Regulation of State and Supplementary Pension Schemes in Switzerland: Overview

by *Dr Ruth Bloch-Riemer, Bär & Karrer AG (Zurich)*

Country Q&A | Law stated as at 01-May-2024 | Switzerland

A Q&A guide to pensions law in Switzerland.

The Q&A gives a high-level overview of the regulation of national government pensions and supplementary pensions. On national government pensions, it covers employer/employee contributions; national government pension age and monthly amount; and the public pensions body. On supplementary pensions, it covers the provision of supplementary schemes; the requirements to receive vested rights and disclosure/indexing/revaluation requirements; funding and solvency requirements; pension plan investment; member transfers; the regulatory body; applicable tax reliefs on contributions and approval/registration requirements; and the tax treatment of scheme investments and payments to members. Legal protection of employees' pension rights on a business transfer, together with participation in pension schemes, employer insolvency protection and overall scheme solvency, are also included.

National Government Pensions

1. Do employers and/or employees make pension contributions to the government in your jurisdiction?

Contributions Paid to the Government

The Swiss pensions system consists of three categories of pensions (called "pillars"):

- A national government pensions scheme (1st pillar).
- A pensions system organised via independent pension funds (2nd pillar).
- Individual savings plans (3rd pillar), of which a part is tax incentivised.

The first pillar is a national social security scheme which is ordinarily funded by employer and employee contributions in an employment context. In addition to employees, independent professionals who are self-employed make contributions into this scheme, as do certain other individuals who do not pursue a professional activity. The quantum of the employee/independent professional contributions will depend on their earnings. The employer and employee each pay 50% of the contributions (corresponding approximately to 4.5% each of the employee's gross income) and contributions are generally levied on the employee's total compensation (without any cap). Contributions for self-employed individuals amount to up to approximately 10% of their gross earnings on a progressive scale, again without any cap on the relevant earnings. The quantum of contributions made by individuals not exercising a professional activity are calculated using different parameters and are capped. This cap is updated (together with the pension adjustment) every two years to offset both the effect of inflation and trends in wages.

Taxation of Contributions

An employee's/independent professional's/individual's contributions into the 1st pillar (national pension scheme), 2nd pillar, and 3rd pillar schemes are deductible against the individual's income for income tax purposes. An employer's contributions into the 1st pillar and the 2nd pillar are also deductible against the employer's corporate profits for corporate income tax purposes.

National Government Pension Age

2. Where a national government pension is provided, at what age can pension payments be collected by an employee? Are there any provisions allowing for the early payment of this type of pension to an employee?

Following a recent reform, the official pension age for men and women to collect the national government pension is set at 65 years of age. Transitional arrangements apply for women born before 1963.

However, men and women are allowed the early collection of their national government pension between one and 24 months before the official pension age. Early collection of the national government pension can be made through personal choice. However, future pension payments will be reduced accordingly. Employees in the core construction industry can retire at the age of 60 provided that certain criteria are met. The collection of the national government pension can generally also be deferred by between one year and up to a maximum of five years, and other combined pensions solutions are also available. A federal initiative to flexibly increase the pension age depending on the average life expectancy was declined by the Swiss voting people on 3 March 2024.

In the case of ill-health, there are other state benefits (disability benefits) in place which apply instead of the early collection of the national government pension.

Monthly Amount of the National Government Pension

3. What is the monthly amount of the national government pension?

The exact amount of the monthly pension paid from the national government pension depends on a variety of factors, including:

- The duration of time for which contributions are made.
- The income earned during the contributory period.
- Any education or care credits used by the individual between 1 January after the individual reached the age of 20 and 31 December before the individual reached the pension age.

However, for 2024 the monthly amount of the national government pension is capped at:

- CHF2,450 for a single person.
- CHF3,675 for married couples.

Public Pensions Body

4. Is there a public body or agency that oversees the operation and policy of national government pension schemes? Do any other governance regimes apply to national government pension schemes?

Public Pensions Body

The Swiss Government oversees the operation of national government pension schemes and the proper implementation of the relevant legislation by the Federal Social Security Office (FSIO).

