AVENA

The ABCs of your occupational pension

2025

Switzerland’s three-pillar system

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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.

Switzerland's three-pillar system

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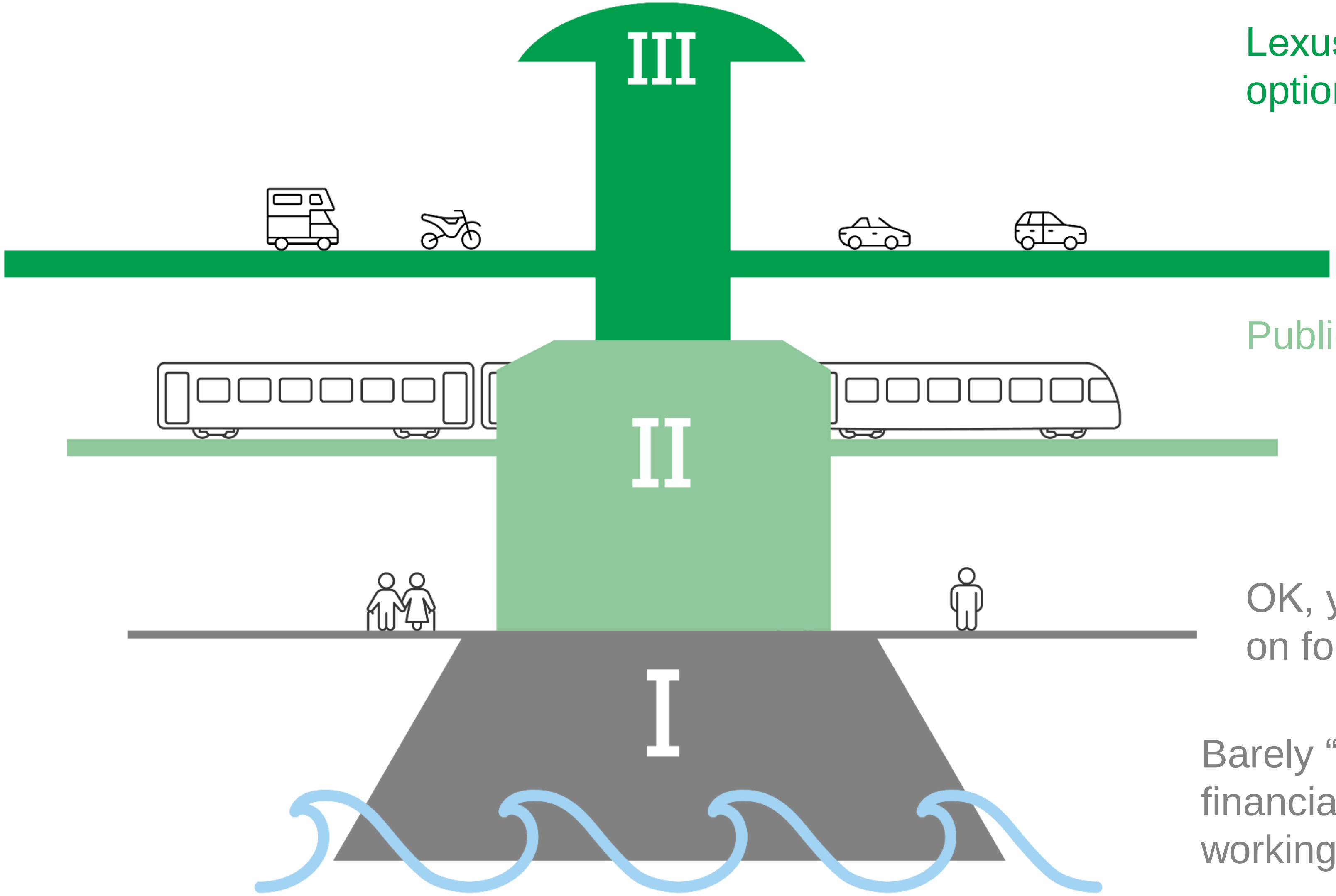


