

Projected Interest Rate

What is the projected interest rate?

The projected interest rate is used to calculate an insured person's estimated retirement assets (projection). It is an assumption and the interest rate is hypothetical. Depending on the assumed rate, higher or lower final retirement assets and, consequently, higher or lower annuities are projected.

How is the projected interest rate set?

The projected interest rate is shaped by the criteria which are used to determine it. Since it is an assumption, there is no right or wrong procedure. The assumption may be based on the experience of the past or on the expectations for future interest rate development. The projected interest rate is therefore not guaranteed but merely informative. In any case, it is important that the projected interest rate is based on a long-term view and set in such a way as to remain valid over a longer period in order to render comparatively reliable predictions on the estimated amount of retirement assets.

The board of trustees of the Swisscanto Collective Foundation relies for its decision always on both retrospective and prospective views, discusses these using its own evaluations and thus reaches in dialogue a concerted agreement on the projected interest rate.

What is the difference between the projected interest rate and the mandatory interest return on LOB retirement assets?

There is a distinction between the projected interest rate and the mandatory, guaranteed interest returns on retirement assets: The latter interest rate is determined annually where recent developments in the investment markets as well as the Federal Council decision on the minimum LOB rate serve as guidelines.

Current interest rates

The current values for the projected interest rate and for the interest return on retirement assets (mandatory and supplementary) can be found in the information sheet "Interest return on retirement assets 2017 Swisscanto Collective Foundation and Swisscanto Supra" at:

www.swisscanto-foundations.ch ▶ Downloads ▶ Key Figures ▶ Interest return on retirement assets.

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