



# AVENA

Evening information session

**The ABCs of your occupational  
pension**

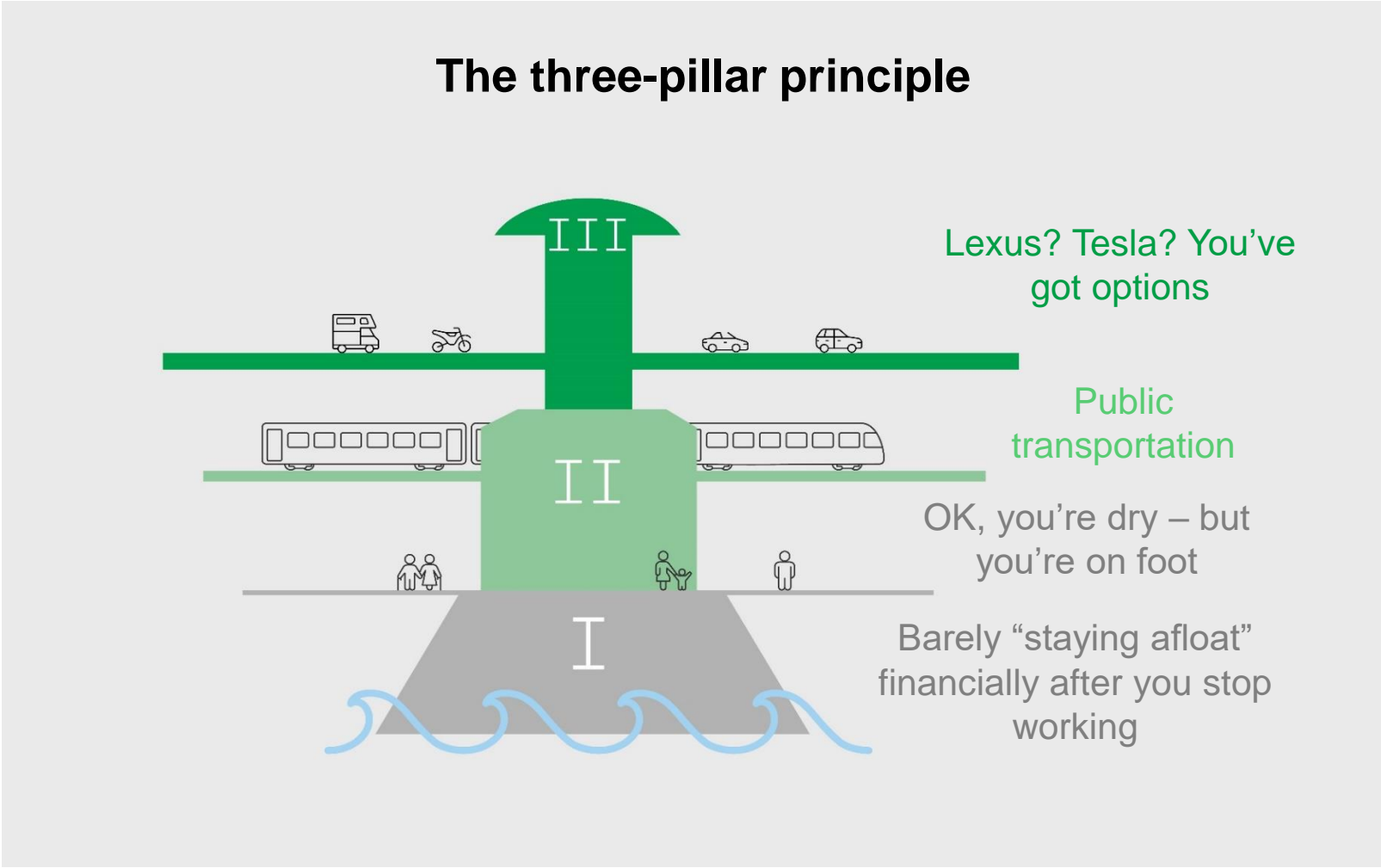
# The three-pillar principle

## Article 111 of the Swiss Federal Constitution

The Confederation shall take measures to ensure adequate financial provision for the elderly, surviving spouses and children, and persons with disabilities. These shall be based on **three pillars**, namely the **Federal** Old-age, Survivors' and Disability Insurance, the **occupational** pension system, and **personal** retirement savings.