Name. Federal Social Insurance Office (FSIO).
T +41 58 462 90 11
W *https://www.bsv.admin.ch/bsv/de/home.html*

Other Governance Regimes

Local and industry-related social security offices (which are called "compensation offices") are competent to implement the social security legislation and develop important practice elements in the field of social security.

Supplementary Pensions

5. Is it common (or compulsory) for employers to provide access, or contribute, to supplementary pension schemes for their employees? If they do, are they:

- Occupational (that is, linked to an employment or professional relationship between the plan member and the entity that establishes the plan)?
- Personal (that is, not linked to an employment relationship, established and administered directly by a pension fund or a financial institution acting as pension provider, where individuals independently purchase and select material aspects of the arrangements, though the employer may make contributions)?

See *Question 1* for an overview of the Swiss three pillar pension system.

It is compulsory for all employers to be affiliated with a supplementary pension fund. Exceptions only apply to very specific employers (mainly those that do not employ staff that need to be insured in the 2nd pillar). In addition to the national government pension scheme, and usually together with their employees, employers contribute to a supplementary pension scheme for their employees (that is, a 2nd pillar pension scheme). It is, however, possible for employers to fund the supplementary pension schemes themselves.

The 2nd pillar pension schemes are occupational in nature and are implemented by using either multi-employer supplementary pension schemes or supplementary pension schemes established by the employer. While some pre-existing supplementary pension schemes were established as co-operatives, most supplementary pension schemes, and any newly established ones, now take the form of independent foundations or public institutions.

Individuals exercising a professional activity can, in addition to the 2nd pillar pension scheme, also choose to have a personal pension plan (that is, a 3rd pillar pension scheme) with a dedicated pension fund. However, contributions into such plans are entirely voluntary.

6. Where supplementary schemes are provided, do these schemes provide pensions, the value of which:

- Is linked to the employee's salary (defined benefit)?
- Is linked to employer and/or employee contributions and investment return on those contributions (defined contribution)?

Linked to the Employee's Salary

Swiss law defines defined benefit plans as those linking the pension benefit to an insured salary. Defined contribution plans instead use a conversion factor to convert pension accruals (contributions, interest earned, and investment income) into a pension benefit. Swiss law definitions typically vary from the definitions used in the international accounting standards context.

Both defined benefit and defined contribution plans are generally allowed in Switzerland. Within the legal framework, a pension fund can generally determine its financing method (thus also making hybrid pension schemes possible). In view of the actuarial aspects and funding risks, pure defined benefit plans have become rarer in Switzerland; defined contribution schemes are now much more common.

The membership in a supplementary (2nd pillar) pension fund is generally compulsory for the workforce once a certain threshold annual salary is reached (CHF22,050 for 2024), with the insured salary typically only starting at a salary level of around CHF24,000 per annum. The pension scheme can define any lower threshold, and specific exceptions to the compulsory insurance exist (for example, for second or subsidiary employments). Contributions are generally levied from both the employee and the employer, with the employer obliged to contribute at least the same amount as the total of their employees' contributions. It is, however, possible for employers to cover the entire contributions for their workforce.

Linked to Employer and/or Employee Contributions

See above, *Linked to the Employee's Salary*.

7. For supplementary pensions:

- Is there a minimum period of service before workers are entitled to receive vested rights?
- Are there any requirements to disclose pension benefits to participants or beneficiaries?
- Are there any legal requirements for schemes or providers to index pensions in payment and/or revalue pension rights in deferment?

Minimum Period of Service

Swiss law does not provide for a general minimum period of service before a worker is entitled to receive vested rights. However, specific minimums may apply in certain circumstances (for example, for certain disability benefits).

Disclosure Requirements

At least once each year, the pension fund must inform its members, in an appropriate manner (typically a short letter/statement), about:

- The entitlement to benefits, the co-ordinated salary, the contribution rate, and the retirement assets.
- The organisation and financing of the pension fund.
- The members of the joint body (typically, the pension fund board).
- The exercising of voting rights by the fund as a shareholder in the pension fund investments.

On request, the annual accounts and annual report must be provided to the insured persons. The pension fund must also provide such persons, on request, with information concerning several financial figures as well as the principles for exercising the voting obligation as a shareholder. Breaches of the duty to provide the information outlined above can be liable to administrative measures.