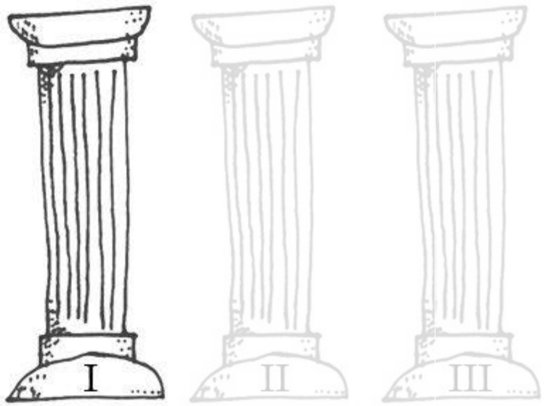
Lexus? Tesla? You've got options

Public transportation

OK, you're dry – but you're on foot

Barely "staying afloat" financially after you stop working

Pillar 1
Social security



Pillar 1
Social security benefits

Federal social security

AVS

AI

PC

Pillar 1

	Max. monthly amount
Retirement pension	**CHF 2,520**
2 retirees = capped	**CHF 3,780**
Widow/widower's pension (80%)	**CHF 2,016**
Disability benefits (100%)	**CHF 2,520**
Child's/surviving child's pension (40%)	**CHF 1,008**

Pillar 1

Who makes contributions and for how long?

17-20 years old

After retirement age

Required to make contributions if gainfully employed

1 January after 17th birthday

1 January after 20th birthday

Required to make contributions

except

if you are not gainfully employed, but your spouse is gainfully employed and pays double the minimum contribution (CHF 530 in 2025)

Men: 65
Women: 64 years, 3 months

You can choose to make contributions on all income or only on income above CHF 16,800/year (CHF 1,400/month)

Pillar 1 — Reference age for women

Year of birth	Reference age
1960 or before	64 years
1961	64 years 3 months
1962	64 years 6 months
1963	64 years 9 months
1964 or after	65 years

Pillar 1
Old-age and survivors' pension (AVS)

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

www.acor-avs.ch

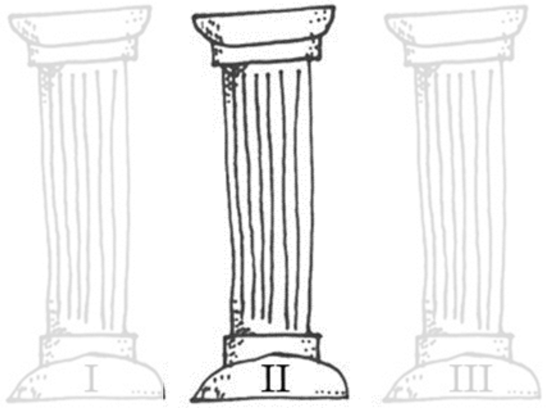
You can use the ESCAL online calculator to estimate the amount of your future AVS pension.

www.ahv-iv.ch/en/

Forms and leaflets, including:

- pension estimate form
- form to request pension payments
- information on paying contributions if you're unemployed

Pillar 2
Occupational pension



Occupational pensions at your company

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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.

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

⇒ Go to the online portal

⇒ Read your pension statement

Online portal for employees

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Salary

Stated annual salary	84'032
Work-time percentage	100 %
Pensionable salary for retirement savings	84'032
Pensionable salary for death and disability contributions	84'032

Pension

Retirement date	01.02.2039
Retirement savings	395'695
Retirement pension	27'699
Pensioner's child pension	5'539

CALCULATE

Voluntary contribution

Maximum voluntary contribution	243'684
Voluntary contribution for early retirement	0
Voluntary contribution for AVS bridging pension	0