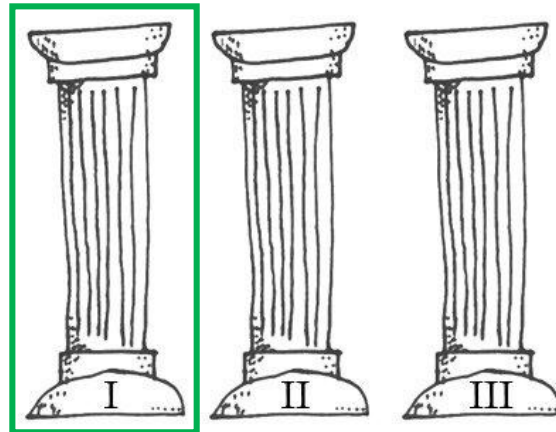
In cooperation with the Cantons, it shall encourage personal retirement savings, in particular through measures relating to taxation policy and the policy of promoting property ownership.

# How the system works



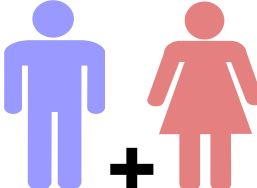
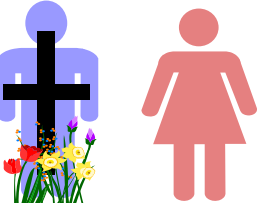

