Qualibroker Swiss Risk & Care

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EDITORIAL

The aging of the Swiss population is a reality that is going to last. Today, more than one in five people is over the age of 65, and this proportion will continue growing in coming years. This demographic shift will have a profound impact on both businesses and pension institutions. More than ever, planning for retirement ensures people are able take actions to implement financial and tax strategies that can require several years.

At Qualibroker Swiss Risk & Care, we believe that good planning starts with knowledge. That is why our pension experts work directly with companies to inform and train their employees, and raise their awareness of the importance of preparing for retirement. Employers themselves often take the initiative in this regard, demonstrating true social responsibility.

We offer confidential, individual support to help every employee assess their personal situation and make the right choices. This personalised approach is part of our logic of listening and ethics. Our mission is clear: we use our expertise to help future pensioners make informed choices.

Beyond this personal support, our pension specialists also advise companies on how to manage their occupational pension plans and implement solutions adapted to their organisation. They also design individual pension strategies to meet the specific needs of business owners and their employees. Each solution is tailor-made to strengthen an executive's financial security or optimise an employee's coverage, for example.

As we near the year's end, we thank our customers and partners for their renewed confidence in us. Together, we will continue to build strong, responsible and forward-looking solutions.

Happy holidays,

David Cochet
General Manager

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Planning for retirement: Anticipate, understand, decide

Qualibroker
Swiss Risk & Care

Planning for retirement: Anticipate, understand, decide

In Switzerland, preparing for retirement doesn't mean just waiting for the last day of work. It is a true lifelong project that is built over time and requires making informed choices: annuity or capital, early or partial retirement, pension buy-in and tax optimisation. These important decisions will affect pensioners' standard of living for decades. But, preparing ahead of time and obtaining professional advice transform this life-change into a worry-free step.

The three pillars: Optimising the balance

The Swiss system is enshrined in the Federal Constitution, and is based on the principle of three pillars, which are designed to guarantee everyone financial security in the event of disability, death and old age.

In the first pillar, old-age and survivors insurance (AVS) provides basic coverage in the event of death and at retirement. It is based on solidarity between generations, with current workers financing pensioners' annuities. The first pillar aims to guarantee a subsistence income. But, sometimes the accumulation of benefits is not enough. That is when supplementary benefits (PC) can guarantee this subsistence minimum.

For the second pillar, an occupational pension plan (LPP) supplements AVS benefits to theoretically reach 60% of the pensioner's last income. Employee and employer contributions are added to a pension account that is paid at a rate set by the pension fund. Employees can add to this account through voluntary buy-ins that may be tax deductible, which can be particularly useful when savings are insufficient.

Lastly, the third pillar is individual and optional, making up for insufficient protection from the other two pillars and allowing adjustments to the collection of retirement benefits. Pillar 3a, related to professional life, offers an annual tax deduction and lets the insured person capitalise on an amount that can be freely invested for the long term. Pillar 3b is more flexible, and is often part of a broader asset strategy. By judiciously combining these three levels, employees build the solid foundations of a stable and fiscally optimised retirement income.

Annuity or capital: A structuring choice

At retirement, each insured person in the second pillar can choose between an annuity or a capital withdrawal. This choice is irreversible, so it requires careful consideration.

Opting for an annuity means prioritising security, since it guarantees an income for life, with no management required, and generally also protects a life partner in the event of death. However, the annuity leaves no transferable capital, and its amount is fixed and does not rise with inflation. The annuity is taxed as income.

Choosing capital means flexibility. The pensioner controls their assets and organises yields, collection and estate planning. But this freedom comes with greater responsibility. If invested poorly or spent too quickly, the capital can run out prematurely. Cash collections are taxed at a special rate and separate from income tax. According to Switzerland's Federal Statistics Office (OFS), the number of recipients of capital benefits is growing. Of new recipients of pension fund benefits in 2023, 41% received capital only, 40% received

> *In 2024, persons aged 65 and up accounted for 21% of the population. In recent years, this proportion has been growing by about 0.3-0.5% annually.*

an annuity alone and 19% received a combination of annuity and capital.

The choice depends on several parameters: family circumstances, health, life expectancy, other sources of income, risk tolerance and estate goals. It must always be based on a numerical simulation and professional advice, particularly to assess the tax impact.

