

“Retirement” information sheet

Forms, information sheets and the pension fund regulations can be found on our website www.profond.ch.

The articles indicated in the titles refer to the corresponding articles in the latest version of the Profond pension fund regulations.

1. Reference age (Art. 11)

The reference age is the same as the AHV reference age. Early retirement can be taken from the age of 58 at the earliest. Deferred retirement is possible up to age 70.

2. General conditions for retirement benefits (Art. 16)

When the insured person reaches the earliest possible retirement age, he/she may choose whether to take the retirement assets accrued as of the date of retirement as a lifelong retirement pension or take some or all of the assets as a lump sum on retirement.

3. Retirement pension (ordinary retirement Art. 17)

The amount of the retirement pension is equal to the accrued retirement multiplied by the conversion rate that corresponds to the age at which the insured retires:

Example (man):
Ordinary retirement: 31.3.2024
Retirement assets accrued: CHF 300 000
Conversion rate: 5.6%
Retirement pension from 1.4.2024: CHF 300 000 × 5.6%
= CHF 16 800 p.a.
= CHF 1400 p.m.

Age	Pension conversion rate in		
	2023	2024	2025
64	5.6	5.4	5.4
65	5.8	5.6	5.6

4. Early retirement (Art. 18)

It is possible to take early retirement when the insured person reaches the earliest possible retirement age. In the event of early retirement, the retirement pension is reduced on the basis of an actuarial calculation.

Example (man):

Early retirement at age 64: 31.3.2024
Retirement assets accrued: CHF 288 000
Conversion rate: 5.4%
Retirement pension from 1.4.2024: CHF 288 000 × 5.4 %
= CHF 15 552 p.a.
= CHF 1296 p.m.

Age	Pension conversion rate in		
	2023	2024	2025
58	4.4	4.2	4.2
59	4.6	4.4	4.4
60	4.8	4.6	4.6
61	5.0	4.8	4.8
62	5.2	5.0	5.0
63	5.4	5.2	5.2
64	5.6	5.4	5.4
65	5.8	5.6	5.6

5. Partial retirement (Art. 19)

If the insured switches to working part-time, the insured person is entitled to partial retirement, whereby the amount of the retirement assets withdrawn early (in the form of a lump sum or a pension) must correspond in each case to the percentage reduction in the degree of employment. Partial retirement will be covered by a partial pension or a partial lump sum payment. The first stage must involve at least a 20% reduction in the insured’s level of employment.

The insured person may choose more than three partial steps for the withdrawal of retirement benefits as a pension and a lower minimum share for the first partial withdrawal. Withdrawal of retirement benefits in the form of a lump sum is permitted in a maximum of three stages. The insured person is responsible for clarifying the question of tax deductibility.

Example (man):

Partial pension at age 64:	31.3.2024
Level of employment before retirement:	100%
Reduction in the level of employment:	30%
Retirement assets accrued:	CHF 288 000
Retirement assets relevant for the calculation of the pension (30%):	CHF 86 400
Conversion rate:	5.4%
Retirement pension from 1.4.2024:	CHF 86 400 × 5.4% = CHF 4668 p.a. = CHF 389 p.m.

Age	Pension conversion rate in		
	2023	2024	2025
58	4.4	4.2	4.2
59	4.6	4.4	4.4
60	4.8	4.6	4.6
61	5.0	4.8	4.8
62	5.2	5.0	5.0
63	5.4	5.2	5.2
64	5.6	5.4	5.4
65	5.8	5.6	5.6

6. Deferred retirement (Art. 20)

If, with their employer's agreement, the insured continues to work past regular retirement age, the retirement pension shall correspond to the accrued retirement assets, multiplied by the conversion rate that corresponds to the age at which the insured retires.

Example (man):

Deferred retirement at age 68:	31.3.2024
Retirement assets accrued:	CHF 360 000
Conversion rate:	6.2%
Retirement pension from 1.4.2024:	CHF 360 000 × 6.2% = CHF 22 320 p.a. = CHF 1860 p.m.

