

INFORMATION SHEET

Enrolment in BVK

This information sheet explains the conditions for enrolment in BVK and the contributions that must be made.

**Which employers
can be affiliated with
BVK?**

BVK is a pension scheme for employees in the canton of Zurich. Many political municipalities, school communities and parishes as well as public-law bodies and institutions associated with the canton can also be affiliated with BVK.

**Under what
conditions will I,
as an employee,
be enrolled?**

You will be enrolled in BVK if you begin a permanent employment relationship and receive an annual salary of more than CHF 21,330 (as of 1 January 2019). For positions that last less than a year, the salary will be extrapolated to one year.

Example

During a four-month appointment, you earn CHF 20,000. You will be enrolled in BVK because the annual entry threshold of CHF 21,330 is converted for four months. It is thus only CHF 7,110 (CHF 21,330 / 12 months x 4 months).

Government and court interpreters

Government and court interpreters are considered employees. They will be enrolled if they meet the financial entry threshold.

Members of authorities, e.g. municipal councillors, school board members

Members of authorities will be enrolled if their fixed basic compensation reaches the entry threshold.

**In what cases will I
not be insured?**

Even if your income reaches the entry threshold, you will not be enrolled in the following cases:

- Your position is not permanent and lasted less than three months.
- You are engaged in secondary employment and you are compulsorily insured through your main occupation.
- You are engaged in secondary employment and in your main occupation you are self-employed («Declaration of secondary employment/main occupation» form).
- You are at least 70% disabled under federal disability insurance (IV).

**How is qualifying income
calculated?**

The salary reported by the employer is authoritative. This includes the annual salary and regular allowances. This salary may deviate from the actual gross salary on the salary statement.

The following are not considered regular allowances

Service awards, compensation for overtime, cash payments of holiday, one-off allowances, rewards from company suggestion schemes, attendance fees, honorariums and severance payments.

Compensation for authorities

This is generally comprised of basic compensation (flat fee), attendance fees and expenses. Only the basic compensation is considered qualifying salary.

What do those who are self-employed who have a secondary position that is registered with BVK need to keep in mind?

Those who are self-employed who have not previously been registered with a pension fund are able to contribute up to CHF 34,128 (as of 2019) or a maximum of 20% of their employment income to Pillar 3a tax-free each year. After enrolling in BVK, the maximum amount is CHF 6,826 (as of 2019). To compensate this difference, the self-employed generally have the option of making tax-privileged BVK buy-ins.

At what age can an employee enrol in BVK?

The earliest one can be insured against the risks of death and disability is at age 18. The savings process for the retirement pension provision begins on 1 January of the year in which the insured person turns 21.

What does «insured salary» include?

The insured salary is the qualifying annual salary reported by the employer (income subject to AHV), less the AHV coordination deduction. As a result, AHV/IV and BVK do not insure the same salary components.

On the one hand, the insured salary is the basis for calculating the employee and employer contributions to BVK, and on the other hand it is the basis for calculating disability and death benefits.

How much is the coordination deduction?

For a level of employment of 100%, the coordination deduction is CHF 24,885 (as of 2019). For part-time employment, the coordination deduction is adjusted on the basis of the level of employment.

Example

	100%	70%	50%
Qualifying annual salary	CHF 80,000	CHF 56,000	CHF 40,000
- coordination deduction	CHF 24,885	CHF 17,419.50	CHF 12,442.50
= insured salary	CHF 55,115	CHF 38,580.50	CHF 27,557.50

How are the pension benefits financed?

The benefits are financed through the employee contributions, the employer contributions and the returns on the assets (interest). The employer usually pays 60% of the contributions and the employee 40%. The contributions are deducted directly from the employee's salary each month and transferred to BVK together with the employer contributions.

What are the contributions that must be paid?

The contributions are comprised of savings contributions for the retirement pension and risk contributions for disability and life insurance.

Employer contributions/«Standard» savings contributions
(as a percentage of the insured salary)

Age	Savings contribution	Risk contribution	Total contribution per year
18 – 20	0.0%	0.8%	0.8%
21 – 23	4.0%	0.8%	4.8%
24 – 27	5.2%	0.8%	6.0%
28 – 32	6.4%	0.8%	7.2%
33 – 37	7.6%	0.8%	8.4%
38 – 42	8.8%	0.8%	9.6%
43 – 47	10.0%	0.8%	10.8%
48 – 52	10.8%	0.8%	11.6%
53 – 65	11.6%	0.8%	12.4%
66 – 70	6.0%	0.0%	6.0%

Employer contributions
(as a percentage of the insured salary)

Age	Savings contribution	Risk contribution	Total contribution per year
18 – 20	0.0%	1.2%	1.2%
21 – 23	6.0%	1.2%	7.2%
24 – 27	7.8%	1.2%	9.0%
28 – 32	9.6%	1.2%	10.8%
33 – 37	11.4%	1.2%	12.6%
38 – 42	13.2%	1.2%	14.4%
43 – 47	15.0%	1.2%	16.2%
48 – 52	16.2%	1.2%	17.4%
53 – 65	17.4%	1.2%	18.6%
66 – 70	9.0%	0.0%	9.0%

Flexible savings contributions

Starting in 2017, insured persons will have a say in how much they save in retirement capital. There are three contribution options:

- a) «Basic» option (-2%)
- b) «Standard» option
- c) «Top» option (+2%)

With the «Basic» option, you pay two percentage points less than you would with the «Standard» option. With the «Top» option, you pay two percentage points more than you would with the «Standard» option. By default, all insured persons are assigned to the «Standard» option.

Employees' savings contributions

Age	«Basic» option	«Standard» option	«Top» option
21 – 23	2.0%	4.0%	6.0%
24 – 27	3.2%	5.2%	7.2%
28 – 32	4.4%	6.4%	8.4%
33 – 37	5.6%	7.6%	9.6%
38 – 42	6.8%	8.8%	10.8%
43 – 47	8.0%	10.0%	12.0%
48 – 52	8.8%	10.8%	12.8%
53 – 65	9.6%	11.6%	13.6%

66 – 70	4.0%	6.0%	8.0%
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The employer always pays its savings contribution in accordance with the «Standard» option.

You can find further information in our «Save flexibly with different contribution options» information sheet or at www.bvk.ch/beitraege.

How can I change my savings contribution option?

You can select the savings contribution option each year with effect as at 1 January. The selection must be made by no later than 30 November of the previous year. The selected savings contribution option will be valid until you select another option. The savings contribution option can be modified each year for the following year.

What happens to the termination benefits from previous pension plans?

Upon enrolment in BVK, you are required to transfer all termination benefits from previous pension plans and vested benefit schemes. This will increase the savings used to calculate your retirement pension.

Can I voluntarily purchase additional benefits?

Once the termination benefits from your previous pension plan have been transferred to BVK, we can determine whether there is a pension gap. You can close any gaps by making voluntary personal buy-ins. You can find more information in the «Personal buy-in» information sheet.

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.