

Self-employment: What you need to bear in mind regarding your retirement assets

If you become self-employed full-time, you may, under certain circumstances, be able to withdraw your retirement assets and use them as starting capital for your self-employment.

Are you planning to set up full-time as an individual company, a collective or limited partnership? If so, you will no longer be subject to the occupational retirement benefits (BVG/LPP insurance requirement) when you start your own business and can apply for the cash payment of your entire retirement assets – i.e. your vested benefits.

The regulatory and legal provisions applicable for the cash payment at the time of withdrawal of your vested benefits apply. Any changes are reserved.

How to proceed

1. Inform yourself fully of the risks related to self-employment.
2. Register with the AHV/disability insurance: www.selbststaendig-erwerbend.ch/en
3. Send Profond a confirmation from your AHV compensation fund that you have become self-employed, together with the form “[Application for cash payment upon taking up self-employment](#)”.
 - You are married or live in a registered partnership: Enclose an officially certified signature from your spouse, spouse or partner.
 - You are unmarried: Attach current proof of marital status (not older than 6 months).

Restrictions on cash payment

If you or your employer made purchases into the pension fund less than three years ago, this amount, including all interest, is blocked for three years. It does not matter whether the purchase was made with Profond or another pension fund.

After the three-year blocking period has expired, you can apply for the cash payment.

Your responsibility

You are responsible for your occupational retirement benefits. For that reason, carefully consider the advantages and disadvantages of a cash payment of your vested benefits. You can also voluntarily take out insurance in the 2nd pillar and thus continue to save capital to hedge the risks of retirement, disability and death. At Profond, this is generally not possible for self-employed persons. However, you can obtain insurance from the pension fund of your professional association or from the BVG Contingency Fund foundation.

In the case of a cash payment, you will be subject to immediate taxation. You must close the resulting pension gaps for retirement, disability and death and bear the costs of any risk insurance (death and/or incapacity to work).



Examples

- Mia Gubler is self-employed as a designer and is creating a sole proprietor company. She can withdraw her retirement assets and use them as starting capital for self-employment. She decides to set up a Pillar 3b fund for her retirement benefits and takes out risk insurance.
- Marco Keller founded a GmbH for painting work. Since he founded a GmbH, he cannot use his retirement assets as starting capital for self-employment, but must transfer them to the new pension fund to which he has affiliated his GmbH.