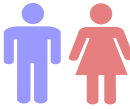
# Pillar 1

## Social security



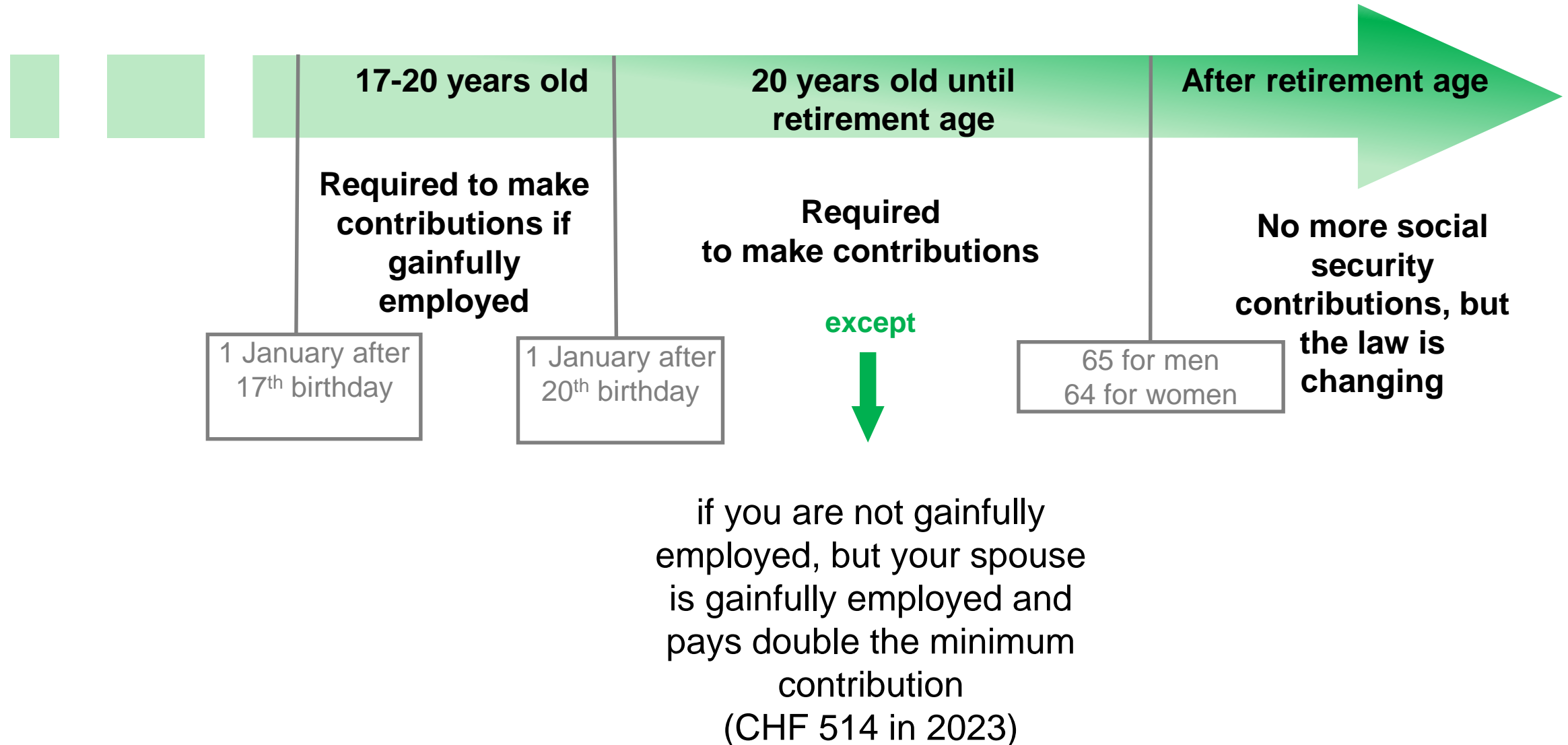
# Pillar 1

## Social security benefits

Federal social security		Max. monthly amount
<b>AVS</b> <b>AI</b> <b>PC</b> <b>Pillar 1</b>	 Old-age pension 2 retirees = capped	<b>CHF 2,450</b> <b>CHF 3,675</b>
	 Widow/widower's pension (80%)	<b>CHF 1,960</b>
	 Disability benefits (100%)	<b>CHF 2,450</b>
	 Child/surviving child's pension (40%)	<b>CHF 980</b>

# Pillar 1

Who makes contributions and for how long?



# Pillar 1 – New reference age for women (takes effect in 2024)

Year of birth	Reference age (2024)
1960 and before	64 years
1961	64 years 3 months
1962	64 years 6 months
1963	64 years 9 months
1964 and after	65 years

**For more useful information on your retirement pension, go to:**

**[www.acor-avs.ch/en](http://www.acor-avs.ch/en)**

You can use the ESCAL online calculator to estimate the amount of your social security payments.

**[www.ahv-iv.ch/en/](http://www.ahv-iv.ch/en/)**

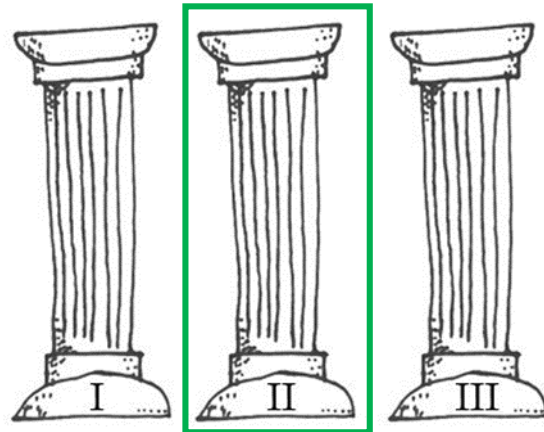
Forms and leaflets, including:

- Pension estimate form
- Form to receive your old-age pension payments
- Information on contributions if you're unemployed



# Pillar 2

## Occupational pension



# Occupational pensions at your company

Each company has its own occupational pension plan (or plans).

AVENA has around 1,000 member companies, so we have over 1,000 different plans.

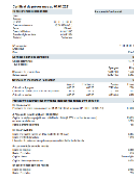
That means you have a different occupational pension plan from your neighbor – sometimes even if you work for the same company.

How can I find out more about my occupation pension plan and benefits?