AVS 21 reform: Greater flexibility, greater vigilance

The AVS 21 reform entered into force in 2024, impacting the conditions and collection options of old-age benefits, for both the AVS and the LPP. It harmonises the reference age for both women and men at 65.

Most of all, the reform introduces greater flexibility to allow partial or complete, and early or deferred collection of annuities. These new rules make it possible to arrange a phased-in retirement that includes collecting old age benefits. Comprehensive planning is necessary to schedule pension capital withdrawals and avoid adverse taxation.

Preparing to secure your future

Planning early means being able to fill gaps or achieve a goal without having to make significant financial sacrifices. It also means accepting support: a pension specialist or financial planner can help identify gaps, calculate the tax gains of a buy-in, optimise the timing of collecting pension benefits and coordinate decisions across the three pillars.

Retirement is a major step: when planned well in advance, it becomes a well-managed project instead of a source of uncertainty. Anticipating, understanding and deciding are the key to a worry-free transition to this new phase of life.

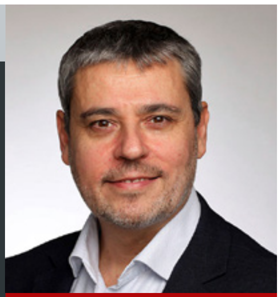
Full or partial early retirement: Two ways to ease the transition

Full early retirement is attractive because it offers the prospect of free time before the retirement reference age. However, it also mechanically reduces the amount of annuities that will be paid out early.

Partial early retirement lets workers scale down employment over several stages and collect part of their pension assets in the form of an annuity or capital. Without starting to collect pension benefits, insured people can also opt to continue making contributions while reducing their professional activity. This allows a gradual transition and optimises pension benefits. However, it also requires the employer's agreement and must be implemented in accordance with the pension fund's regulations.

In both cases, careful planning is essential. Simulating various scenarios with a pension specialist helps future pensioners measure the financial, taxation and personal impacts of early retirement or a smooth transition.

INTERVIEW



Livio Sposato,
Pension Assistant Manager

Why do companies ask you to inform their employees about retirement planning?
We're working more and more with companies to raise employee awareness. This is an exemplary approach on the part of these employers since it allows employees aged 45 and up to plan and prepare for their retirement. Our objective is clear: to make people aware that they can't just wait for retirement, they need to prepare for it. The earlier they start, the better they can organise their finances, their life choices and their future comfort.

What does employee coaching involve?
We always start with a group information session. This is an essential step to lay the foundations: understanding how the three pillars work — taxation, pension buy-in, choice between annuity and capital, AVS 21 reform, death benefits, etc. This first meeting ensures everyone understands the mechanisms and challenges of retirement in Switzerland. Then, we offer personalised follow-up meetings on an individual basis for those wanting to go further. Here, we establish the framework for our support. Most people ask us to create scenarios for different desired retirement dates. This lets them compare the projected revenues with needs they have defined to determine whether their project is feasible. We explain the consequences related to using pension benefits, longevity, taxation and estate planning.

What is the difference between information and advice?
There is a fundamental distinction. Informing means providing the knowledge people need to understand their rights and their options. Advising means helping them make choices based on their personal situation. But, we can't advise until we inform. If someone does not have a clear understanding of all the options available to them, they risk making a biased decision. Our role is to ensure the client has all the information they need. We do not decide for them, instead, we help them make an informed decision. This requires great rigour and impeccable ethics. Retirement planning is about life choices and financial security: our duty is to protect people, not serve our own interests. This trust is what makes our support valuable.

Ismat Group training – 1st quarter 2026

For over 20 years, Ismat Group has been training managers and their employees in a variety of human resources issues.
Visit www.ismatgroup.com for more information.

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Absence prevention and management
Reduce absenteeism while strengthening engagement
22 and 23 January 2026 (two days)
19 and 20 March 2026 (two days)
Target audience: managers, leadership, HR professionals

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The keys to management (introductory module)
2 and 3 March 2026
Module 1 – Managing your team using the five management phases
30 and 31 March 2026
Module 2 – Practicing feedback – The manager-coach
Target audience: managers, leadership, HR professionals

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Preventing burnout
Protecting one's own health and, for managers, that of their team in a demanding environment
- **For managers: 5 February 2026**
- **For employees: 24 March 2026**

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