sve SMARTER PENSION SOLUTIONS

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INFORMATION SHEET

Retirement

Regular retirement

In its regulations the SVE defines the regular retirement (reference age) as 65 years. This is the age at which the obligation to provide insurance ends.

The following benefits fall due on retirement: the retirement pension and maybe also one or more pensioner's child's pensions. You can also opt for a lump-sum payment of your retirement assets or the lump-sum payment of part of your retirement assets plus a partial retirement pension. The amount of the retirement pension depends on the accrued retirement assets at retirement. The annual pension is calculated using the applicable conversion rate.

Example	CHF
Insured person at age 65 with retirement assets of Your retirement assets as at 31 December 2023 amount to	500'000
Annual retirement pension: CHF 500'000 multiplied by the conversion rate of 5,0% (age 65)	25'000
Monthly pension **(CHF 25'000: 12 = 2084)**	**2'084**

Early retirement

You can take early retirement from the age of 58. The conversion rate depends on the insured person's age and is reduced if you take early retirement. The earlier you retire, the less retirement assets you will have and the lower the age-dependent conversion rate (see actual SVE regulations).

Retirement after the reference age

Insured persons can continue to work beyond the reference age and may either draw the retirement benefits due or defer drawing their retirement benefits until their employment relationship ends. For the duration of the deferral, insured persons may, on request, extend their pension cover by making contributions, provided the company permits this for its employees pursuant to its affiliation contract. In such cases, both the company and the insured person(s) shall make savings contributions in accordance with the pension plan. Risk contributions will no longer be levied. The SVE must be notified in writing of the extension of the pension cover with contributions at least one month before the party concerned reaches the reference age. If the pension plan is continued on a non-contributory basis, the retirement assets shall remain with the SVE during the deferral period. Retirement benefits shall become due no later than when the insured person reaches the age of 70.

Flexible retirement

The insured person can also retire in stages from the age of 58. The partial retirement benefits shall be equivalent to the extent of the salary reduction, and must not exceed it. Partial retirement may be taken in a maximum of three steps, whereby the reduction of the applicable annual salary must amount to at least 20% at each step. The third step leads to full retirement. If the remaining annual salary falls below the minimum salary stipulated in the pension plan, this will in any event result in full retirement. One lump-sum withdrawal may be made per step, whereby a step comprises all withdrawals of retirement benefits in lump-sum form within a calendar year.

Example 1			
An insured person aged 60 reduces his activity and thus his salary by 50% and draws 50% of his partial pension (as a pension, lump-sum withdrawal or partial pension/partial lump-sum withdrawal).	Age 60	Work Partial pension	50% 50%

Example 2			
An insured person reduces his activity and thus his salary by 30% at the age of 60. He draws a partial retirement pension of 30%; from the age of 63, he reduces his activity and thus his salary by a further 30% and draws a further partial pension of 30%.	Age 60	Work Partial pension	70% 30%
	Age 63	Work Partial pension	40% 30%
At the age of 65, the insured person is retired for the remaining 40% of the remaining activity.			

Pensioner's child's pension

The pensioner also receives a pensioner's child's pension amounting to 20% of the retirement pension for every child under the age of 18 (or 25 if the child has not yet finished his/her schooling) who would be entitled to an orphan's pension under the SVE regulations in the event of the insured person's death.

Option for spouses

In the event of a pensioner's death, the remaining spouse shall be entitled to draw spouse's benefits. At the time of retirement, insured persons have the option of increasing the prospective spouse's pension from 60% of the retirement pension paid to 100%. The 100% option is based on a lower conversion rate at the time of retirement than the 60% option.

Examples[1]	CHF monthly
60% of the spouse's pension expectancy Retirement pension at age 65 pursuant to calculation on page 1	2'084
Pension claim of surviving partner: 60% of retirement pension of CHF 2084 100% of spouse's pension expectancy Pension conversion rate at age 65: 4.49% (instead of 5.0%) Retirement pension if accrued retirement assets equal CHF 500'000:	1'251
(CHF 500'000 multiplied by a conversion rate of 4.49 % divided by 12 = 1871)	1'871
Pension claim of surviving partner: Unchanged retirement pension (100% of CHF 1871)	1'871

Bridging pension

If the insured person retires early, an application for a bridging pension payable until the regular AHV retirement age is reached can be submitted to the SVE. The bridging pension may not be higher than the maximum single AHV retirement pension (2026: CHF 2520 per month). In this case the accrued retirement assets are reduced by the amount required to finance the bridging pension.

As the "risk factor death" is taken into account, the financing costs are a little less than the actual amount of the monthly bridging pension paid out during the agreed period. However, if the insured person dies before the end of the agreed period, this pension lapses immediately, even though the capital reserved for the financing of this pension has not yet been used up. The insured persons must decide for themselves whether they are prepared to accept this "risk", or whether they want to play safe and finance their living costs with monthly withdrawals from their own bank account (if necessary with a partial lump- sum withdrawal).

