

MY PENSION FUND 2019

Information for employees



GastroSocial – your pension fund

The company where you work is insured with the Gastro-Social Pension Fund.

The GastroSocial Pension Fund covers the benefits prescribed by the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) as well as the supplementary provisions of the collective labour agreement for the hotel and catering industry (L-GAV).

The pension fund (2nd pillar) is a mandatory social insurance scheme. It supplements the benefits paid by the AHV (Old Age and Survivors' Insurance) and the IV (Federal Disability Insurance), which are also mandatory insurance schemes. All employees must enrol with a pension fund through their employer.

Why a pension fund?

The pension fund provides the following benefits:

- Retirement pension or lump sum payment upon retirement
- Pension or lump sum payment upon death to the surviving dependants
- Pension in the event of disability
- Withdrawal of capital to finance residential property
- Lump sum payment if the insured takes up self-employment
- Lump sum payment if the insured permanently leaves Switzerland
- Transfer of capital (termination benefit) to the new pension fund when the job has been changed

GastroSocial is not a profit-oriented enterprise. The monthly paid pension fund contributions from you and your employer are used to provide your own retirement provision and risk cover.

The pension plans

The GastroSocial Pension Fund offers the following pension fund solutions:

- Uno for employees subject to the L-GAV
- Scala for employees who are not subject to the L-GAV

Employers can choose between the basic insurance and different supplementary insurance options for their employees:

Basic insurance	Basis	Insurance cover pursuant to the BVG and L-GAV
	Top	insures higher salaries
Supplementary insurance	Plus	insures higher salaries and higher benefits
	Integral	insures the full gross salary subject to AHV contributions without a coordination deduction

This brochure only introduces the benefits paid by the basic insurance.

All information is based on the Uno and Scala regulations of the GastroSocial Pension Fund.

When are you insured?

If you earn a gross salary of CHF 21'330.– or more per year, your employer must insure you in the second pillar.

From the 1st of January of the year following your 17th birthday you are insured for the consequences of death and disability. From the 1st of January of the year following your 24th birthday the saving process for retirement provision begins.

The pensionable salary

For the employee benefits insurance, the pensionable salary (coordinated salary) is calculated as follows:

Sample calculations (in CHF)			
	Example 1	Example 2	Example 3
Gross monthly salary	2'150.–	4'330.–	7'400.–
Coordination deduction	– 2'073.75	– 2'073.75	– 2'073.75
Result	76.25	2'256.25	5'326.25
Pensionable salary	296.25	2'256.25	5'036.25

A result of less than CHF 296.25 must be rounded up to CHF 296.25 (minimum pensionable salary). If the result is more than CHF 5'036.25, it must be rounded down to CHF 5'036.25 (= maximum pensionable salary).

The amount of the coordination deduction is determined by the Federal Council and is usually revised every 2 years.

The contributions

Your contributions to the pension fund are calculated as a percentage of the pensionable (coordinated) salary. Your employer deducts your contribution from your salary every month and pays it to the pension fund together with the employer contribution to the same amount.

Contributions (for both the employer and employee, as % of pensionable salary)

Age	Uno	Scala
	For employees who are subject to the L-GAV	For employees who are not subject to the L-GAV and the self-employed
18 – 24	0.5 %	0.7 %
25 – 34	7.0 %	5.3 %
35 – 44	7.0 %	6.8 %
45 – 54	7.0 %	9.3 %
55 – 64/65	7.0 %	10.8 %

The contributions for the Scala plan may change in base of the sector of activity.

The pension fund uses the contributions on your behalf:

- Retirement credits
- Pensions for surviving partners
- Orphan's pensions
- Disability pensions
- Disabled person's child's pensions
- Administrative costs

The administration costs for the GastroSocial Pension Fund are very low compared to other pension funds. They cover the expenses for administration and professional asset management.

Your retirement account

An individual retirement account is opened for every insured on 1 January of the year following their 24th birthday.

Your savings capital (retirement assets) consists of the following:

- Credit for pension fund contributions paid in during previous employment relationships
- Voluntary purchases of additional benefits
- Retirement credits
- Interest

The retirement assets are accrued with retirement credits and earn interest. The retirement credits increase as you grow older.

Retirement credit (as % of pensionable salary)

	7 %	10 %	15 %	18 %
Age men	25 – 34	35 – 44	45 – 54	55 – 65
Age women	25 – 34	35 – 44	45 – 54	55 – 64





When will you retire?

Under the law you become entitled to retirement benefits

- on the first day of the month following your 65th birthday if you are a man,
- on the first day of the month following your 64th birthday if you are a woman.

Early retirement or semi-retirement is possible

- from the age of 60 if you are a man,
- from the age of 59 if you are a woman.

If you continue to work past the regular retirement age you can voluntarily continue your insurance cover up to the age of 70 at the latest.