Legal Requirement to Index

Certain pension benefits are adjusted to the consumer price index in line with the pension fund's financial capabilities.

Funding and Solvency Requirements

8. In relation to supplementary schemes, are these generally funded or unfunded? If funded, are there any solvency requirements? Are there any legal requirements relating to how the scheme employer, trustee or provider must invest the assets of the scheme?

Funded or Unfunded?

Swiss supplementary pension schemes are funded by the employer and the employee in that the pension contributions are set aside in a legally independent pension scheme to cover future benefits as they arise.

Solvency Requirements for Funded Schemes

The pension funds must at all times offer assurance that they can fulfil the obligations assumed. A temporary underfunding is allowed if both:

- It is guaranteed that payments to pensioners can be made when due.
- The pension fund takes measures to remedy the shortfall within a reasonable time period.

In the event of an underfunding, the pension fund must inform the relevant supervisory body (see *Question 15*), the employer, the insured persons, and the pensioners of the extent and causes of the underfunding, as well as of any measures taken. Legislation determines further details as to what measures can be taken by the pension fund. Such measures can include stringent measures compelling the employer, as well as the employees and, in certain situations, even pensioners, to make additional payments to eliminate the underfunding. However, such stringent measures are only allowed if other milder measures are not appropriate to eliminate the underfunding.

The pension fund generally has a duty to remedy the underfunding by itself. In the case of the insolvency of a pension fund, a national guarantee fund secures at least the retirement assets. Whether or not there is an underfunding is determined by the pension actuary periodically.

Pension Plan Investment

9. Can supplementary pension schemes hold employer stock of the plan sponsor as a plan investment? If so, are there any limitations that apply?

Investments in employer stock are possible under certain restrictions:

- The assets, less liabilities and accrued expenses, cannot be invested without securitisation in employer stocks to the extent that they are tied to cover vested benefits and current pensions.
- Unsecured investments in employer stocks cannot exceed 5% of the pension fund's assets in aggregate, with specific rules also targeting real estate investments used by the employer.

10. Are there any fiduciary requirements that apply to the sponsoring employer, trustee, provider or administrator of supplementary pension schemes?

Fiduciary Requirements

The persons entrusted with the management or administration of, or with the asset management of, a pension fund must be of good standing and must have evidence of proper business conduct. They are subject to a fiduciary duty of care and must protect the interests of the members. This includes ensuring that no conflicts of interest arise. There are additional restrictions on legal transactions with related parties, such as the principle to deal at arm's length and the duty to declare such transactions in the annual financial statements. The Federal Act on Occupational Pensions of 25 June 1982 (*Bundesgesetz über die berufliche Alters-*, *Hinterlassenen- und Invalidenvorsorge of 25 June 1982*) alongside its detailing Federal Ordinance further limits the scope of permitted investments.

Persons entrusted with the administration or management of the pension fund, together with the pension actuaries, are liable for the losses or damages they cause to the pension fund either intentionally or through negligence.

The pension funds must manage their assets in such a way as to:

- Ensure the security and sufficient yield of investments.
- Ensure an appropriate diversification of risks.
- Cover a foreseeable need for liquid assets.

Prohibited Activities

Persons and institutions that are entrusted with the management of pension fund assets must not:

- Take advantage of the institution's knowledge of orders for their own investments.
- Trade, or participate in any other form, in a security or an investment whilst the pension fund is trading with this security or investment and provided that the institution may suffer a disadvantage as a result.
- Reallocate the institution's deposits without any economic reason.

Accounts and Disclosure

Persons and institutions that are entrusted with the management or administration of, or the asset management of, a pension fund must disclose their interest to the relevant supervisory body on an annual basis. The pension fund must notify the relevant supervisory body within three months of the agreed due date if regulatory contributions have not yet been transferred.

11. Are there any legal requirements relating to how the scheme's sponsoring employer, trustee, provider or administrator must account for the scheme's assets and liabilities in their financial report and accounts?

