioning Rules and the actuarial calculation bases applied for the calculation of this asset value, and on the rules of the pension plan of the Support Fund applicable for the right of the Obligated Spouse (in the case of internal apportioning, also taking into account one half of the apportioning costs under section 5 (2) of these Apportioning Rules).

This reduction vector will be deducted from a correspondingly calculated benefit vector for the right of the Obligated Spouse, in such a way that the present structure – in particular, the risk structure – of the right to an occupational pension remains intact for the Obligated Spouse under the relevant pension plan of the Support Fund, whereby the underlying benefits are reduced proportionally.

- b. The right of the Obligated Spouse to an occupational pension under the pension plan of the Support Fund underlying the apportioning is permanently reduced by the same extent starting on the date on which the decision by the family court on the equalisation of pension rights becomes final and binding.
- c. With regard to the new amount of the reduced pension benefits, the Obligated Spouse receives a new pension certificate from the Support Fund promptly after conclusion of the apportioning procedure.

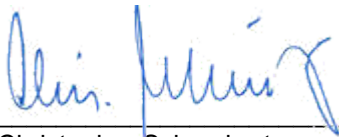
Section 9: Final provisions

- (1) If individual provisions of these Apportioning Rules should prove to be unenforceable, either in whole or in part, or become ineffective as a result of a decision by a high court, a final administrative decision, or amendments to legislation, all other provisions and the effectiveness of the Apportioning Rules as a whole remain unaffected. The ineffective or unenforceable provision is to be replaced by an effective and enforceable provision that most closely approximates the meaning and purpose of the previous provision.
- (2) If the Apportioning Rules prove to have gaps, deemed controlling are the provisions that correspond to the meaning and purpose of the Apportioning Rules and that would have been specified as controlling had the matter been considered.
- (3) The apportioning of rights in connection with the equalisation of pension rights is, in accordance with the arrangements in the VAStrRefG, undertaken by judicial act in the form of a decision by the family court. Therefore, the arrangements in these Apportioning Rules that necessarily require a corresponding decision by the family court have no effect if a final and binding decision by a family court has been entered that is contrary to one of those arrangements.

Wiesbaden, 16 January 2023

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The respective Board
- in each case represented by -



Christopher Schumbert