

Law &amp; Policy Group

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# Switzerland: Second pillar pension changes to take effect in 2021

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From 1 Jan 2021, individuals in Switzerland aged 58 or older, whose employment has been terminated, could choose to remain enrolled in their employer-sponsored occupational pension schemes until they reach the normal retirement age specified by the pension scheme. In the case of restructuring, individuals who are at least 55 also may have this option if the pension scheme allows. The measures feature in the revised Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) that provides mandatory employee benefits insurance.

## Highlights

- Individuals who choose to stay in the pension scheme must continue invalidity and death insurance coverage and pay both employer and employee contributions.
- Individuals can choose to continue accruing old age pension benefits if they pay both the employer and employee contributions.
- Individuals can terminate their participation in the scheme at any time.
- Individuals who later take other employment will have to transfer their pension entitlement into their new employer's scheme, subject to meeting certain criteria.

## Related resource

- [Federal Act on Pension Reform \(German\)](#) (Swiss government, 17 Mar 2017)

*Note: Mercer is not engaged in the practice of law, accounting or medicine. Any commentary in this article does not constitute and is not a substitute for legal, tax or medical advice. Readers of this article should consult a legal, tax or medical expert for advice on those matters.*