Occupational pension schemes (that is, 2nd pillar) must provide an annual financial statement which is made publicly available. This statement must be structured in accordance with the recommendations of the Swiss generally accepted accounting principles (Swiss GAAP FER 26 "Accounting of pension plans"). An addendum to the financial statement must also be provided which contains additional information and explanations on the investment, financing and individual items on the balance sheet and the operating accounts. Any legal transactions of an occupational pension scheme with related parties must be disclosed in this statement.

The national government pension schemes (that is, 1st pillar) are managed by compensation offices. The Central Compensation Office, among other tasks, supervises the monetary transactions with the compensation offices and keeps the accounts. The compensation offices must submit monthly and annual balance sheets with an operating account to the Central Compensation Office.

12. Are there any other legal requirements for disclosure of pension scheme information to members, regulatory bodies or the public?

Disclosure to Members

The occupational pension scheme must provide the annual report to their members, together with other information on an annual basis, which includes (among other things):

- Information on the return on capital.
- Details of the actuarial risks and the coverage ratio.
- Information on the principles for exercising the voting obligation as a shareholder.
- Audited annual financial statements.

It must also provide information on benefit entitlements, co-ordinated salary, contribution rate and retirement assets. The members must also be notified about an underfunding of the scheme.

Disclosure to Regulatory Bodies

The pension fund must notify the relevant supervisory body within three months of the agreed due date if regulatory contributions have not yet been transferred. It must also notify the relevant supervisory body when there is an underfunding.

Disclosure to the Public

Occupational pension schemes (that is, 2nd pillar) must be transparent about the regulations concerning the contribution system, financing, investments, and financial reporting. If any prevailing private interests are safeguarded [n any manner, the members of the pension fund and certain other groups of persons related to the pension fund must be given access to the records detailing those safeguards.

The compensation offices must submit an annual report to the relevant supervisory body each year and provide it with the key figures required to exercise its supervisory functions. An audited annual financial statement must also be provided annually.

Members of the board of the compensation office, and persons entrusted with the management of the compensation office must disclose and document their interests. These interests must be reviewed annually to avoid conflicts of interest. In addition, employers are reviewed annually to make sure they are performing their duties correctly (such as making the payments to the compensation offices and notifying them about newly employed persons).

Any person who violates the duty to provide the information outlined above can be liable to an administrative fine.

13. Are there any specific disclosure rules regarding environmental, social or governance requirements?

While the Swiss Association of Pension Funds (*Schweizerischer Pensionskassenverband* (*ASIP*)) supports compliance with certain environmental, social, and governance (ESG) criteria, there is no specific, legally binding legislation that sets out any rules concerning these topics.

Member Transfers

14. In relation to access for members to the funds in their supplementary pension scheme:

- To what extent can members transfer their funds to another pension scheme?
- How do members normally receive the benefit of their funds (for example, lump sums, income withdrawals (drawdown), life annuity arrangements)?
- What are the legal restrictions upon access to the funds (for example, age)?
- What are the common arrangements for early retirement and ill-health retirement?
- Are dependants of deceased members entitled to receive benefits payable on the member's death? What form do these commonly take?

Member's Transfer of Funds

In Switzerland, the employer choses the supplementary pension fund. The employees must be affiliated with the pension fund solution with which their employer is affiliated (which may potentially consist of more than one pension fund). It follows that a change of the pension fund is necessary when either:

- An employee changes to an employer which is affiliated with a different pension fund.
- The employer changes the affiliated pension fund.

It should also be noted that the termination of an existing affiliation to a pension fund and the reaffiliation to a new pension fund by the employer is only possible with the consent of the majority of employees or the Employee Representative Committee.

If the employment relationship ends and the employee does not take up a new position with another employer affiliated to a Swiss pension fund within a certain period of time, that employee's pension funds will typically be transferred to a vested benefits account where they remain until a new job is taken up or another reason for the payment of the funds exists. Under certain circumstances, employees can instead opt to continue their pension coverage in the pre-existing pension fund, or to fully or partially retire prior to the official retirement age (by taking out pension benefits in full or partially).

