



## It all started at Hotel Schweizerhof in Olten

On 27 June 1922, "Pensionskasse Energie", the energy pension fund already proudly sporting the abbreviation "PKE", was founded at Hotel Schweizerhof in Olten. Now, 100 years later, looking back on its modest beginnings with just CHF 11,000 in capital, the fund boasts around 26,000 insured members, making it one of Switzerland's major pension providers.



Hotel Schweizerhof in Olten. It was in this building alongside Olten train station that PKE's founding assembly took place on 27 June 1922. (Post card dating back to 1912. Private collection, Olten.)

In the 1920s, when PKE was founded, both the electricity sector and pension provision in Switzerland were only just emerging from their infancy. Retirement was a novel concept. It wasn't until the last decade of the 19<sup>th</sup> century that power and light gained economic importance.

Before pension funds and old-age and survivors' insurance were introduced, older people were expected to work just as young ones did, provided they weren't hindered from doing so by illness or severe frailty. In the 19<sup>th</sup> century, only the clergy, teachers and policemen received old-age or retirement pensions. This changed at the turn of the cen-

ture. By 1925, there were already over 1,200 pension funds in Switzerland – that is, including very small-scale funds – with a total of 126,000 insured members.

Meanwhile, electrification was well underway. From the 1880s onwards, the first power companies sprung up in the vicinity of cities. And in the first decade of the 20<sup>th</sup> century, electricity also started to reach rural areas under the stewardship of Centralschweizerische Kraftwerke (CKW, Central Swiss power plants) and Société Romande d'Electricité (French-speaking Switzerland's electricity company).



**Control room, Gösgen power plant. Built in 1917, this power plant is now one of the largest run-of-river plants along the Aare with an annual production of around 300 million kWh. The people pictured were already insured by PKE's predecessor, Pensionskasse Schweizerischer Elektrizitätswerke. (Photo taken around 1921, Alpiq Ltd.)**

When the Swiss electrical engineering association (SEV, known today as Electrosuisse) was founded in 1889, the pioneers of the high-voltage current economy introduced standards. In 1895, at the initiative of Elektrizitätswerke der Stadt Zürich (EWZ, power plants of the city of Zurich), several power companies joined ranks to form the Verband Schweizerischer Elektrizitätswerke (VSE, the association of Swiss power plants). These two associations founded a shared secretariat in Zurich in 1912. This created a forum for the resolution of any sector-specific insurance issues: Firstly, property insurance for the power companies. Secondly, health and accident insurance for the personnel. The introduction of old-age insurance was but the third consideration for the two associations.

Emmanuel Dubochet, who was the director of French-speaking Switzerland's electricity company, as well as presiding over VSE from 1914 to 1919, played an especially significant role. Of the approximately 400 companies that were affiliated with VSE, larger scale public enterprises, above all, already had pension funds. Nonetheless, a survey conducted by SEV and VSE in 1921 reported that a considerable 63 companies with a total of 1,500 employees were interested in old-age insurance.

This encouraging survey result eventually led to the foundation of PKE at the heart of the VSE and SEV associations in 1922. Initially, the associations' joint secretariat general in Zurich managed the new pension fund. The pension fund was legally structured as a cooperative of 31 companies, which were joined by a further 19 over the course of its first year of business. The four largest companies alone – EKZ, Société Romande d'Electricité, CKW and Elektrizitätswerke Olten-Aarburg – accounted for almost half of all insured members.

## An ideal start

The PKE pension fund's early days were as successful as hoped. This was partly because the sector was booming, unlike the economy at large, which was experiencing a lull. After having gone through World War I, Switzerland was eager to transition from coal to hydropower to reduce its dependency on imports.

Its success was also due to the make-up of the sector's personnel: power plants formed part of a new technical field, staffed by younger men earning good salaries compared with other economic sectors. The two associations contributed a loan of CHF 11,000 to get the fund off to a good start. As early as the first year of business, PKE collected around CHF 1.5 million in premiums, while paying a mere CHF 5,000 in pensions, what with the average age of insured members being just 35.

When retirements accumulated in the 1930s and 1940s, the fund was well financed enough to cover the pensions due. Evidently, insurance mathematician Jakob Riethmann, recruited by PKE when it was first founded, had delivered precision work. He and later his son, Roland, served as specialists at PKE for over 52 years.

