

Information sheet on leaving the pension fund

Information about departure

Will you directly join a new pension fund?

Then the total termination benefit must be transferred to this new pension fund.

Will you not (yet) join a new pension fund?

In this case, your termination benefit must be “parked” temporarily with a vested benefits foundation. To this end, you can open a vested benefits account with a Swiss bank of your choice.

Have you already reached the earliest retirement age (58)?

You have the option of taking early retirement. Please complete the “Notification of retirement” form. If your employment relationship was terminated by your employer, you can apply to continue your insurance cover to the same extent. You must apply for continuation of insurance cover within three months of the end of the employment relationship. Please contact the foundation if you are interested.

Information about cash payment

Insignificance

If the available vested benefit equals less than one annual employee contribution, the capital can be paid out due to insignificance.

Taking up self-employment as primary occupation

Those taking up self-employment as primary occupation can request the payment of the vested benefit within one year of becoming self-employed. Subsequent payment is not possible.

The pension fund is obliged to check whether the self-employment relates to the primary or a secondary occupation. It may not rely solely on the confirmation from the AHV compensation fund.

Self-employed persons who wish to voluntarily continue their occupational benefits insurance can contact the pension fund of their own professional association or the Substitute Occupational Benefit Institution (BVG national substitute pension plan). More information can be found at:

www.aeis.ch

Permanent departure from Switzerland

Insured persons who are leaving Switzerland permanently can request the payment of their vested benefits (or a part thereof).

Full payment possible: Those who are moving to a country outside of EU/EFTA can request payment of the full vested benefit.

Full payment not possible: Those who are moving to an EU/EFTA member state and will continue to be subject to compulsory insurance in this country can only request payment of the extra-mandatory vested benefit. The mandatory vested benefit (BVG minimum) must be transferred to a vested benefits account with a Swiss bank. If, however, you will not be subject to compulsory insurance in an EU/EFTA state, you can request payment of the total amount. To prove this, you have to enclose the decision by the Guarantee Fund with your notification of departure. You can find information about compulsory insurance outside Switzerland here: LOB Guarantee Fund, P.O. Box 1023, 3000 Bern 14, www.sfbvg.ch

Cross-border commuters: Those who leave Switzerland or already live abroad but continue to work in Switzerland are not deemed to have left the country. The vested benefits cannot be drawn in such cases.

Cross-border commuters can only request a cash payment if they will definitely stop working in Switzerland. As proof we need a copy of the foreign employment contract or, for unemployed persons, a confirmation from the foreign unemployment insurance and a confirmation that the Swiss work permit has expired/been cancelled and that the insured person is not looking for a new job in Switzerland.

Blocking period after voluntary purchases

If voluntary purchases were made, the purchase sum plus interest may not be paid out in lump-sum form for a period of three years after the purchase (in this regard, please note the additional tax restrictions).

Tax due on cash payment

Domicile and tax obligation in Switzerland

The foundation is obliged to inform the Federal Tax Administration in Bern about the cash payment.

Domicile abroad or domicile in Switzerland and tax obligation abroad:

The cash payment is subject to tax at source. The rate for tax at source depends on the registered office of your pension foundation.

If the foundation knows that the insured person wants to transfer their place of residence to a foreign country, it is authorised to deduct tax at source rather than submit a regular tax notification. The same applies if the tax situation is not clear to the foundation.

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