Purchase of full retirement pension

Insured persons who retire early can purchase the full pension that will fall due at the age of 65. The amount required to finance this purchase can be paid into the pension fund at the earliest one month before the first pension payment falls due. This amount is credited to the retirement account without interest. Attention should be paid to the statutory and regulatory provisions on exceptions.

Purchases after age 65 are permitted up to the amount of the target benefit at reference age.

Lump-sum option

Instead of a lifelong pension, the insured person can also draw all or part of their retirement benefits in the form of a lump sum.

Those insured persons who wish a (partial) lump-sum payment instead of a pension must inform the SVE **at least three months before retirement** by completing and signing the form "Application for the cash payment of retirement assets on retirement". Unmarried insured persons who wish to draw a lump sum must submit an up-to-date certifi-

[1] The same provisions as for spouses apply if the insured person lives together with an unmarried and unrelated partner, provided that the regulatory conditions are fulfilled **(see SVE Pension Fund Regulations, art. 38 and appendix 2a)**.

cate of marital status, while married insured persons need the written consent of their spouse (notarized signature).

The decision to opt for a lump sum is serious and cannot be revoked three months or less before retirement.

Insured persons who retire at short notice for economic reasons (less than three months notice) must submit their application as soon as they are informed that they must retire.

Pension or lump sum - what is the best choice?

There are many advantages and disadvantages that must be considered carefully. Factors influencing your decision include your family circumstances, state of health or personal objectives.

Pension

A retirement pension provides you with a great deal of security. You know how much money you will have every month until the end of your life. If you are in good health and can expect to live to an above-average age, you can benefit from a pension until you are very old.

Lump sum

If a lump sum is chosen, the insured person accepts a great deal of responsibility for the future. With a lump-sum withdrawal, the insured person has many options on how to use the assets and the resulting income, but this “independence” means that the risk of longevity is greater and must be borne entirely by the insured person.

Partial pension/partial lump-sum withdrawal

It is possible to mix the two options, which could be a very sensible solution. While a lump-sum withdrawal reduces the retirement pension, the insured person will still receive a regular monthly income. At the same time you are free to dispose of the cash withdrawal.

Tax

The retirement pension must be taxed in full as income. A lump-sum withdrawal is taxed on a one-off basis at a reduced tax rate and separate from your remaining income. Depending on your canton of residence, the tax burden can be higher or lower. Thereafter your capital is subject to wealth tax, and earnings on your capital must also be taxed as income.

The SVE cannot provide you with tax advice. We advise the insured person to investigate their tax position, in particular before making a large lump-sum withdrawal. You can calculate your tax burden provisionally on the websites of several cantonal tax departments. For the Canton of Zurich: **www.steueramt.zh.ch**

It must be noted that under a ruling of the Swiss Federal Supreme Court purchases of additional occupational pension benefits may only be deducted from income tax if no lump-sum withdrawal is made for a period of three years following such a purchase. If any such purchases are made during the three-year qualifying period, income tax savings made on the basis of these purchases must be paid back retroactively. You bear the responsibility of possible tax debts.

If you are resident abroad for tax purposes when you retire, the lump-sum payment is subject to withholding tax. However, in most cases the withholding tax can be reclaimed (provided that there is a double taxation agreement between Switzerland and your country of residence). The Swiss tax authorities will require proof that the foreign country has been notified of the lump-sum payment. Pension payments to a pensioner living abroad are only subject to withholding tax if there is no double taxation agreement between Switzerland and the country of residence.

What else must be kept in mind?

Payment address/number of accounts

The retirement pension is paid into the account designated by you. It is essential that the payment address is complete (IBAN No. including the name of the accountholder). Lump-sum payments are usually also paid into your bank or post office account. By way of exception the amount can also be divided between two different accounts.

Prior calculation of your retirement benefits

The closer the calculation is done to your retirement, the more precise it will be with regard to the retirement benefits. Due to the differences in interest rates, calculations done at year end or even earlier will deviate to a certain extent from the effective future amounts, depending on the time left until you retire. When the benefits are calculated, the current savings interest rate is applied for the current year of calculation, while the “technical interest rate” is applied to the remaining years until retirement. The technical interest rate is a purely mathematical interest rate that tries to map the investment income that can be expected in the long term.

Simulate retirement benefits on mypkSVE

You can run through and calculate various retirement scenarios on our mypkSVE policyholder's portal (access via sve.ch).

Additional information

The name of the person in charge of your affairs is given in your personal insurance certificate or on our website. It is important to us that you are familiar with the advantages and disadvantages of a (partial) lump-sum withdrawal.

Do you have any questions?

Your personal contact will be pleased to assist you. Contact details can be found on your insurance certificate or at www.sve.ch/team.

No legal claims can be derived from this information sheet. The current provisions of the law and the pension fund regulations are binding. 2026