CALCULATE

https://lpp-assure.ch/

Encouragement of home ownership

Maximum possible EPL withdrawal	155'269
EPL repayment	0

CALCULATE

MORE

Death and disability benefits

Disability pension	32'750
Disabled person's child's pension	6'550
Spouse / partner pension	19'650
Orphan pension	6'550

Savings

Vested benefits	167'269
Projected interest rate	1.25 %
Annual employee contributions	7'143
Annual employer contributions	9'663

Pension statement

AVENA

Pension statement at 1 January 2025

Member infomation

Personal / Confidential

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

Your personal information

Annual salary		CHF
Reference salary		59,772.00
Employment rate:		50%
	Retirement savings	**Death and disability**
Coordination deduction	13,230.00	13,230.00
Insured salary	46,542.00	46,542.00

Your salary information

Monthly and annual contributions				CHF
	Employee	Employer	Employee	Employer
Contributions for retirement savings	213.30	213.30	2,559.60	2,559.60
Contributions for death and disability benefits, fees, and the Security Fund	38.40	38.40	460.80	460.80
Total contributions	251.70	251.70	3,020.40	3,020.40

What you and your employer pay

Pension statement

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Benefits	CHF
Termination	
Regulatory termination benefits at 01.01.2025 (of which LPP minimum: CHF 68,479.40)	113,275.20
Retirement at age 65 (1 November 2047)	
Projected retirement capital assuming 1.25% interest (1.25% for the current year)	355,820.50
or annual retirement benefits	20,993.40
Annual child benefit for a retired member	4,198.80
Disability	
Annual disability benefits (after a 24-month waiting period)	18,616.80
Annual child benefit for a disabled member	3,723.60
Contributions waiver (after a 3-month waiting period)	
Death before retirement	
Surviving spouse’s annual benefits	11,170.20
Surviving child’s annual benefits	3,723.60
Lump-sum death benefit	According to the pension fund regulations
Additional lump-sum death benefit	46,542.00
Death after retirement	
Surviving spouse’s annual benefits	12,596.05
Surviving child’s annual benefits	4,198.80

Benefits in case of

- **termination**
- **retirement**
- **disability**
- **death**

Pension statement

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Savings

Savings	CHF
Savings at 1 January 2024	104,757.25
Transfers-in, voluntary contributions, reimbursements, withdrawals	0.00
Contributions allocated to savings	5,095.20
Total interest (3.25% in 2024)	3,404.60
Savings at 31 December 2024 (of which LPP minimum: 68,479.40)	**113,257.05**

What makes up your savings

Projected savings and annual retirement pension

Date (age)	Conversion rate (%)	Projected retirement capital		Retirement pension	
		Without interest	With 1.25% interest	Without interest	With 1.25% interest
01.11.2040 (58 years)	4.85	231,865	267,269	11,245	12,962
01.11.2041 (59 years)	5.00	240,708	279,453	12,035	13,973
01.11.2042 (60 years)	5.15	249,550	291,789	12,852	15,027
01.11.2043 (61 years)	5.30	258,393	304,279	13,695	16,127
01.11.2044 (62 years)	5.45	267,236	316,925	14,564	17,272
01.11.2045 (63 years)	5.60	276,079	329,730	15,460	18,465
01.11.2046 (64 years)	5.75	284,922	342,694	16,383	19,705
01.11.2047 (65 years)	5.90	293,764	355,820	17,332	20,993

Your projected pension

Other infomation

Other infomation	CHF
Amount available to finance the purchase of a home	113,257.05
Maximum possible voluntary contribution (subject to legal and regulatory provisions)	3,256.00
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 above information and the pension fund regulations, the pension fund regulations will take precedence.
The pension fund regulations are available on the Fund’s website.

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

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

Restriction

If you withdrew retirement savings to finance the purchase of a home, you must repay this amount before you can make a tax-deductible voluntary contribution.