⇒ Go to the online portal



⇒ Read your pension certificate



# Online Occupational Pension Cockpit for employees

## Pension statement

### Salaire

Salaire annuel annoncé	100'000
Taux d'occupation	100 %
Salaire épargne assuré	100'000
Salaire risque assuré	100'000

### Rente

Date de retraite	01.06.2044
Capital de vieillesse	763'781
Rente de vieillesse	43'917
Rente d'enfant de retraité	8'783

[CALCULER](#)

### Rachat

Rachat maximal possible	144'745
Rachat pour retraite anticipée	0
Rachat de rente-pont AVS	0

[CALCULER](#)

### Propriété du logement

Retrait EPL maximal possible	245'211
Remboursement EPL	0

[CALCULER](#)  
[PLUS](#)

### Prestations de risque

Rente d'invalidité	60'000
Rente d'enfant d'invalidé	12'000
Rente de conjoint / partenaire	36'000
Rente d'orphelin	12'000

### Capital

Prestation de libre passage	250'249
Taux d'intérêt projeté	1 %
Cotisation annuelle employé	0
Cotisation annuelle employeur	22'999



<https://lpp-assure.ch/>

# Pension statement

## Pension certificate at 01.01.2023

### Member information

Personal / Confidential

### Administrative section

Name  
 First name  
 AVS No.  
 Date of birth  
 Sex  
 Membership date  
 Legal retirement date  
 Marital status  
 Policy no.  
 Employer

### Annual salary

CHF

### Annual salary information

Reference salary 81,900.00

### Retirement savings Death and disability

Insured salary 81,900.00 81,900.00

### Monthly and annual contributions

CHF

### What you and your employer pay

	Employee	Employer	Employee	Employer
Contributions for retirement savings	273.00	273.00	3,276.00	3,276.00
Contributions for death and disability benefits, fees, and the Security Fund	62.10	62.10	745.20	745.20
Total contributions	335.10	335.10	4,021.20	4,021.20

Benefits	CHF
<b>Termination</b>	
Regulatory termination benefits at 01.01.2023 (of which minimum LPP benefits: CHF 4,689.70)	5,443.40
<b>Retirement at age 65 (1 April 2051)</b>	
Retirement capital assuming 1.00% interest (1.00% for the current year)	301,063.70
or annual retirement benefits	19,032.60
Annual child benefit for a retired member	3,806.40
<b>Disability</b>	
Annual disability benefits (after a 24-month waiting period)	40,950.00
Annual child benefit for a disabled member	8,190.00
Waiver of contributions (after a 3-month waiting period)	
<b>Death before retirement</b>	
Surviving spouse's annual benefits	24,570.00
Surviving child's annual benefits	8,190.00
Lump-sum death benefit	According to the pension fund regulations
<b>Death after retirement</b>	
Surviving spouse's annual benefits	11,419.55
Surviving child's annual benefits	3,806.40

- Benefits in case of**
- **termination**
  - **retirement**
  - **disability**
  - **death**

# Pension statement

## Savings

CHF

Savings at 1 January 2022	0.00
Transferred/voluntary contributions, reimbursements, withdrawals	0.00
Contributions allocated to savings	5,425.00
Total interest (1% in 2022)	0.00

### Savings at 31 December 2021

(of which minimum LPP benefits: 4,689.70)

5,425.00

## Projected savings and annual retirement pension

Date (age)	Conversion rate (%)	Projected retirement capital		Retirement pension		
		Without interest	With 1.00% interest	Without interest	With 1.00% interest	
01.04.2044 (58 years)	4.70	189,094	209,168	8,887	10,382	
01.04.2045 (59 years)	4.85	199,741	221,908	9,687	11,447	
01.04.2046 (60 years)	5.00	210,389	234,774	10,519	12,568	
01.04.2047 (61 years)	5.15	221,036	247,770	11,383	13,744	
01.04.2048 (62 years)	5.30	231,684	260,895	12,279	14,978	
01.04.2049 (63 years)	5.45	242,332	274,152	13,207	16,271	
01.04.2050 (64 years)	5.60	252,979	287,541	14,167	17,621	
01.04.2051 (65 years)	5.75	263,627	301,064	15,159	19,033	
Projected retirement capital with 1.00% interest (1.00% for the current year)					301,063.70	

## Other information

CHF

Amount available to finance the purchase of a home	0.00
Maximum possible voluntary contribution (subject to legal and regulatory provisions)	50,265.25
Voluntary contributions over the past three years (including interest)	0.00
Vested termination benefit at the age of 50	Unknown
Vested termination benefit on the date of marriage	Unknown

Requests to make voluntary contributions must be approved by the Fund.

