

I am leaving the pension fund – what next?

Information sheet

When your employment contract comes to an end, your insurance relationship is also automatically terminated. The right to continued insurance coverage pursuant to section 10 remains reserved. You withdraw from the pension fund and, as a rule, you receive a withdrawal benefit. Below is an overview of the most frequently asked questions.

1. I have a new employer in Switzerland or the Principality of Liechtenstein.

In accordance with Art. 3 of the Federal Law on Vesting in Pension Plans (FZG), your withdrawal benefit must be transferred into the pension scheme of your new employer.

- Please provide us with the details of the pension scheme of your new employer.

2. I currently have no new employer in Switzerland or the Principality of Liechtenstein.

As your withdrawal benefit must remain within the Pillar 2 scheme, you have three options:

- If the amount exceeds CHF 10,000, you can take out a portable benefits policy with Helvetia Swiss Life Insurance Company Ltd. This is an insurance solution that includes retirement and death benefits.
- You can open a portable benefits account at Baloise Bank Ltd. This is possible for amounts of CHF 10,000 or more for persons resident in Switzerland.
- You can open a portable benefits account or take out a portable benefits policy at a portable benefits institution of your choice.
- You can also continue your occupational pension provision at the Substitute Occupational Benefit Institution (aeis.net).

If we do not receive instructions from you within 6 months, your withdrawal benefit will be transferred to a portable benefits account in your name at the Substitute Occupational Benefit Institution (BVG), Administration Freizügigkeitskonten, P.O. Box, 8022 Zurich.

3. Can I have the withdrawal benefit transferred to my private account?

Yes, provided that:

- you are leaving Switzerland on a permanent basis (see points 4 and 6);
- you are taking up self-employment and are no longer subject to the compulsory insurance (see points 5 and 6); or
- your withdrawal benefit amounts to less than the annual contribution paid by you (so-called “negligibility”). The amount of your personal employee’s contribution is stated on your pension certificate.

4. I am leaving Switzerland or the Principality of Liechtenstein on a permanent basis. What next?

- I intend to become resident in a country within the EU/EFTA.
 - **Switzerland**
You can only have the non-compulsory component transferred to your private account. The compulsory component must remain in Switzerland until you reach retirement age. If you are not subject to a compulsory social insurance scheme in your new country of residence, you can also have the compulsory component paid out to you. To that end, please contact the Liaison Office of the BVG Guarantee Fund (verbindungsstelle.ch).
 - **Principality of Liechtenstein**
If your retirement assets are held in a pension scheme or portable benefits scheme in the Principality of Liechtenstein, you can only request that the withdrawal benefit is paid out if you leave the Liechtenstein/Swiss economic area on a permanent basis and are not subject to a compulsory social insurance scheme in your new EU/EFTA country of residence. The required application form for the cash payment can be obtained from the Financial Market Authority of Liechtenstein (fma-li.li).
- I intend to become resident in a country outside of the EU/EFTA.
You can have the full amount (compulsory and non-compulsory components) paid out to you.

5. I am taking up self-employment. What will happen to my withdrawal benefit?

You can request a cash payment, provided your self-employed activity is your main occupation. A request must be submitted to the pension scheme within one year of taking up self-employment. You must enclose the documentation from the AHV compensation office as proof.

Taking up self-employment results in a fundamental change to your insurance situation. We would be pleased to advise you of the most suitable pension options available to you.

6. What authentication and verification of the signatures do I require in the case of a cash payout?

If the criteria for a cash payout have been met, you need to enclose the following:

- Up to CHF 19,999
 - Signature of the insured person and the spouse (if married/in a registered partnership)
 - Copy of ID card/passport of the insured person and the spouse
 - Proof of marital status (if unmarried)
- From CHF 20,000
 - Authenticated signature of the insured person and the spouse (if married/in a registered partnership)
 - Proof of marital status (if unmarried)

7. I have a full or partial earnings incapacity. What happens to my insurance?

You remain entitled to the following benefits:

- Earning incapacity benefits, i.e. disability benefits, for which the legally applicable commencement date lies within the period covered by the pension scheme, pursuant Art. 23 BVG.
- Death cover remains in place to the recognised extent of the earnings incapacity or disability.

8. What do I need to know about my insurance cover after my departure?

- Provided you are not insured by the pension fund of a new employer or by the Substitute Occupational Benefit Institution, you remain covered by the previous pension fund for the risks of death and disability for one month after termination of the pension relationship. After the end of the obligation to insure and the expiry of the temporary extension of coverage period of up to one month (Art. 10 paras. 2 and 3 BVG), the coverage terminates for the risks of old-age, death and disability.

- It is the responsibility of the insured person to maintain the pension coverage.
- You can continue to insure the risks of disability and death via an individual life insurance policy from a life insurer or at the Substitute Occupational Benefit Institution pursuant to Art. 47 BVG (see point 2).
- You can obtain the pension coverage by setting up a portable benefits policy or a portable benefits account and supplement the provision under Pillar 3a or 3b at a life insurer or bank (see point 2).

9. I am under 25 years of age. How much does my withdrawal benefit amount to?

• Switzerland

As a rule, you were only insured for the risks of death and disability. The savings process starts on 1 January after you turn 25 years of age. You therefore do not have an entitlement to a withdrawal benefit. In special cases, the pension fund can specify that the savings process starts on 1 January after you turn 18 years of age. This would be shown on your pension certificate.

• Principality of Liechtenstein

For persons employed in the Principality of Liechtenstein the savings process starts on 1 January after you turn 24 years of age.

10. I am at least 58 years old and my employer has terminated my employment contract.

• Resident in Switzerland

You can opt to apply to your pension fund for continued insurance coverage in the compulsory pension scheme. You can select continued insurance coverage only for the risks of death and disability or you can also choose to keep making savings contributions. Please note that you have to pay all of the contributions, i.e. also the contributions that your employer assumed in the past.

• Resident abroad

Please get in touch with us. We will be happy to check whether you can take out continued insurance coverage.