Voluntary contributions
Example: payment of CHF 10,000

Married employee, living in Lausanne (2025)

Voluntary contribution		**CHF 10,000**
Taxable income	CHF 100,000	CHF 90,000
Taxable assets	CHF 0	CHF 0
Total tax	**CHF 17,843**	**CHF 15,343**
Annual tax savings		**CHF 2,500**

Advantages

- Increased retirement benefits
- Lower federal, cantonal, and municipal tax bill
- Interest accrues on voluntary contributions
- In the event of death, voluntary contributions are returned in full in addition to the lump-sum death benefit

Regular pension or lump-sum payment?

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	Advantages	Disadvantages
Regular pension	• Regular income for life • Surviving spouse's benefits paid until death (no uncertainty around life expectancy) • Child/surviving child's pension (until the child turns 20 years old, or 25 years old if they're in training or school)	• Pension payments are fully taxable • Taxed along with other income (subject to progressive taxation) • Capital cannot be transferred to heirs
Lump-sum payment	• You can invest the capital, and there are tax advantages • A lot of financial flexibility • Can be passed on to heirs as an advance on inheritance or a gift • Remaining capital can be left to heirs • Taxed independently of other income (4% to 9.5% depending on the amount)	• Capital subject to wealth tax • You bear the risk of managing/investing the money • Return on invested retirement capital will vary • Uncertainty around life expectancy and financial needs

Requesting a lump-sum payment

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Fondation BCV 2e 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.

41-352e/07.10

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.**

Pillar 2

Home ownership encouragement

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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 fund 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

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Minimum withdrawal:

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

Frequency of withdrawals:

- at most every 5 years

Maximum withdrawal amount from the age of 50:

- retirement savings accrued at the age of 50
- half of current vested termination benefits

Send your request to AVENA sooner rather than later!

Pillar 2
Withdrawing pension assets

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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 benefits are calculated as % of salary)

You pay tax on the withdrawal

- rate depends on the amount withdrawn
- tax must be paid with separate funds
- tax can be recovered once the withdrawal is repaid

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

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

Pillar 2

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
- spouse’s consent is 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.