In the event of a discrepancy between the information above and the pension fund regulations, the pension fund regulations shall take precedence.

The pension fund regulations are available on the Fund's website.

What makes up your savings

Your projected pension

Important: figures for voluntary contributions and financing the purchase of a home ownership scheme

# What are voluntary contributions?

Voluntary contributions allow you to **make up for gaps** in your occupational pension coverage.

## **Some reasons for contribution gaps:**

- You did not contribute for the total number of years possible
- You received a pay raise
- Your pension plan becomes more comprehensive
- Etc.

## **Restriction**

If you withdrew retirement savings under the home ownership encouragement initiative, you must repay this amount before you can make a tax-deductible voluntary contribution.

## Voluntary contributions

Example: payment of CHF 10,000

Example: married employee residing in Lausanne (2023)

Voluntary contribution		CHF 10,000
Taxable income	CHF 100,000	CHF 90,000
Taxable assets	CHF 0	CHF 0
<b>Total tax</b>	<b>CHF 18,455</b>	<b>CHF 15,878</b>
<b>Annual tax savings</b>		<b>CHF 2,577</b>

### Advantages

- **Increased** benefits for the insured member
- **Lower** federal, cantonal, and municipal tax bill
- **Interest** on voluntary contributions
- **Returned in full** in the event of death in addition to the lump-sum death benefit



# Regular pension or lump-sum payment?

	Advantages	Disadvantages
Regular pension	<ul style="list-style-type: none"> <li>• Regular income for life</li> <li>• Surviving spouse's benefits paid until death (no uncertainty around life expectancy)</li> <li>• Child/surviving child's pension (until the child turns 20 years old, or 25 years old if they're in training or school)</li> </ul>	<ul style="list-style-type: none"> <li>• Pension payments are fully taxable</li> <li>• Taxed along with other income (subject to progressive taxation)</li> <li>• Capital cannot be transferred to heirs</li> </ul>
Lump-sum payment	<ul style="list-style-type: none"> <li>• You can invest the capital, and there are tax advantages</li> <li>• A lot of financial flexibility</li> <li>• Can be passed on to heirs as an advance on inheritance or a gift</li> <li>• Remaining capital can be left to heirs</li> <li>• Taxed independently of other income (4%–9.5% depending on the amount)</li> </ul>	<ul style="list-style-type: none"> <li>• Capital subject to wealth tax</li> <li>• You bear the risk of managing/investing your money</li> <li>• Return on invested retirement capital will vary</li> <li>• Uncertainty around life expectancy and financial needs</li> </ul>



Fondation BCV 2<sup>e</sup> pilier

## Request for payment of retirement benefits in the form of capital

### EMPLOYER

Policy No.: .....

Company name: .....

### MEMBER

Last name: ..... First name: .....

AVS No.: ..... Date of birth: ..... / ..... / .....

Marital status:  single  married  registered civil partnership  divorced\*  widowed\*

\* applies analogously to registered partners

Home address: .....

### BENEFIT PAYMENT OPTIONS

Upon retirement, I would like my retirement benefits to be paid as follows:

- the full amount of the benefits in the form of a lump-sum capital payment.
- ..... % of my retirement savings capital in the form of a lump-sum capital payment.
- CHF....., deducted from retirement savings capital, in the form of a lump-sum capital payment.
- one-quarter of the minimum legal retirement savings capital in the form of a lump-sum capital payment.

The portion of the retirement savings capital not paid in the form of a lump-sum capital payment shall be converted into a retirement pension.

By signing, I acknowledge that:

- for the portion of retirement benefits paid out as a lump-sum retirement capital, the Fund is released from payment of any other benefit.
- for three years following the date of the purchase, retirement benefits resulting from a pension purchase can only be paid in the form of a retirement pension.
- once the regulatory deadline for opting for payment in the form of capital has passed, the option selected in this document shall become irrevocable.

Payment of retirement benefits in the form of a full or partial lump-sum capital payment is only possible if the spouse or registered partner gives written consent when the member reaches retirement age.

Place and date: .....