Taking Pension Benefits

Supplementary pension funds have a certain amount of freedom in choosing how pension funds are paid out. While it is mandatory for pension funds to include some form of option for periodic payments, the requirement to include a lump sum payment is only compulsory to a certain extent. In practice, most pension funds offer both alternatives, with mixed options also available. Lump sum payments must typically be notified to the pension fund a certain time in advance of their payout.

Legal Restrictions

Access to pension accruals is generally restricted to the recipient of the funds fulfilling one of the following requirements:

- Reaching the age of retirement: under the applicable law, 65 is the standard retirement age and 63 is the minimum age for a member to retire, but certain pension fund regulations may permit payments before that age (with a minimum age of 58). Earlier retirement is possible only in specific cases.
- Permanently departing from Switzerland (that is, a change of residence to abroad).
- Commencing an independent professional activity (that is, self-employment).
- Purchasing their own residential housing.

Early and Ill-Health Retirement

Supplementary pension funds can choose to allow for early retirement from the age of 58 in their pension fund regulations. The pension will then be reduced accordingly to take the early retirement into account. Such a gap can be pre-financed by the employee through voluntary contributions.

Provided that certain conditions are met, members suffering from ill-health may retire at any time. This mainly requires that the recipient of the funds has both a specific minimum level of impairment and a minimum level of coverage.

Dependants' Benefits

The surviving spouse of the deceased is entitled to a widow's/widower's pension if, upon the death of the insured spouse, they were obliged to pay for the living expenses of at least one child. Children of the deceased may be eligible for orphan pension benefits. Depending on the pension fund regulations, a cohabiting partner of the deceased may also be eligible for certain pension benefits.

Regulatory Body

15. Is there a regulatory body that oversees the operation of supplementary pension schemes? Do any other governance regimes apply to supplementary pension schemes?

Regulatory Body

The supervisory body is designated individually by each canton. Some (mostly smaller or economically closely connected) cantons have implemented joint, regional supervisory bodies. Supervisory bodies are public law institutions with their own legal personality. They are all subject to the supervision of a superior body, called the Occupational Pension Supervisory Commission (OPSC).

Name. Occupational Pension Supervisory Commission (OPSC).
T +41 58 462 48 25

W *https://www.oak-bv.admin.ch/de/oak-startseite*

Regulatory Framework

The supervision of supplementary pension funds regarding their compliance with the regulatory rules is essentially performed at two levels:

- The first level, where the pension fund's actuary and auditors are responsible for reviewing the pension fund's financial situation and stability, at a minimum on an annual basis. They are required to make the applicable notifications to the relevant supervisory body where required (for example, in the case of underfunding). In addition:
  - the actuary must notify the supervisory body more generally if their advice is not followed and the security of the pension fund is endangered; and
  - the auditor must notify the supervisory body if they notice deficiencies which are not remedied within a certain time, or if they become aware of any facts that could call into question the good reputation of, or the guarantee of proper business conduct of, the managers of a pension fund.
- The second level, where the relevant supervisory body must ensure that the pension schemes, the auditor, and the pension actuary comply with the statutory provisions, and that the pension fund's assets are used appropriately. The supervisory body can:
  - request information and the handing over of any relevant documents at any time;
  - issue directives to the governing body, the auditor or the pension actuary, order expert opinions, and set aside decisions of the supreme governing body of a pension scheme;
  - remind, warn, or recall the supreme governing body of the pension scheme (or individual members of it), and order the official administration of the pension scheme;
  - impose fines for administrative offences.

Any measures taken must always be proportionate.

Further supervisory functions are undertaken by the OPSC, which must:

- Ensure the uniform supervision of the regulatory bodies mentioned above (it can issue directives for this purpose).
- Examine the annual reports of the regulatory bodies and carry out inspections of those authorities if deemed necessary.

Other Key Governance Requirements

The law provides for several other requirements concerning the governance of pension schemes, of which the key aspects can be summarised as follows:

- The governing body of each pension scheme must consist of the same number of representatives of the employer and the employees, respectively.