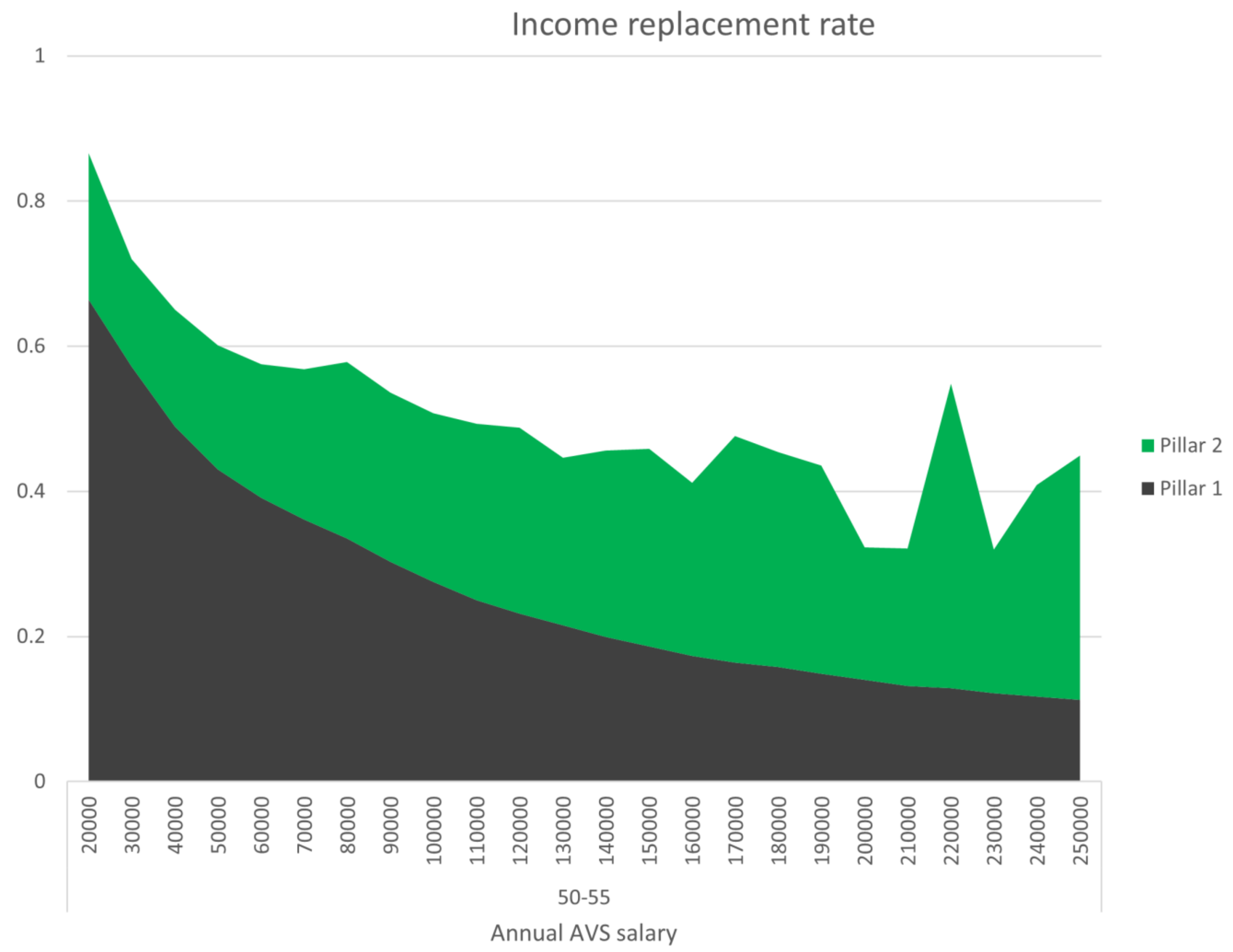
Pillar 2

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

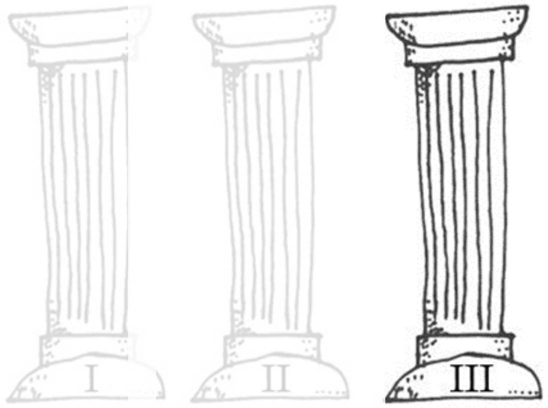
Income replacement rate (50-55 age bracket)



- 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.

Source: Income replacement rate (as a percentage of final salary at retirement) for AVENA members (around 15,000 members)

Pillar 3a
Restricted personal retirement accounts



Restricted personal retirement accounts (Pillar 3a)

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Tax deductions

For employed people: maximum CHF 7,258 per year (2025)

Married employee, living in Lausanne

Taxable income: CHF 100,000

Taxable assets: CHF 0

Annual Pillar 3a payment		CHF 7,258
Taxable income	CHF 100,000	CHF 92,742
Taxable assets	CHF 0	CHF 0
Total tax	**CHF 17,843**	**CHF 16,006**
Annual tax savings		**CHF 1,837**
as % of annual payment		**25.31%**

Restricted personal retirement accounts (Pillar 3a)

Withdrawing your savings

You can withdraw your savings no earlier than five years before the normal AVS retirement age (65 for men and 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

