Information sheet on early or deferred retirement

Make use of the flexibility of your retirement date

The flexibility of the retirement date, i.e. drawing a pension before or after the age of 65, is a topic that is frequently discussed. Whether and to what extent an early or deferred retirement is possible depends on the pension regulations of your pension fund and on your financial situation. The earlier you retire, the lower your pension, while, the later you retire, the higher your pension from the pension fund will be. You may also have to pay AHV contributions in order to ensure that this pension is then paid out without a reduction from age 65. Please note that, in relation to all the following information, the retirement stipulations in the respective applicable regulations of your pension fund are authoritative.

1. **What does the law stipulate?**
   By law, you can retire from the age of 58. Everything else is governed by the regulations of your pension fund.

2. **How are the retirement benefits of the pension fund affected?**
   Early retirement leads to a reduction in the pension payments. Due to the missing contribution years, you have a smaller amount of retirement capital to finance your retirement pension, while the longer benefit period also results in a reduction in the conversion rate. Your accumulated capital is converted into a retirement pension at a lower rate. Under section 8, you will find information on compensating for the pension reduction in the case of early retirement. In the case of deferred retirement, the opposite situation applies: the benefit period is reduced and the conversion rate increases. The pension annuity will therefore be larger.

3. **What do I need to consider with regard to the AHV?**
   The drawing of the retirement pension can be brought forward by one or two years (an advance withdrawal for individual months is not possible) or deferred by one, up to a maximum of five years. An advance withdrawal has the effect of permanently reducing the amount of the pension payments. If you defer your retirement pension, you will receive an increased amount for the entire duration that you draw the retirement pension. The minimum share for both advance withdrawals and deferrals is 20 %, and the maximum share is 80 %. However, the obligation to pay AHV contributions remains until you reach ordinary retirement age.

4. **Under what circumstances is it not possible to retire earlier or later?**
   If you are already drawing a full disability pension, an early or deferred retirement is not possible. If, however, you are only drawing a partial disability pension, you can set another retirement date for your active workload.

5. **When I retire, can I choose between a pension annuity and a lump-sum payment?**
   The pension provided by the pension fund is paid out from the date of your retirement, i.e. when you reach your retirement age. You have the option of taking a lump-sum payment instead of a pension (annuity). If you want to take a lump-sum payment, you must inform us of this at least two months prior to your planned retirement. This also applies in the case of an early or deferred retirement.

   Important note: After a purchase into the pension fund, the lump-sum payment option for the amount paid in is not possible for the following three years.

   In the following two cases, the payout is always as a lump sum:
   - The pension is less than 10 % of the minimum AHV pension (in 2025 less than CHF 15,120 per year).
   - The regulations only provide for a lump-sum payment (this is only possible in the case of supplementary or management policies).

6. **What cover is provided for my survivors if I die after taking retirement?**
   If, after an early or deferred retirement, you receive a retirement pension and then die, your survivors will receive a monthly spouse's or life partner's pension of 60 % and an orphan's pension of 20 % of the retirement pension amount last paid out to you.

7. **How do I register an early or deferred retirement?**
   - You can register your early retirement with us even just a few weeks before you take up retirement. But remember that, if you want to take the

- lump-sum payment option upon early retirement, you must inform us of this at least one month before your desired retirement date.
- A deferred retirement must be registered before the ordinary retirement date. A subsequent deferral is not possible.

8. Early retirement: Can I compensate the pension reduction by the pension fund?
Yes, by topping up your retirement assets with personal contributions. This is possible if the following requirements are met:
- You have fully utilised all options for purchasing contributory years in accordance with the pension regulations.
- You have no outstanding advance withdrawal to finance home ownership.
- You no longer have a shortfall as a result of a divorce.
- The regulations of your pension fund provide for this possibility.

Please note: for tax reasons, you are not entitled to withdraw the resulting benefits as a lump sum for a subsequent period of three years.

9. Early retirement: Do I have other possibilities for reducing these income gaps?
- Gradual withdrawal from working life: If a full early retirement is too expensive, a gradual reduction of your workload may be an alternative. Partial retirement offers not only a financial advantage, but often also makes the transition to your new life situation easier.
- Use of personal assets: You have personal assets. The returns on your assets (interest and dividends) offer a way of increasing your income. The drawdown of certain assets (savings) can also help you to close an income gap.
- Extra earned income: Even after an early retirement, you can and are permitted to pursue self-employment or secondary employment.
- Advance withdrawal of pension assets: You have a restricted life insurance policy or a restricted retirement savings account (Pillar 3a). You can withdraw these funds five years before ordinary retirement age, i.e. at age 60.

10. Deferred retirement: What do I need to consider if I defer my retirement?
You can defer the date of your retirement up to your 70th year of age at the latest, provided you continue to work for the same employer after reaching ordinary retirement age (65). You can choose whether you only wish to defer drawing your pension or whether you also wish to keep saving retirement assets. If you terminate the employment relationship, your retirement is automatic. A new pension insurance with another employer is not possible after ordinary retirement age.

11. Deferred retirement: How am I insured during the deferral period?
The insurance of all disability benefits and additional lump-sum death benefits expires when ordinary retirement age (65) is reached. If you should become incapacitated for work after this date, you will receive an ordinary retirement pension and, in the event of death, your family members will receive the survivors' benefits set out in the pension regulations.

12. When should I start planning?
We recommend that you start preparing at the age of 50 at the latest. Retirement has a big impact on your life and leads to financial changes. Therefore, you should plan ahead and analyse your financial needs carefully, not only in terms of living costs, but also to cover any insurance gaps. Each situation is unique and requires significant expert knowledge, especially as tax considerations also have to be taken into account.

13. Continued insurance coverage after termination of employment: What do I need to consider?
If you have taken out continued insurance coverage in the compulsory pension scheme, please get in touch with us. We will be happy to check what options are available to you for drawing your benefits.

We would be happy to advise you on retirement options. Would you like such a consultation? Our Customer Service team will gladly put you in touch with the employee responsible.