- The governing body of the pension fund performs the overall management of the pension plan and must ensure that the statutory tasks are fulfilled. It also determines the organisational structure of the pension fund, ensures its financial stability, and supervises its management.
- The persons entrusted with the management or administration of the pension fund (or with the pension fund's asset management) must be of good standing and provide a guarantee of proper business conduct. They are subject to the fiduciary duty of care and must act in the interests of the persons insured with the pension fund. To this end, they must ensure that no conflict of interest arises due to their personal and business circumstances. The legal transactions entered into by the pension fund must correspond to normal market conditions.

All persons entrusted with the administration or management of the pension fund, together with the pension actuaries, are liable for the loss or damage they cause to the pension fund, either intentionally or through negligence.

Penalties for Non-Compliance

In addition to the measures outlined above (see above, *Regulatory Framework*), criminal sanctions can be imposed on employers and managers of a pension fund, and pension auditors and actuaries, for non-compliance with the statutory requirements. Sanctions mainly consist of financial penalties.

Tax on Pensions

16. Are any tax reliefs available on contributions to supplementary pension schemes (by the employer and employees)?

Tax Relief on Employer Contributions

See *Question 1*, *Taxation of Contributions*.

Tax Relief on Employee Contributions

See *Question 1*, *Taxation of Contributions*.

The tax deductibility of contributions into private pension plans (that is, 3rd pillar) is capped at different values, depending on the category of the provider.

17. Are there any approval or registration requirements with the local tax authority where a supplementary scheme is established?

Supplementary pension schemes must register with the relevant supervisory body. The tax authority does not require or provide any formal approval or registration process for supplementary pension schemes, but since supplementary pension schemes are tax-exempt, in practice the tax authorities must be made aware of the scheme to grant the tax exemption.

18. What is the tax treatment of investments made by the scheme?

The national government pension scheme (1st pillar), the occupational pension schemes (2nd pillar) of companies with their domicile, registered office, or permanent establishment in Switzerland (and of companies closely related to them), as well as private savings plans (3rd pillar), are all exempt from taxation on the profits arising from their investments, provided the funds of the pension scheme are permanently and exclusively used for employee benefit purposes. However, this tax exemption does not apply to real estate capital gains tax, real estate transfer tax, and similar levies.

19. What is the tax treatment of pension and lump sum payments made to members?

Periodic pension payments made from 1st and 2nd pillar pension schemes are taxable as income in the hands of the Swiss resident recipient and are subject to income tax in the same way as regular salary payments.

Lump sum payments made from 2nd pillar Swiss pension funds to Swiss resident recipients are subject to a special income tax rate. The applicable tax rate is calculated based on the lump sum payment, regardless of any other income, and is significantly lower than the ordinary income tax rate.

In cross-border outbound situations, the Swiss pension fund is typically subject to withholding tax at source, and any applicable double taxation treaties may provide options for refunds or reductions. In cross-border inbound situations, the correct Swiss compliant handling of foreign pension accruals is key; benefits received are typically taxable in Switzerland, depending on the characteristics either as ordinary income or at the reduced rate for lump sum payments.

20. Are there any other applicable tax charges on schemes?

Swiss legislation provides important income tax exceptions for Swiss pension schemes. However, the VAT aspects, as well as the tax consequences of restructurings in a pension scheme's assets, must be reviewed on a case-by-case basis and may incur tax consequences.

Business Transfers

21. Is there any legal protection of employees' pension rights on a business transfer?

Transfer of Accrued Pension Rights

For the national government pension (1st pillar), accrued pension rights do not need to be transferred on a business transfer, as this pension is not linked to any specific employer.

Members who leave a supplementary pension fund (2nd pillar) before a pension event occurs are entitled to a termination benefit, which is typically paid to another pension fund. If members join a new employer, and with that a new pension fund (that is, due to a business transfer), the former pension fund directly transfers the termination benefit to the new pension fund. If the employee is not joining a new employer with a new pension fund, the accrued pension rights are typically transferred to a vested benefits account. Transfers of accrued pension rights to another Swiss pension fund (including a vested benefits account) are tax exempt in Switzerland.