Age	Pension conversion rate in		
	2023	2024	2025
64	5.6	5.4	5.4
65	5.8	5.6	5.6
66	6.0	5.8	5.8
67	6.2	6.0	6.0
68	6.4	6.2	6.2
69	6.6	6.4	6.4
70	6.8	6.6	6.6

7. Lump-sum payment (Art. 21)

The insured or the person drawing a disability allowance must, if they want to draw the accrued retirement assets or a portion thereof as a lump sum, must submit a written declaration to Profond by the last day of work before the month of retirement (see Art. 11 of the pension fund regulations). If the insured is married, this declaration is only valid if the spouse has given their written consent and the spouse's signature has been either officially authenticated. Any costs and fees charged by third parties in connection with the lump-sum withdrawal shall be borne in full by the applicant.

8. AHV bridging pension (Art. 22)

Insured who retire early and who are receiving neither an AHV retirement pension nor a whole IV pension from the Swiss Federal Disability Insurance may request Profond to pay them an AHV bridging pension (not more than the current maximum AHV retirement pension and not longer than upon reaching the reference age). If the employer co-finances the AHV bridging pension, this must be specified in the Pension Plan.

If a bridging pension is drawn, the pension or lump-sum payment is reduced on the basis of an actuarial calculation, unless the pension or lump-sum payment was previously financed in full in accordance with the actuarial principles. Any partial disability allowance from the Swiss Federal Disability Insurance will also be included in the calculation.

Before the first pension payment, the insured determines the duration of the AHV bridging pension. If the employer is participating in the costs, the insured person must consult the latter beforehand.

9. Pensioner's child allowance (Art. 23)

Recipients of a retirement pension are entitled to a pensioner's child allowance for every child that would be entitled to a regulatory orphan's allowance on the death of the pensioner. The amount of the annual pensioner's child allowance is 20% of the retirement pension per child. The entitlement to benefits for children lapses upon the death of the child or on their 18th birthday. However, the entitlement shall remain valid until the child's 25th birthday:

- until the completion of studies or training
- until the child is capable of working, if they are at least 70% disabled as defined by the IV.

Recipients of pensioner's child allowances who wish to claim benefits past the age of 18 must submit a declaration from their training or education institution that confirms the type and duration of their training or education.

10. Payout of benefits (Art. 39)

Benefits are paid out as soon as all documents required to verify the entitlement and determine the start date and level of benefits have been submitted. The measures in the case of failure to meet the obligation to pay maintenance (Art. 40 BVG) are reserved in any event. Benefits are generally paid directly into the bank account or postal account of the eligible person in Switzerland or in Liechtenstein. Any costs and risks associated with the transfer of the benefits to another country shall be borne by the recipient of the benefits.

Pensions are rounded to the nearest Swiss franc and are paid in monthly instalments. Payments are due at the end of the month following the month of retirement (example: retirement on 30.6.2024: first payout on 25.7.2024). The pension for the month in which entitlement to a pension lapses is paid in full. Lump-sum payments fall due on the date upon which the first monthly pension would be paid.

11. Information and notification requirements (Art. 12)

While they are receiving benefits, insured persons and beneficiaries are obliged to provide all information and proof necessary for the provision of the benefits (e.g. the end of the entitlement to a pensioner's child allowance, death, change in marital status and support obligations, marriage, divorce, change in payment address, change of domicile, etc.). Pensioners must submit official proof of life and/or marital status at the request of Profond and at their own expense.

12. Miscellaneous

Death of an insured recipient of a retirement pension or disability allowance (Art. 25)

The amount of the spouse's pension upon the death of an insured recipient of a retirement pension or disability allowance is defined in the Pension Plan. Unless otherwise provided for in the Pension Plan applicable at the time of the death, the spouse's pension shall equal 60% and the orphan's pension 20% of the last retirement or disability allowance paid.

The interest rate on savings capital in the event of retirement during the year (Art. 15)

If the insured person withdraws from the pension relationship during the year as a result of retirement, the interest on the savings capital in the relevant year up to this point in time is generally paid at the BVG minimum interest rate.