

## INFORMATION SHEET

# Retirement benefits

This information sheet explains the benefits that you can expect after you retire and how these are calculated.

**At what age can I begin drawing a retirement pension?**

You can begin drawing your retirement pension when you turn 60. Normal retirement begins at the end of the month in which you turn 65. For teachers and professors, normal retirement begins at the end of the semester or school year in which they turn 65.

You can remain insured until you turn 70 at the latest, provided you have agreed with your employer that you will continue to work. Men and women are treated the same in this regard.

**What points need to be kept in mind if I continue to work after I turn 65?**

From age 65, continuation of insurance at BVK is optional. There are exceptions for teachers and professors, for whom continuation of insurance from the end of the school year in which they turn 65 is optional. Would you like to continue the insurance cover and save additional retirement capital? In this case, you and your employer will continue to pay savings and any restructuring contributions on the annual salary that is subject to BVG. The amounts for risk insurance (disability, death) are no longer due.

Please note that continued insurance is only possible if you have agreed to continue working for the same employer.

Would you prefer to forgo continued insurance cover? The contribution payments will be suspended and BVK will determine your retirement benefits. You will then receive a monthly retirement pension (in addition to your salary). Please note that drawing the retirement pension cannot be deferred in this case.

If you would like to waive continued insurance cover, you must inform BVK of this by submitting the form «Waive savings insurance after reaching the normal retirement age» at least 30 days before the desired retirement date.

**With whom must I register the desired retirement date?**

Please register the desired retirement date with your employer, not BVK. The end of the employment relationship will result in a pension entitlement on the first day of the following month.

**How much will my retirement pension be?**

The amount of your retirement pension depends on your personal savings capital. Please see your pension fund statement, which we send to you each year. You will find information about your savings capital there.

In order to calculate your annual retirement pension, your savings capital at the time of retirement are multiplied by a conversion rate to determine your retirement pension for life. The conversion rate is calculated exactly for whole months and depends on the retirement age and year of birth of the insured person:

Year of birth	Age pursuant to Art. 9 with standard benefits															
	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70
1951															5,47	5,65
1952														5,30	5,46	5,63
1953													5,13	5,28	5,44	5,62
1954												4,98	5,12	5,27	5,43	5,60
1955											4,84	4,97	5,11	5,26	5,42	5,59
1956										4,71	4,83	4,96	5,10	5,24	5,40	5,57
1957									4,58	4,70	4,82	4,95	5,08	5,23	5,39	5,56
1958								4,46	4,57	4,69	4,81	4,93	5,07	5,22	5,37	5,54
1959							4,35	4,45	4,56	4,68	4,80	4,92	5,06	5,21	5,36	5,53
1960						4,25	4,34	4,44	4,55	4,67	4,79	4,91	5,05	5,19	5,35	5,52
1961					4,15	4,24	4,33	4,44	4,54	4,66	4,78	4,90	5,04	5,18	5,34	5,50
1962				4,05	4,14	4,23	4,33	4,43	4,53	4,65	4,77	4,89	5,03	5,17	5,32	5,49
1963			3,96	4,04	4,13	4,22	4,32	4,42	4,53	4,64	4,76	4,88	5,02	5,16	5,31	5,48
1964		3,87	3,95	4,04	4,12	4,22	4,31	4,41	4,52	4,63	4,75	4,87	5,00	5,15	5,30	5,46
1965	3,79	3,87	3,95	4,03	4,12	4,21	4,30	4,40	4,51	4,62	4,74	4,86	4,99	5,14	5,29	5,45
1966	3,79	3,86	3,94	4,02	4,11	4,20	4,30	4,40	4,50	4,61	4,73	4,85	4,98	5,13	5,28	5,44

**Example:**

<b>Retirement at age 65 (year of birth: 1956)</b>	
<b>Savings capital at age 65 (assumed)</b>	CHF 500,000
<b>Conversion rate at 65</b>	4.83%
<b>Annual retirement pension (CHF 500,000 x 4.83%)</b>	CHF 24,150

**Can the conversion rate be adjusted?**

In the following circumstances, the conversion rate for the insured person may increase: Insured persons can choose between a higher old-age pension or higher survivor benefits (widow's/widower's pension, orphan's pension, etc.). This does not apply to insured persons who have already partially retired after 1<sup>st</sup> January 2019 and who are entitled to a pension (conversion rate already selected) or have already made a choice.