The retirement benefits

Upon retirement, you can choose between:

- A lifelong retirement pension
- A retirement lump sum *
- A combination of the two

*** Important – please note the following when you wish to withdraw your retirement capital in the form of a lump sum:**

- The application for a lump sum payment must be submitted written **within 30 days** after the actual retirement date **at the latest**, but at least before the first pension payment. **We recommend that you submit the application at an early stage before your retirement.** If you miss the specified deadline, only a retirement pension can be paid.
- Your spouse or registered partner must agree to the lump sum withdrawal in writing.
- Recipients of a disability pension are not entitled to a lump sum payment.

The retirement pension is calculated as a percentage (conversion rate) of your retirement assets. The following conversion rates apply to regular retirement:

Percentage for BVG component (mandatory component)	6.80 %
Percentage for extra-mandatory component	6.50 %

Sample calculation (in CHF)		
Retirement assets	Conversion rate	Annual retirement pension
250'000.– BVG-component	× 6.80 %	= 17'000.–
50'000.– extra-mandatory component	× 6.50 %	= 3'250.–
Total 300'000.–		Total 20'250.–

Semi-retirement

Pension or lump sum payment in the case of semi-retirement

With the GastroSocial Pension Fund, you have the option of semi-retirement. The first reduction can also be made after the regular retirement age, provided that the conditions of art. 9.5 of the Regulations have been fulfilled. Full retirement must be taken on the 70th birthday at the latest.

Change of employment level

Semi-retirement presupposes a reduction in the insured persons percentage of working hours. The residual degree of employment must be at least 20 %. Should the residual annual salary be below the minimum salary, the entire retirement benefits must be withdrawn.

Pension or lump sum payment per step of semi-retirement

The retirement benefit can be claimed **as a pension or as a lump sum payment for the individual steps of semi-retirement**. Semi-retirement can be taken in a maximum of three steps, whereby each reduction must equal at least 20 % of a full-time employment. At least one year must pass before taking the next step.

Application

Application for semi-retirement with the GastroSocial Pension Fund (for both pension and lump sum payment) must be made **separately in writing for each semi-retirement step**. It must be submitted to the GastroSocial Pension Fund at least **one month** before each semi-retirement step.

The benefits for disability and death

The following benefits are insured for disability:

Disability pension	40 % of the pensionable salary
Disabled person's child's pension	10 % of the pensionable salary

The disabled person's child's pension is paid for children up to the age of 20, or up to the age of 25 if they have not yet finished their education.

The following benefits are insured for death:

Pension for surviving partner	25 % of the pensionable salary
Orphan's pension	10 % of the pensionable salary
Lump sum death benefit	individual

The surviving partner* of an insured is entitled to a partner's pension or a lump sum settlement. The orphan's pension is paid for children up to the age of 20, or up to the age of 25 if they have not yet finished their education.

* Spouses, registered partners or **de facto partners registered with the pension fund in writing**

If an insured person or a recipient of a disability pension dies before the regular retirement age and before drawing a retirement benefit and no partner's pension or settlement is due, a **death lump sum** is paid. The benefit is usually paid to the children, unless the insured person has during their lifetime announced in writing to the Gastro-Social Pension Fund a person who has been substantially supporting the insured or the life partner.

Advance withdrawal for your own home

The law promotes the purchase of residential property. You can withdraw your pension fund assets in advance to finance the purchase of your own home (apartment or house). Every insured who has a credit of at least CHF 20'000.– in the retirement account may make an advance withdrawal or pledge up to the amount of their accrued pension fund assets to finance owner-occupied residential property. The amount that may be withdrawn is limited from the age of 50.

If you make an advance withdrawal against your pension fund assets, you will reduce the retirement assets and, consequently, the benefits available to you on retirement.

An advance withdrawal also has tax consequences: The amount withdrawn in advance must be taxed immediately and you must pay the tax from your own pocket.

Voluntary purchases

Contribution gaps in the retirement account can be covered with voluntary payments. Contribution gaps can arise from:

- Longer periods during which you did not work (continuing education, vacation)
- Self-employment
- Benefit gap after a divorce
- Higher salary

Voluntary purchases can usually be deducted from the taxable income. They can be made until you reach retirement age, but the money used to make a voluntary purchase may not be withdrawn in the form of a lump sum for 3 years after the purchase. Any advance withdrawals to finance the purchase of residential property must be repaid in full first.

Important:

If you wish to withdraw your retirement capital in the form of a lump sum upon retirement, you can only make voluntary purchases of additional benefits **up to 3 years before your retirement.**

Transfer or payout of your savings capital

When you change jobs, your saving (termination benefit) must be transferred to the pension fund of your new employer.

Important:

Please provide us with the details of your new pension fund if the change in jobs also involves a change in pension fund.

If you take up self-employment or leave Switzerland permanently, you can have your savings capital paid out.

The following restriction applies to insured who are leaving Switzerland: if you move to an EU or EFTA member state where you are subject to compulsory insurance for the consequences of old age, death and disability, only the extra-mandatory savings can be paid out.



Social partnership

The GastroSocial Pension Fund believes in the social partnership. As your participation is important to us and we take your needs seriously, delegates of the Hotel & Gastro Union represent the employees insured with us on the board of trustees.

HOTEL & GASTRO
UNION



Information

Detailed information on your pension fund is provided in our regulations and on our website. You can also order all documents from us.

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