It has always been possible to withdraw capital as a lump sum rather than receiving a pension. The highest insured salary was CHF 15,000 per year. Any sustained disability was decided upon by an arbitral tribunal. Men retired at 65 years of age, women at 60. Even back then, spouse's pensions were proportionally reduced if the widow was more than 15 years younger than the deceased insured member. An original provision that would be unthinkable today, however, is that spouse's pensions would be annulled if the widow failed to meet expectations as regards the upbringing of her children.



# Anniversary

## The milestones

In 1935, PKE management was split from the two founding associations' secretariat. The introduction of old-age and survivors' insurance in 1948 and of disability insurance in 1962 relieved the pressure on pension funds but also required amendments to the articles of association and regulations.

Due to a change in federal legislation, PKE had to say farewell to its junior partners, the private railways, in the 1960s. With many private railways and tram companies being electrified from the beginning and the electricity not coming from the market but from individual power plants with whom they had professional ties, they enjoyed guest privileges with PKE. PKE was filling a gap here, as many private railways would not have been able to finance a pension fund of their own. Aargauer Nebenbahnen (the Aargau branchlines), for instance, had tried and failed to raise the required capital through a lottery for which they had secured permission from the authorities.

From 1972, when the three-pillar principle was in planning in Switzerland, PKE changed its investment strategy too. While capital had previously been invested in assets that were extremely safe, namely in bonds, in stakes in the power companies and issued as secured real estate mortgages, from then onwards, investments were also made into shares and, increasingly, into real estate proper.

## From cooperative to foundation

Until 2010, PKE predominantly worked on the basis of defined benefits. This approach sees the calculation of pensions based on the number of years of service and the salary level at the same employer. It is particularly expensive for employers. Bearing this in mind, and with the cooperative being an inflexible legal form, an adjustment was required to align with the modern world of work. So, in 2000, the PKE Energy Pension Fund Cooperative founded the PKE Energy Pension Foundation as a defined contribution fund. Over the years, almost all of the companies transferred from the cooperative to the foundation, and the original cooperative was liquidated in 2018.

## PKE today

Since then, PKE has lived on as a modern collective foundation, managing assets to the value of around CHF 12 billion and insuring around 26,000 beneficiaries.

Of the 50 founding companies, most notably CKW in Lucerne and EKZ in Zurich are still with us. The staff of power company Alpiq, which can trace its roots back to another founding company, Elektrizitätswerke Olten-Aarburg, also remain insured by PKE to this day. As do the power plants of Northeastern Switzerland, known prior to 2009 as NOK, now operating under the name Axpo, which joined PKE in financial year 1923/1924. Look a little closer at power company Repower insured by PKE today and you will find a further

two founding companies, namely Kraftwerke Brusio and Rhätische Werke für Elektrizität in Thusis. The company that operates Kraftwerk Laufenburg is also still with PKE, now under the name Energiedienst Holding AG.

Various municipalities also look back on 100 years of collaboration with PKE, for instance, the power plant and waterworks of the city of Buchs in St Gallen and today's Jona-Rapperswil power plant. We would also like to mention the municipality of Wettingen, which had PKE insure only its plant staff back in 1922, but now has its entire personnel insured with us. The Herisau waterworks, which joined PKE in 1922/1923, is still a member in 2022. And while Electrosuisse, which has test centres in Fehraltorf and Münchenstein, left PKE in 2015, SEV's staff, along with that of the Swiss Gas and Water Industry Association and PKE's own staff continue to be insured by us.

It is therefore fair to say that PKE looks back on 100 years of successful business activities. PKE continues to offer its insured members sustainably financed, reliable pension provision to this day.



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## Commemorative publication "100 years of PKE"

On the occasion of our anniversary, we have issued a commemorative publication on PKE's history. You can download the respective PDF in German, French or Italian: [www.pke.ch](http://www.pke.ch) → "Über uns" → "100 Jahre PKE"

Would you prefer a paper copy?  
Please feel free to order one:  
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## News from the Foundation Board

An interest rate of 2% is to be applied to the retirement savings capital of those insured by the collective pension fund in 2023. For two-part pensions, the temporary increase will cease to apply from 1 April 2023. No other pensions will be adjusted.



### 2023 interest

On 30 November 2022, the Foundation Board decided to apply an interest rate of 2.0% to retirement savings capital, "Saving 60" savings accounts and all assets in supplementary pension plans (shift allowance and bonus plans).

Thanks to the non-committed assets existing at that time, PKE was able to apply a high one-off interest rate of 7% to the assets held in the collective pension fund in 2022. Due to the negative return this year, there are now no non-committed assets available. The financial situation, i.e. the coverage ratio of PKE, thus no longer allows for the repeat application of such an extraordinarily high interest rate.