If you opt for a higher old-age pension, your savings balance will be at the time of retirement with a higher conversion rate of 5.10% instead of 4.83% (age 65, born 1956). They get a higher annual pension. In return, in the event of death, you will receive a lower survivor benefits. The spouse's pension, for example, then amounts to 1/3 instead of the standard 2/3 of the previous pension, which is paid to the surviving partner. How the amount of the conversion rate affects your personal pension in concrete terms can be playfully simulated on [www.mybvk.ch](http://www.mybvk.ch).

Year of birth	Age pursuant to Art. 9 with lower survivor benefits															
	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70
1951															5,84	6,03
1952														5,64	5,82	6,01
1953													5,45	5,62	5,80	6,00
1954												5,28	5,43	5,60	5,78	5,98
1955											5,12	5,26	5,42	5,59	5,77	5,96
1956									4,97	5,10	5,25	5,40	5,57	5,75	5,94	
1957								4,83	4,95	5,09	5,23	5,39	5,55	5,73	5,92	
1958							4,69	4,81	4,94	5,08	5,22	5,37	5,54	5,72	5,91	
1959						4,57	4,68	4,80	4,93	5,06	5,21	5,36	5,52	5,70	5,89	
1960					4,45	4,56	4,67	4,79	4,92	5,05	5,19	5,35	5,51	5,68	5,87	
1961				4,34	4,44	4,55	4,66	4,78	4,91	5,04	5,18	5,33	5,49	5,67	5,86	
1962			4,23	4,33	4,43	4,54	4,65	4,77	4,89	5,03	5,17	5,32	5,48	5,65	5,84	
1963		4,13	4,22	4,32	4,42	4,53	4,64	4,76	4,88	5,01	5,16	5,31	5,47	5,64	5,82	
1964	4,03	4,12	4,21	4,31	4,41	4,52	4,63	4,75	4,87	5,00	5,14	5,29	5,45	5,62	5,81	
1965	3,94	4,02	4,11	4,20	4,30	4,40	4,51	4,62	4,74	4,86	4,99	5,13	5,28	5,44	5,61	5,79
1966	3,93	4,02	4,11	4,20	4,29	4,39	4,50	4,61	4,73	4,85	4,98	5,12	5,27	5,43	5,60	5,78

**Can I claim a retired person's child's pension?**

Yes. Pension recipients are paid a retirement pension for each child up to age 18 and those in training or education up to age 25. Pension recipients are entitled to a retired person's child's pension for their own children and for stepchildren for whom they are the primary means of support as well as for children for whom they have provided lasting care and education at no charge. The amount of the pension is calculated on the basis of the savings capital in accordance with the BVG minimum.

**What will I receive if I am still not receiving an AHV retirement pension when I retire?**

You may be entitled to a bridging subsidy. The bridging subsidy is intended to compensate for a missing AHV retirement pension if you retire early. Insured persons who are employed by the canton or whose employer has not excluded payment of a bridging subsidy in their employment contract are entitled to a BVK bridging subsidy.

For more information, please read our explanation in the «Retirement pension bridging subsidy» information sheet.

**When I retire, can I withdraw some or all of my savings capital as a lump sum?**

Yes, this is possible. You can withdraw some or all of your savings capital as a lump sum when you retire.

**Please note:**

A request for a lump-sum withdrawal must be submitted to BVK at least **one month before retirement**. Notification cannot be revoked within this period.

Insured persons receiving a full disability pension from BVK are not entitled to withdraw retirement benefits as a lump sum. For those receiving a partial disability pension, the option to make a lump-sum withdrawal is limited to the portion of the savings capital that corresponds to the remaining level of employment.

