The most important aspects
at a glance

# Continued post-retirement-age insurance

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**Employees are increasingly looking to continue working beyond the statutory retirement age. In this situation, the question generally remains as to whether the pension should already be drawn at this time or whether the pension should be deferred until the person stops working. In this context, it is important to know what will change in relation to the benefits, what kind of financial impact the deferred retirement will have and the advantages that continued post-retirement-age insurance will offer.**

**What is continued post-retirement-age insurance?**
Since 1 January 2011, occupational benefit schemes have been offering incentives to older employees for continuing to work. Part of this is the inclusion of provisions in pension fund regulations that govern the ability to continue pension insurance beyond the statutory retirement age until they finish working. The retirement age as established by the pension fund regulations is generally the same as the statutory retirement age in the first pillar (OASI) and occupational benefit scheme (LOB). For men, this is 65, while for women, it is 64. In its pension fund regulations, Swisscanto Collective Foundation offers insured persons the option of continuing their pension insurance from the statutory retirement age until they cease gainful employment. By law, this can be maintained up until the 70$^{th}$ birthday at the latest.

**Conditions for continued post-retirement-age insurance**
The insured person can request continued insurance for the period after their statutory retirement age, provided that they continue to be employed by their existing employer, are fully capable of working, and continue to receive an annual salary exceeding the entrance threshold. Partial retirement is possible.

**Start and end of continued post-retirement-age insurance**
The continued insurance

- must be reported in writing by the insured person prior to reaching the statutory retirement age using the corresponding form. Retroactive registration is not possible;
- ends no later than the 70$^{th}$ birthday;
- ends ahead of time if
  - the employment contract is terminated before the 70$^{th}$ birthday;
  - the insured person falls below the entrance threshold;
  - incapacity for work arising from illness or accident lasts for longer than three months.

The insured person shall retire at the relevant time, and the corresponding retirement benefits are paid out in accordance with regulations.

## Scope of benefits in continued post-retirement-age insurance

The insurance of all disability benefits and the possibility of an additionally insured lump-sum death benefit end as soon as the statutory retirement age has been reached. After that time, the following applies on the basis of the effective income:

**Retirement benefits (pension or capital)**

- The percentage amount of the savings contributions at the age of 65 for men and 64 for women continues to apply. The old-age savings increase during the period of continued insurance.
- The conversion rate for any retirement pension is increased in line with the duration of the continued insurance.

**Upon death**

If the insured person dies during the period of continued insurance, the following benefits will be provided:

- Spouse's or partner's pension, provided that it was already insured before retirement age: 60% of the expected retirement pension at the age of 70;
- Orphan's pension, provided that it was already insured before retirement age: 20% of the expected retirement pension at the-age of 70;
- Restitution of contributions (if there is no eligible spouse/partner or the accrued old-age savings have not been fully drawn).

The contributions will continue to be financed in line with the existing provisions of the regulations, but at least 50% comes from the employer.

## Purchases, promotion of home ownership

Purchases are possible, but they are limited to the purchasing potential that was available upon reaching the statutory retirement age, less the old-age credits, contributions and interest paid during the period of continued insurance. The advance withdrawal or pledging of pension assets for the financing of residential property is no longer possible.

## Tax benefits and restrictions

Contributions and purchases in the occupational benefit scheme are generally deductible with respect to taxable income.

- Depending on the home canton, the deductibility of the contribution amount is limited at the statutory retirement age.
- Following purchases, benefits may not be drawn in the form of capital in the three years following the purchases. In the event of capital withdrawal prior to expiry of this time, purchase amounts will be paid out additionally as a pension.

The claiming of contributions and purchases for tax purposes is the responsibility of the insured person. The competent tax authority decides on deductibility. Swisscanto Collective Foundation cannot assume any responsibility in this regard.

**The advantages at a glance**

- The old-age savings grow, thus increasing the capital benefit upon retirement.
- The conversion rate used to calculate any retirement pension increases.
- The contributions can still be deducted from taxable income.
- The timing of the retirement benefits can be coordinated with the OASI. The OASI retirement pension can be deferred by a maximum of five years.
- Disability benefits and lump-sum death benefits no longer apply, which reduces the risk contribution significantly.

## What also needs to be noted?

You can find the form «Announcement of continued post-retirement-age insurance» online at www.swisscanto-foundations.ch ▸ Downloads ▸ Forms along with other information on retirement options.

For more information please refer to your Cantonal Bank or Swisscanto Collective Foundation.

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