.....  
Member's signature

.....  
Signature of spouse or registered partner

*This document is a translation of the original French document. Only the French version is authoritative.*

As part of our fund regulations update in 2022, we did away with the three-month notice period for receiving all or part of your retirement benefits as a lump-sum payment.

There is no longer a notice period!

⇒ You now have until the day before you retire to make your request.

### You can use your occupational pension assets to:

- Buy or build a home
- Finance renovations that add to your property's value (i.e., not regular upkeep)
- Repay a mortgage loan

### Primary residence only

- Place of usual residence: eligible
- Secondary residence: not eligible

### Authorized forms of ownership

- The insured member must be the owner
- Joint ownership with a spouse or registered partner (but not an unregistered partner)
- Co-ownership (with an unregistered partner, or for condominiums)

## Pillar 2

### Home ownership encouragement

#### **Minimum withdrawal:**

CHF 20,000 (excluding savings deposited in a vested benefits account)

#### **Frequency of withdrawals:**

- At most every 5 years

#### **From the age of 50 years, maximum withdrawal limited to:**

- Retirement savings accrued as at the age of 50
- Half of current vested benefits

**Send your request to AVENA sooner rather than later!**

## Withdrawing pension assets

### Your retirement benefits will go down

- But you can repay the withdrawal later

### Your death and/or disability coverage will go down

- By how much → depends on your pension plan and age
- This doesn't always happen (for example, if these pensions are calculated as % of salary)

### You pay tax on the withdrawal

- The tax rate depends on the amount withdrawn
- The tax must be paid with separate funds
- Tax can be reclaimed once the withdrawal is paid back

⇒ **When a property is financed, a restriction on the right of alienation is recorded in the land registry.**

⇒ **The spouse's consent is required.**

## Pledging pension assets

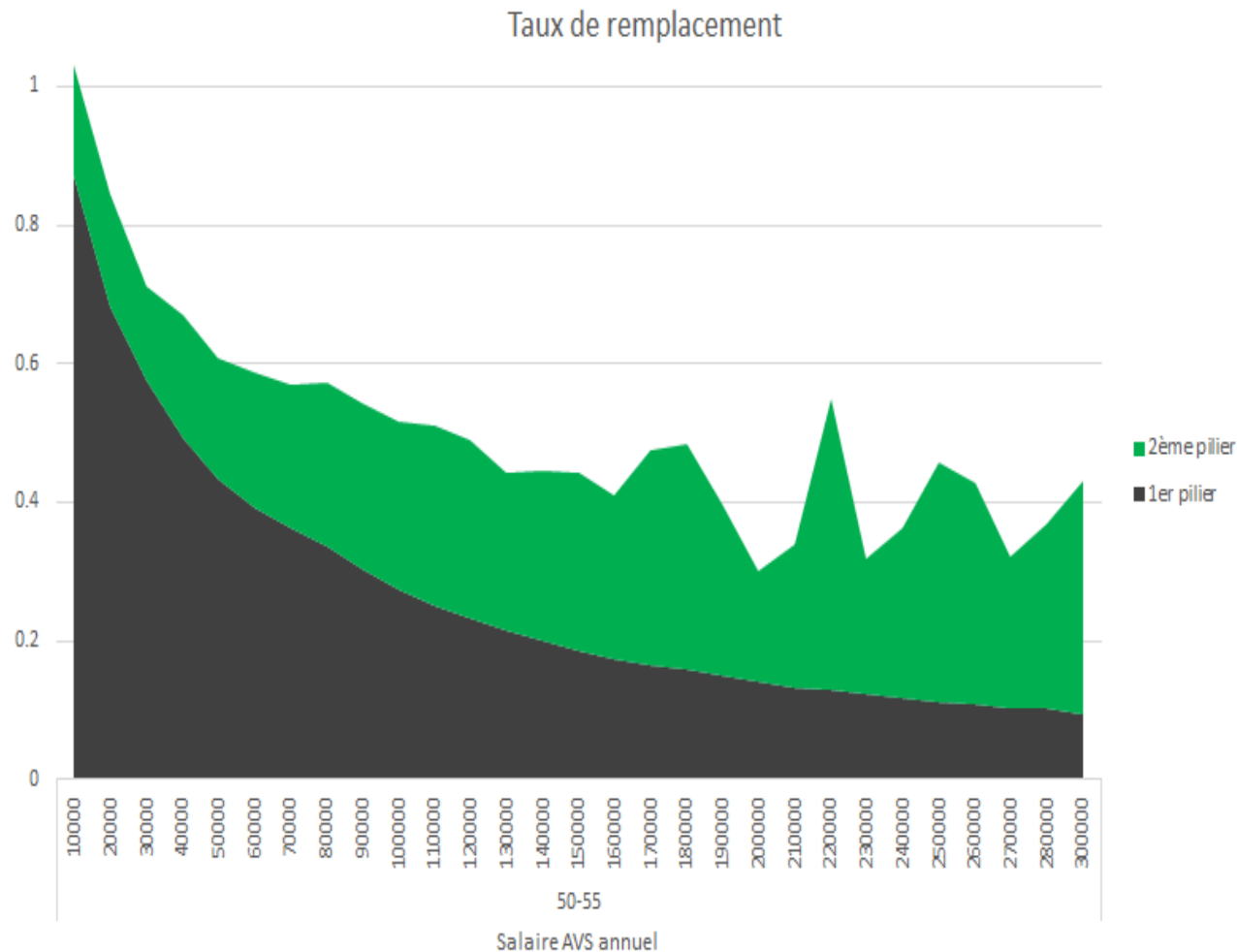
- No loss of coverage in case of death and/or disability
  - No decrease in retirement benefits
  - Pledged amount is not taxable
  - Property not recorded in the land registry
  - Consent of spouse required
- ⇒ **If the pledge is enforced, the situation is identical to a withdrawal.**
- ⇒ Your **mortgage interest payments** will be different than if you withdraw pension assets.