**How can I submit a request to make a lump-sum withdrawal of retirement benefits?**

You will find the necessary application form «Application for lump-sum withdrawal» on our website [www.bvk.ch](http://www.bvk.ch) under «Services/Downloads/Formulare».

In addition to the application form, the following documents must also be submitted:

- Unmarried insured persons: current proof of their civil status.
- Insured persons who are married or living in a registered partnership: certified signature of their spouse or registered partner.

**What points do I need to keep in mind if I have made a personal buy-in before the lump-sum withdrawal?**

The amount corresponding to the buy-in, including interest, may not be drawn as a lump sum (advance withdrawal to purchase a residential property, lump-sum withdrawal upon retirement or cash payment of the termination benefits) for the next three years.

As a rule, personal pension fund buy-ins may be deducted from taxable income. This tax advantage will be retroactively disallowed by the tax authorities if application for a lump-sum withdrawal is made within three calendar years of the buy-in. We recommend that you clarify the tax consequences with the relevant tax authority in a timely manner.

**Please note:**

All claims against BVK will be reduced in the amount of the lump-sum withdrawal, specifically the entitlement to a bridging subsidy.

**Is partial retirement possible and if so, what do I need to keep in mind? How are the benefits calculated?**

At most, retirement can be taken in three steps. Lump sum payments can be requested twice.

In the case of a partial retirement, a retirement pension is paid in proportion to the reduction in insured salary. A bridging subsidy in the amount of the reduction in the level of employment can be drawn if your employer has not excluded payment of a bridging subsidy in the employment contract (see the «Retirement pension bridging subsidy» information sheet).

**Example:**

<b>a) Situation before the partial retirement (male employee)</b>	
Insured salary	CHF 80,000
Level of employment	100%
Savings capital	CHF 400,000
Partial retirement in 2021 at	60 at 40%
<b>Retirement benefits – first step</b>	
Relevant savings capital	CHF 240,000
Retirement pension (4.24% of CHF 240,000)	CHF 10'176
Bridging subsidy (simple)	CHF 12'906
(CHF 28'680 x 75% x 60% = CHF 12'906)	

Following partial retirement with an insured salary of CHF 32,000 (level of employment: 40%) and remaining savings capital of CHF 160,000, insurance cover will be continued until full retirement.

<b>b) Situation before full retirement</b>	
Insured salary	CHF 32,000
Level of employment	40%
Savings capital	CHF 210,000
Retirement in 2025 at	64 at 40%
<b>Retirement benefits – second step</b>	
Relevant savings capital	CHF 210,000
Lump-sum withdrawal (50%)	CHF 105,000
Retirement pension (4.50% of CHF 105,000)	CHF 4,725

**If I retire early, am I still subject to AHV contributions?**

Information about the AHV contribution requirement and the amount of the AHV contributions is provided by the competent compensation office. Further information can be found in AHV/IV information sheet 2.03 «Non-employed contributions to Old-Age and Survivors' Insurance (OASI), Disability Insurance (DI) and Income Compensation Insurance (IC)» at [www.ahv-iv.info](http://www.ahv-iv.info). BVK will not deduct any AHV contributions from the retirement benefits.

**If I change jobs between ages 60 and 65, can I choose the termination benefits instead of the retirement pension?**

Yes. This is subject to the condition that you **immediately** commence a new job or register with the regional employment office (RAV) as unemployed. The termination benefit will be payable on the date you leave BVK. As a result, all claims to benefits against BVK by the insured person or his or her family no longer apply, including entitlement to a bridging subsidy (see «Retirement pension bridging subsidy» information sheet).

After BVK receives notification from your employer that you have resigned, BVK will send you the retirement pension application form. Please request the «Application for termination benefits» as well. The application to draw the termination benefits must be submitted to BVK in writing at least **one month before you leave BVK**.

**Can I work again after taking early retirement?**

Yes, from the perspective of the pension fund it is possible to work again after taking early retirement. However, from a certain minimum income pension fund insurance is generally required again.

**Legal notice**

This information sheet is intended to provide a brief overview of the topic. No claims may be derived from it. Only the pension fund regulations and the relevant statutes are legally binding.