The figure of 2.0% now decided on means that assets held by active participants will benefit from the same interest rate as assets held by pensioners. Despite negative returns on the capital markets during the current year, PKE is continuing to pursue its policy of consistent interest rates. This interest rate is also attractive when viewed in light of the still low interest rates offered by banks on savings. And it is also significantly higher than the minimum pension interest rate stipulated by the federal government of 1.0%.

The Pension Committees representing the individual companies in the individual pension funds are responsible for setting interest rates for 2023. The insured members will receive further information from their Pension Committees directly.

### Two-part pensions

Pensioners receiving a two-part pension will receive a 10% higher pension from 1 April 2022 to 31 March 2023 in the PKE collection pension fund, as the coverage ratio had risen to over 125% as at 31 December 2021. This affects all PKE retirement pensions that

started in 2014 or later as well as the spouse's or partner's pensions arising therefrom.

This temporary increase will cease to apply from 1 April 2023, as the coverage ratio at the end of 2022 will be below the level required for this under the applicable regulations. Since the start of the year, the collective pension fund's coverage ratio has fallen from 125.2% to 108.4% as at 31 October 2022.

### Pension adjustments

The Foundation Board also took decisions on PKE pensions. The current fixed pensions will not be adjusted in 2023. An adjustment in line with price developments is not possible due to the currently low coverage ratio and the lacking financial resources of PKE.

The Foundation Board is aware that pensioners are also impacted by the higher inflation. It will therefore discuss the issue of inflation compensation in depth in 2023.

### Two-part pensions at PKE

The two-part pension introduced by PKE in 2014 stipulates that 90% of each pension is guaranteed and always paid out. The remaining 10% is variable and dependent on PKE's coverage ratio. The target pension corresponds to a payment of 100%, which is paid out if the coverage ratio is between 100% and 119.9%. If PKE's finances are healthy and if the coverage ratio is higher, the pension is increased by up to 10% of the target pension. If the coverage ratio is lower than 100%, the pension is reduced to no lower than 90% of the target pension.

## Amendments to the Regulations

The PKE Foundation Board has altered various provisions in the Pension Regulations. The amendments will come into effect on 1 January 2023. Take a look at new aspects to bear in mind here.

### Refund of deposits

Since 1 January 2019, voluntary deposits (including the interest paid on them) made to PKE by members who die before retirement have been refunded to their loved ones as a death benefit. This so-called "refund" applies to voluntary buy-ins as well as to repayments of early withdrawals for residential property or in the event of divorce, irrespective of whether PKE is to pay a pension to your spouse, partner or children.

Until now, the refund has only applied as long as you had not changed your employer since making the deposit.

**New:**

From 1 January 2023, PKE will also refund these deposits to your loved ones if you transfer to another employer insured by PKE without any interruption.

### Lump-sum withdrawal instead of a pension – notice period shortened from three months to one

It was already possible with PKE to choose a one-off lump-sum payment upon retiring instead of a lifelong pension. A combination of the two is also possible.

If you would like a lump-sum payment, please inform us accordingly using the form entitled "Antrag für Kapitalbezug anstelle Altersrente" (Application to withdraw a lump sum in lieu of a pension).

**New:**

The notice period of three months, which previously had to be observed for this application, is being shortened to one month. Please inform us of your choice one month before you retire at the latest.

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**Pension or lump-sum payment?** If you would like to find out more, take a look at our explanatory video.



## New Foundation Board members elected

In summer 2022, ordinary elections to the Foundation Board were held.

All existing members of the Foundation Board who stood for re-election were reaffirmed in their mandates for the next three years with very good results, while four new members had to be elected to replace those who stepped down this year.

### Changes

Peter Eugster, Elektrizitätswerke des Kantons Zürich, Christoph Huber, Axpo Services AG, Lukas Oetiker, Alpiq Holding Ltd., and Patrick Winterberg, Axpo Services AG, stepped down from the Foundation Board.

The Foundation Board would like to thank these four individuals for their work and the great commitment they demonstrated in performing their roles.