### Repaying a withdrawal

- The amount withdrawn must be repaid if the **property is sold**
- Minimum voluntary repayment: CHF 10,000 (unless remaining amount is below CHF 10,000)
- The member must request a tax refund **within three years**

# Benefits

## Income replacement rate (50-55 age bracket)

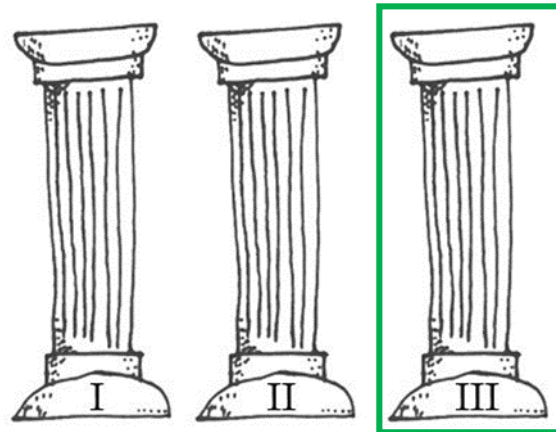


- First and second pillar benefits do a relatively good job of covering salaries under CHF 80,000.
- For higher salaries, the replacement rate is only around 40%-50%.
- Most households overestimate their income in retirement.



# Pillar 3a

## Restricted personal retirement accounts



## Tax deductions

**For employed persons:** maximum CHF 7,056 per year (2023)

Example: married employee residing in Lausanne

Taxable income: CHF 100,000

Taxable assets: CHF 0

<b>Annual pillar 3a payment</b>		<b>CHF 7,056</b>
Taxable income	CHF 100,000	CHF 92,944
Taxable assets	CHF 0	CHF 0
<b>Total tax</b>	<b>CHF 18,455</b>	<b>CHF 16,612</b>
<b>Annual tax savings</b>		<b>CHF 1,843</b>
<b>as % of annual payment</b>		<b>26.11%</b>

## Withdrawing your savings

You can withdraw your savings **no earlier than five years** before normal retirement age (65 for men and 64 for women) and no later than five years after that age.