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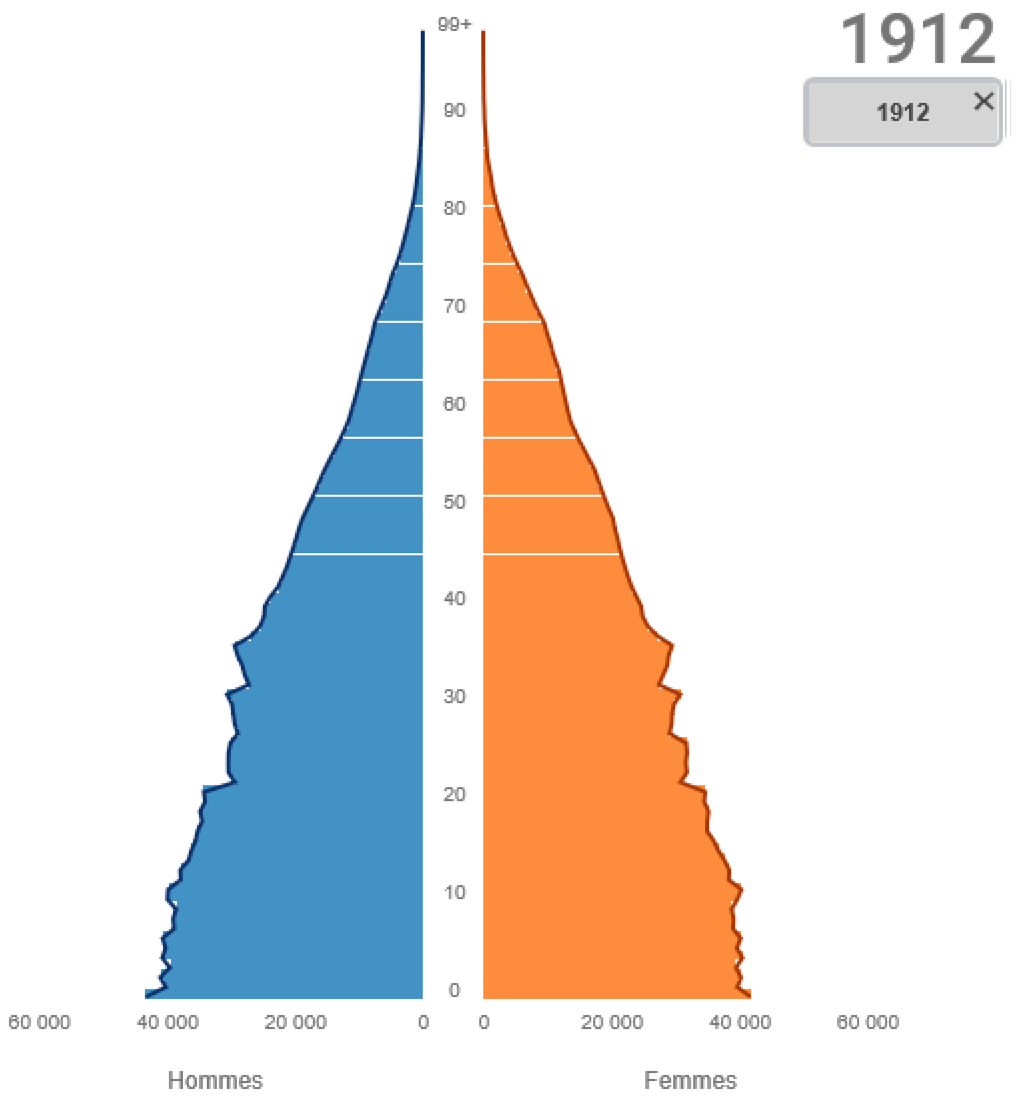
The pension system was discussed for the first time in 1910, then put in place over the 20th century.

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



Source: Swiss Federal Statistical Office (OFS) – Population 1860-2050

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 you need to be proactive about keeping on top of your occupational pension.

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Looking ahead with confidence

www.lpp-avena.ch