Information on retirement

Capital or pension?

When it comes to planning your retirement, one of the questions to ask yourself well in advance of clocking out for the final time is whether you would like to withdraw your retirement capital as a one-off lump sum or receive it in the form of a lifelong old age pension.

And should you take early, regular or deferred retirement? Or perhaps you would like to go for partial retirement?

This information sheet is designed to support you with making these choices and should give you an overview of the options available to you. Please read through it carefully and use it to help find the best solution for you.

For more detailed information on the available options, please refer to the Pension Fund Regulations (PR) on our website at www.valitas.ch. The pension plan that regulates the specifics of your pension is always authoritative.

Please do not hesitate to contact us if you have any questions – we are always here for you.

Valitas Sammelstiftung BVG

---

1. When can I retire?

You can take early retirement from the age of 58. The definitive reference age at which you can claim your retirement benefits is governed in the respective pension plan. Insured Persons who continue to work after reaching the normal statutory retirement age can request to remain in the pension scheme until they stop working, but can only extend their affiliation until they reach their 70th birthday.

---

2. How much money is in my pension? How much available capital do I have?

Your pension certificate shows how much savings capital you have in your pension pot and how much you'll receive per year as part of your old age pension. Your pension entitlement is calculated by converting the retirement assets available when you reach retirement age. The conversion rate is set by the Foundation Board and is published on our website. However, you will receive at least the pension in accordance with OPA (the Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision). You may choose to withdraw the aforementioned savings capital in cash in lieu of receiving a pension (Art. 30, 33 PR).

---

3. Can I have part of my retirement capital paid out and draw the rest as a pension?

Yes, you can. If you would like to have part or all of your retirement capital paid out instead of receiving a pension, you must inform us of this in writing and no later than one month in advance (Art. 29(3) and Art. 33 PR). However, please note that for tax reasons, you will be unable to withdraw your retirement capital if you have made any buy-ins within the last three years before retirement.

12.2022

4. What is partial retirement?

The retirement benefits you earn through partial retirement can be drawn as a pension or as a lump sum. With capital withdrawals, those benefits are paid out in up to three drawdown payments. The portion of the retirement benefits that you withdraw before reaching statutory retirement age may not exceed your reduction in capacity to work based on your salary reduction. Your first drawdown must reduce your pension pot by at least 20%. If you subsequently take early retirement before reaching the reference age, your pension will continue to operate as normal, based on your remaining capacity to work.

---

5. Some of my children are still in education. Do I receive an additional pension for them?

If you choose to draw an old age pension, you are entitled to a child pension for each of your children under the age of 18. You will also receive a child pension for each of your children over the age of 18 until they complete their education, but only until they reach the age of 25. The pension plan is authoritative in this regard (Art. 31 PR)

---

6. Do I need to contact the OASI before I retire?

Yes, you must contact the OASI at least three to four months in advance. You can obtain the address of the relevant OASI compensation office from your employer's personnel office.

---

7. Advantages and disadvantages of pensions and capital withdrawals.

	Pension	**Capital**
Advantages	• Security: A pension gives you a regular, lifelong source of income. • Long-term profit: The older you get, the more money is paid out to you since the start of your pension. • There is a partner's pension and an orphan's pension for your survivors.	• Gives you financial flexibility. • Investment opportunities give you a chance to make your pension grow and work for you. • Allows you to pay out some of your pension benefits as early inheritance gifts. • All remaining capital goes to your heirs. • Gives you the option of fully or partially amortising your mortgage.
Disadvantages	• The Foundation retains any capital not required to pay survivors' benefits upon your death.	• You bear the administration costs and the risks associated with investments. • You have no guaranteed source of income. • It cannot be guaranteed that your retirement capital will be sufficient to support you for the rest of your life.
Tax	• Your pension is fully taxable as income.	• Capital withdrawals are taxed at a reduced rate separate to income and are then subject to wealth tax. • Income generated from investments is subject to income tax.

8. Support with your decision

	In favour of drawing a pension	In favour of lump-sum cash withdrawal
Personal circumstances	• You are in good health and are expected to live for a long while yet. • You do not have any heirs.	• You have children who you would like to support financially. • You would like to pass on your retirement capital.
Knowledge and expertise	• You don't have a lot of experience with financial investments and money management. • Investing does not appeal to you. • You have additional assets that you can flexibly invest.	• You have the financial resources to be able to invest in securities. • You do not plan on investing in securities. • You would like to have flexible access to your money at all times. • You have previous experience in investing. • You are planning to invest.
Income	• Your OASI and OPA pensions are your only source of income. • You would like to have a regular, guaranteed source of income for the rest of your life. • The tax burden associated with capital withdrawal is too high.	• You would like to purchase insurance benefits (life annuity).

---

9. There's no one-size-fits-all solution.

There is no one-size-fits-all solution, and sometimes the best option is to adopt a half-and-half strategy that combines making capital withdrawals and drawing a lifelong pension. We recommend consulting a pensions or financial advisor, who will work with you to create a tailored solution based on your specific circumstances.