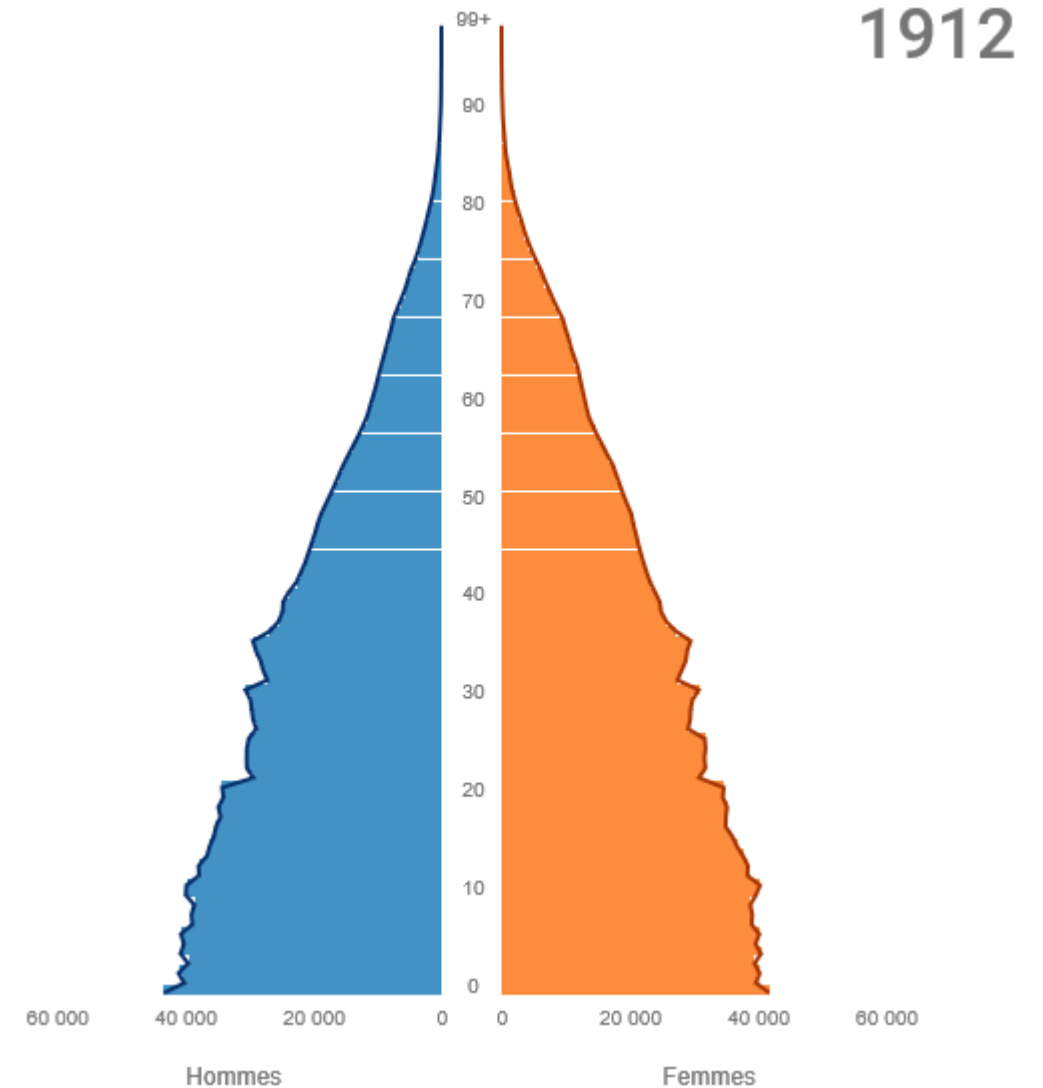
### You can withdraw your savings early if:

- You make voluntary contributions to your pension fund
- You are recognized as fully disabled by Swiss disability insurance
- You become self-employed
- Your self-employed activity changes
- You leave Switzerland permanently
- You buy a home

# Swiss pension system: past, present, and future

The pension system was discussed for the **first time in 1910**, then put in place over the 20<sup>th</sup> century.

For the system to be sustainable it has to adapt, and everyone must stay up to date on these changes.



# Conclusion

- Our pension fund is very fortunate to count you among our members.
- We do everything we can to provide you with the best possible service in any situation.
- We can provide you with information, but our members – that means you – have an active role to play in keeping track of their retirement pension.

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# AVENA

Looking ahead with confidence

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