

## MERKBLATT

### Retirement pension bridging subsidy

In this information sheet, you will learn about who is entitled to a bridging subsidy, how the subsidy is calculated and financed, and the impact it has later on your retirement pension.

#### **What are bridging benefits?**

Bridging benefits are pension benefits paid out by BVK. They replace some of the AHV old-age pension that is not being paid out yet for insured persons who retire early (early retirement or premature, age-related dismissal). Bridging benefits are a form of replacement income that is paid out by BVK until normal AHV retirement age is reached.

#### **Who is entitled to bridging benefits?**

In the event of early retirement or premature, age-related dismissal, bridging benefits can be paid to:

- a) Insured persons employed by the cantonal administration
- b) Employees of affiliated employers who have not excluded the payment of bridging benefits in their affiliation agreement.

Check whether your employer stipulates that you must have been working at the company for at least five years before bridging benefits will be paid out. If you have been working there for less than five years, you may not qualify for bridging benefits.

#### **For how long will bridging benefits be paid out?**

Bridging benefits are paid out until you reach normal AHV retirement age. You cannot choose how long you will receive bridging benefits. In the event of premature, age-related dismissal, you can start receiving them before you turn 60 (please refer to the "Premature, age-related dismissal" information sheet).

Entitlement to bridging benefits lapses when you reach normal AHV retirement age, at which point they are replaced by AHV benefits. You must apply to the relevant Compensation Office for these.

#### **How are bridging benefits calculated?**

Bridging benefits amount to 75% of the maximum basic AHV old-age pension at the time of retirement. For 2023, this is CHF 29,400, which means that the maximum amount of bridging benefits that BVK will pay out is CHF 22,050 (75% of CHF 29,400). For insured persons who are married or in a registered partnership, the bridging benefits are increased by 30% to a maximum of CHF 28,665, unless the supplement for spouses or registered

partners is explicitly waived. The bridging benefits for part-time employees are reduced according to their degree of employment. This is based on the degree of employment immediately prior to retirement.

### How are bridging benefits financed?

Bridging benefits are financed 40% by the insured person and 60% by their employer.

The amount contributed by the pensioners to the total bridging benefits to be paid before normal AHV retirement age is reached is drawn from their savings in one go before the pension is calculated.

### Will my bridging benefits be reduced if I take out some of my savings as a lump sum?

Yes. Any insured person can take out some or all of their savings as a lump sum when they retire ("Flex" model). Drawing capital in this way results in a **pro rata reduction of bridging benefits**.

If you take out 50% of your savings as a lump sum when you retire, for example, your bridging benefits will be reduced by 50%.

With the "Kombi" pension model, there is no reduction in your bridging benefits.

### When and how can I request a bridging subsidy?

The request for a bridging subsidy must be submitted to BVK in **writing** before retirement. An application form can be found on our website under «Services/Downloads/Formulare».

We recommend that you request the bridging subsidy **no later than one month before retirement**. This will ensure that the bridging subsidy is paid in a timely manner together with the BVK retirement pension.

#### **Please note:**

Applications that are submitted late will be rejected.

### Will the bridging subsidy be reduced if I withdraw a portion of my savings capital as a lump sum?

Yes. In general, every insured person has the option of withdrawing some or all of his or her savings capital as a lump sum upon retirement. A lumpsum withdrawal will result in a **proportionate reduction of the bridging subsidy**.

For example, if you withdraw 50% of your savings capital as a lump sum when you retire, this will result in a 50% reduction of the bridging subsidy.

### How is the bridging

The bridging subsidy is financed 40% by the insured person and 60% by the

**subsidy financed?** employer.

The insured person pays his or her contribution through a **lifelong reduction of the BVK retirement pension** from the time they reach the normal AHV retirement age. The annual reduction is 2.3% of the total bridging subsidy that is drawn. The interest accrued during the claim period and future interest on the subsidies (40% of the subsidy) are amortised with this reduction.

**Example:**

Annual bridging subsidy	CHF 22,050
Total drawn in five years Bridging subsidies	CHF 110,250
Insured person's financial contribution in the form of a lifelong annual reduction of the retirement pension after reaching age 65 (2.3% of CHF 110,250)	CHF 2,536
Monthly employer contribution to the bridging subsidy (CHF 110,250 : 5 = CHF 22,050; CHF 22,050 x 60% = CHF 13,230; CHF 13,230 : 12 = CHF 1,102.50)	CHF 1,102.50

**How is the bridging subsidy compensated?**

The bridging subsidy is 75% of the maximum basic AHV retirement pension applicable upon retirement. For 2023, this is CHF 29,400. The maximum BVK bridging subsidy is thus CHF 22,050 (75% of CHF 29,400).

For insured persons who are married or living in a registered partnership the bridging subsidy increases by 30% to a maximum of CHF 28,665, provided the supplement for married couples or registered partners is not expressly waived. This supplement is also paid if the spouse or registered partner still works or already draws a pension him or herself. For insured persons who work part-time, the bridging subsidy is reduced according to the level of employment. The level of employment upon retirement is authoritative.

**Example 1:**

Unmarried male insured Retirement at age 60	
Level of employment	100%
Bridging subsidy	CHF 22,050
Claim period	5 years
Total bridging subsidy	CHF 110,250

**Example 2:**

Unmarried male insured Retirement at age 60	
Level of employment	50%
Maximum bridging subsidy	CHF 11,025
Claim period	5 years

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Total bridging subsidy	CHF 55,125
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**When is the bridging subsidy paid out?**

The bridging subsidy is paid until the employee reaches the normal AHV retirement age. For men, the maximum claim period is from ages 60 to 65, for women, the maximum claim period is from ages 60 to 64. The claim period for the bridging subsidy cannot be freely selected. In the event of early release due to age, the bridging subsidy may be drawn before age 60 (see the «Early release due to age» information sheet). Entitlement to the bridging subsidy lapses when the insured person reaches the normal AHV retirement age. The insured person will then be entitled to AHV benefits. These must be requested from the appropriate compensation office.

**Who is entitled to a bridging subsidy?**

The following people are entitled to a bridging subsidy in the event of early retirement or early release due to age:

- a) insured persons employed by the cantonal administration
- b) employees of affiliated employers that have not excluded the bridging subsidy benefit in their affiliation agreement.

**What is a bridging subsidy?**

The bridging subsidy is a BVK pension benefit. It helps insured persons who retire early (early retirement or early release due to age) and who would like to replace some of the missing AHV retirement pension. The bridging subsidy is a sort of replacement income that is paid by BVK until the insured person reaches the normal AHV retirement age.

**Kontakt**

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**Rechtlicher Hinweis**

Das Merkblatt soll einen vereinfachten Überblick über das Thema verschaffen. Es können keine Ansprüche daraus abgeleitet werden. Rechtlich verbindlich sind ausschliesslich das Vorsorgereglement sowie die einschlägigen Rechtsgrundlagen.