### Newly elected members of the Foundation Board:



**Luca Baroni**

Group CFO | Alpiq Ltd., Olten

“ The Swiss pension system is one of the most reliable in the world. As a member of the Foundation Board, I am committed to securing pensions and future-oriented pension solutions that ensure that the energy sector remains attractive as an employer in the long term. ”



**Joris Gröflin**

Group CFO | Axpo Services AG, Baden

“ As an employer representative, I would like to contribute my financial knowledge in a way that benefits the affiliated companies, insured members and pensioners in the long term. In the process, I am looking forward to working with my colleagues on the Foundation Board and with PKE. ”



**Yannick Hanselmann**

CFO | Elektrizitätswerke des Kantons Zürich, Zurich

“ The pension fund is of great importance for every company and its employees. As a financial expert and somebody who is responsible for ensuring sustainability, I will work at PKE to safeguard occupational pension provision in the long term. ”





**Mike Weidner**

Head Spot Trading | Axpo Solutions AG, Baden

“ As an employee representative, it is very important to me to work to ensure the fair distribution of benefits and burdens between employees and pensioners. In performing my role, I would like to contribute my long-standing knowledge of the 2<sup>nd</sup> pillar, which I have acquired in part on the Pension Committee, for the benefit of all beneficiaries. ”

## New President

The newly elected Foundation Board was constituted in the meeting of 22 September 2022. Martin Schwab (CKW) was elected President. He was already previously President between 2013 and 2019 and also served as Vice President from 2019 to 2022. Christophe Grandjean (Groupe E) is the new Vice President. He has been a member of the Foundation Board since 2016.



**Martin Schwab**

President of the Foundation Board

## The members of the Foundation Board for the term of office from 2022 to 2025 are:

<b>Employer representatives</b>	<b>Since</b>	<b>Member of</b>	<b>Company and professional function</b>
Martin Schwab, President	2013	HRC	CKW AG, Lucerne, CEO
Luca Baroni	2022		Alpiq Ltd, Olten, Group CFO
Alain Brodard	2004		Groupe E Connect SA, Granges-Paccot, Responsable Intégration et Organisation
Gian Domenico Giacchetto	2017		Ofima e Ofible, Locarno, Responsabile finanze e amministrazione
Joris Gröflin	2022	IC	Axpo Services AG, Baden, Group CFO
Yannick Hanselmann	2022	IC	Elektrizitätswerke des Kantons Zürich, Zurich, CFO

<b>Employee representatives</b>	<b>Since</b>	<b>Member of</b>	<b>Company and professional function</b>
Christophe Grandjean, Vice President	2016	HRC	Groupe E SA, Granges-Paccot, Responsable Compatibilité & Credit Management
Marco Balerna	2019		Azienda Elettrica Ticinese, Monte Carasso, Responsabile Risorse Umane
Monika Lettenbauer	2016		Axpo Services AG, Baden, Head of Corporate Accounting
Peter Oser	2004	IC	Elektrizitätswerke des Kantons Zürich, Zurich, Leiter Netzregion Limmattal
Adrian Schwammberger	2008	IC	AEW Energie AG, Aarau, Leiter Netzinfrastruktur und Betrieb
Mike Weidner	2022		Axpo Solutions AG, Baden, Head of Spot Trading

IC = Investment Committee, HRC = Human Resources Committee

## New Chief Investment Officer

PKE has secured Marcel Jörger as its new Chief Investment Officer and as a member of the Executive Board. The 49-year-old certified financial analyst and asset manager possesses long-standing professional experience in leading positions in the asset management of traditional and alternative investments. He has been working for PKE since 1 September 2022.

After more than 13 years of successful work as Chief Investment Officer and as a member of the Executive Board, Rolf Ehrensberger left PKE at the end of July 2022 of his own volition in order to pursue new goals. During his time with PKE, the foundation repeatedly achieved top results in terms of returns and has consistently outperformed its own benchmark. The real estate segment has also developed very successfully.



**Marcel Jörger**

Chief Investment Officer  
and member of the  
Executive Board

## Pension fund buy-ins now possible online

**PKE is driving digitalisation forward. Your pension fund buy-ins can now be processed online. We have thus optimised and simplified the buy-in process for you.**

For several years, PKE has made it possible to perform convenient online simulations of your future pension benefits and to adjust your voluntary savings contributions. You can now also enter your pension fund buy-ins online either via your PC or on the go using your smartphone.

Would you like to know how much you can deposit? The maximum possible buy-in amount and your benefits after a buy-in are displayed. Use "PKE Online". Visit [www.pke.ch](http://www.pke.ch).

Do you have questions about your pension provision? Give us a call. We will be happy to help you.

### **Buy-ins pay off threefold at PKE:**

- Buy-ins are investments into your retirement planning. They increase your pension.
- You save on tax. Buy-ins financed through private assets reduce your taxable income.
- In the event of death, PKE buy-ins are refunded to your loved ones.

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