

Old age pension scheme (the 3 pillars)

In Switzerland the old age pension scheme ensures that pensioners have enough money to live on. There are three pillars of the old age pension scheme: old age and survivors' insurance (OASI), occupational pension provision (OPA) and private pension provision (the third pillar).

OASI: old age and survivors' insurance (the first pillar)

Old age and survivors' insurance (OASI) is the basic national pension scheme. The OASI pays a monthly pension to retired persons.

The amount of the pension depends on the number of years during which the person contributed as an employee. The amount also depends on the average salary the person was receiving.

If a person dies, the OASI also provides assistance to the spouse and children of the deceased person (widower's or widow's and orphans' pension).

All adults must contribute to the OASI. Each month, part of an employee's salary is deducted to pay the OASI. That's half of the contribution. The employer pays the other half.

Persons engaged in self-employment and unemployed persons must also pay their contributions. To do so, they must submit a request to the municipal OASI office.

Occupational pensions (the second pillar – OPA)

The OASI pension alone does not allow you to have as much money as before retirement. For this reason, there is also an occupational pension scheme (the OPA) for employees, which is mandatory about a certain annual income.

Occupational pension provision (OPA) is also known as the second pillar or the pension fund.

Each month, part of the employee's salary is deducted to pay the OPA. That's half of the contribution. The employer pays the other half.

When you retire, you receive the money saved in the pension fund (or OPA) in two possible forms:

- either in the form of a pension (which you receive every month)
- or in the form of a lump sum (which you receive in a single instalment).

You can choose the form you prefer.

In some cases, you can request the money earlier:

- when starting your own company;
- when moving outside Switzerland, subject to certain conditions;
- when you build a house or buy an apartment to live in.

Self-employed persons are not obliged to pay contributions. They can do so voluntarily. They are responsible for taking steps to do so themselves. To do this, they must apply to a pension fund.

Private retirement provision (third pillar)

It is possible to insure your old age even better: with the third pillar. This is private and individual retirement provision.

It is not mandatory, but it is recommended. It provides an additional reserve for retirement.

You can take out a third pillar with a bank or insurance company. You can deduct the amount paid for the third pillar (known as pillar 3a) from your taxes.

OASI supplementary benefits (or OASI SBs)

Sometimes, despite OASI and pension fund pensions, elderly people do not have enough money to pay for their basic needs (food, shelter, etc.).

Then they may be entitled to supplementary benefits (or SBs). They must apply for the SBs from the municipal OASI agency.

There are clear rules as to who is entitled and who is not entitled to supplementary benefits (SP).

Additional information (links, addresses, information sheets, brochures)

www.bonjour-jura.ch/en/social-security/old-age-pension-scheme-the-3-pillars