Other Protection for Pension Rights

Several other principles provide protection for the pension rights of retirees:

- If the employer terminates the affiliation agreement (which generally requires the employees' majority consent or the consent of the Employee Representative Committee) to join a new pension scheme, the former and the new pension fund must agree on which pension fund the retirees will be covered by, unless the affiliation agreement provides a specific solution. If no provision is made in the affiliation agreement, and the old and the new pension fund do not reach an agreement on this, the retirees remain with the old pension fund by default. The same applies when the pension fund terminates the affiliation.
- If the affiliation agreement provides that the retirees leave the former pension scheme upon termination of the affiliation agreement, the employer cannot terminate the agreement until a new pension scheme has confirmed in writing that it will take over these persons under the same conditions.
- Pension funds can only take over the pension assets of retirees if the corresponding liabilities are adequately funded.

Participation in Pension Schemes

22. Can the following participate in a pension scheme established by a parent company in your jurisdiction:

- Employees who are working abroad?
- Employees of a foreign subsidiary company?

Employees Working Abroad

Individuals residing or working in Switzerland are members of the national government pension scheme and will generally fall within scope to participate in 2nd pillar supplementary occupational pension schemes in Switzerland.

Employees of a Foreign Subsidiary Company

Employees of a foreign subsidiary company can only join the national government pension scheme (1st pillar) and a supplementary occupational pension scheme (2nd pillar) if they are subject to the Swiss social security scheme. This will generally require either their residence in Switzerland or conducting a certain level of professional activity in Switzerland.

Employer Insolvency and Overall Scheme Solvency

23. Is there any protection provided for pension scheme benefits where the sponsoring employer becomes insolvent? If so, who provides the protection, and how does this operate? If the scheme itself is underfunded, are there any funding obligations on connected or associated legal entities?

Since supplementary occupational pension funds must structurally be independent from the employer by law, there is no direct impact on the pension fund in the event of the employer's insolvency. Pension fund claims (for example, for contributions) are given preferential treatment in the event of the employer's bankruptcy.

Contributor Profile

Dr Ruth Bloch-Riemer, Partner

Bär & Karrer AG (Zurich)
T +41 79 22 04 846
E *ruth.blochriemer@baerkarrer.ch*
W *www.baerkarrer.ch*

Professional Qualifications. Dr. iur (University of Berne); Certified Tax Expert; Attorney-at-Law (admitted in Switzerland); Partner at Bär & Karrer since 2019.

Areas of Practice. Tax, pensions and social security, employment, private clients.

Non-Professional Qualifications. Member of a charitable foundation board; frequent speaker; teaching activities at the University of Zurich (LL.M. programme); examination expert for tax expert diploma exams.

Recent Transactions

- Advising IK Partners on the acquisition of Cinerius Group (5 February 2024) as co-leader regarding social security/pension.
- Advising Amapharm on the acquisition of F. Hunziker + Co (11 January 2024) as co-leader regarding social security.
- Advising Aunetic (Main Capital) on the acquisition of LARI digital (10 January 2024) as co-leader regarding social security.
- Advising UBS on the merger of UBS AG and Credit Suisse AG (8 December 2023) regarding pension.
- Advising Kohlberg Kravis Roberts & Co on the acquisition of the Precipart Group (27 November 2023) regarding social security.

Languages. German, English, French, Italian

Professional Associations/Memberships

- Member of IPEBLA International Pension & Employment Benefits Lawyers Association (including the Executive Compensation Committee and the Steering Committee of IPEBLA).
- Member of ExpertSuisse.
- Member of the Society of Trust and Estate Practicioners (STEP).
- Member of the International Academy of Estate and Trust Law (TIAETL).

Publications

- *Basler Kommentar, Berufliche Vorsorge, Basel (2021) (Articles 12, 51-52, 65-65b, BVG).*
- *Ausgewählte Entscheide des Sozialversicherungsgerichts (1 October 2023), TREX Heft 5, 2023, S. 292-299 Journal.*
- *Analysis of the Federal Supreme Court case law on international tax law (2021), ASA Archiv für Schweizerisches Abgaberecht Nr. 90, 11-12 June 2022.*
- *Kommentar zum Schweizerischen Steuerrecht – Erbschafts- und Schenkungssteuerrecht, Basel (2020)*
- *Sozialversicherung und Vorsorge – der Verwaltungsrat im Recht und in der Pflicht, Risiken und Best Practice, GesKR (4/2021).*

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