

## Create employers' contribution reserves and reap the benefits

Employers' contribution reserves provide a cushion for your pension fund. This information sheet summarizes the procedure for creating such reserves and the resulting advantages for your company.

### What are employers' contribution reserves?

Employers' contribution reserves are used for pre-financing the contributions you pay as an employer. The reserves therefore serve to finance the employer's contribution pursuant to the rules of the pension fund. Utilization of the reserve is earmarked, which is why repayment to the employer is always excluded. If there is insufficient cover, the pension fund may use the assets to cover any funding shortfalls.

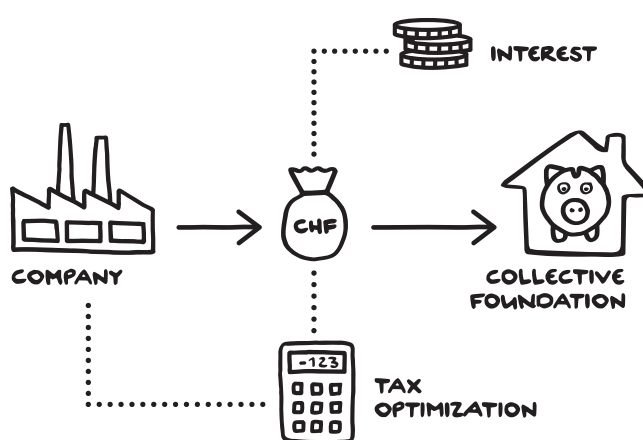
### How do you create reserves and how can they be reversed?

To create employers' contribution reserves you open an employer's contribution reserve account with the collective foundation within the meaning of Art. 331 (3) of the Swiss Code of Obligations (OR). The assets created from this form the assets for your pension fund within the collective foundation. Upon dissolution of the employer contribution reserve, there are two possibilities for reusing the funds. The assets can, in the event of a switch, either be transferred to a tax-exempt pension plan or, as an exception, used to improve the insured benefits.

### How can you use employers' contribution reserves for tax optimization? Are the accounts interest-bearing?

Depending on the cantonal legislation, employers can in total pay in a maximum of three or five times the annual employer's contribution as an employers' contribution reserve. Thus, the profit can be reduced at the end of the financial year and tax can be optimized. Contributions due to be paid by the employer can be deducted from the employers' contribution reserves in the following year. New employers'

contribution reserves can be created again at a later date as and when required. Employers' contribution reserves are interest-bearing. The interest rate is set by the collective foundation and published on [www.vita.ch/interestrates](http://www.vita.ch/interestrates). Employers are informed about changes in interest rates with one month's prior notice.



### What rule applies for self-employed persons?

Only such employer contributions as are for staff count as employers' contribution reserves. Self-employed persons may only pay into the employer contribution reserve for their employees, but not for themselves.



### Do you have any questions?

You and your employees can contact the Help Point BVG (phone 0800 80 80 80) Monday to Friday from 8.00 a.m. to 12.00 p.m. and from 1.00 p.m. to 5.00 p.m. with any questions about occupational pension plans. Or visit → [www.vita.ch](http://www.vita.ch)