

Working after reaching the reference age: what you should consider

Are you interested in working beyond retirement age, now referred to as the reference age? If so, it is worth considering various points. We have put together the most important information for you regarding AHV, pension funds and the 3rd pillar.

Harmonization of the retirement age (reference age) for women and men to 65 years of age

Through the AHV 21 reform, a uniform retirement age of 65 is being introduced for men and women. This forms the reference value for flexible retirement and is therefore now referred to as the reference age: Anyone who draws their pension at 65 will get it paid out without deductions or supplements. The reference age also applies to occupational retirement provision (pension fund).

The reference age for women is gradually being increased from 64 to 65:

In the year	Reference age	born in
2024	64 years of age (no increase)	1960
2025	64 years and 3 months	1961
2026	64 years and 6 months	1962
2027	64 years and 9 months	1963
2028	65 years of age	1964 and subsequent years

Compensation measures for women in the transitional generations 1961 to 1969

For women for whom retirement is not far away, the increase in the reference age can have a significant impact on their plans for life. For this reason, the effect of the increase is being cushioned with two compensation measures.

The first compensation measure benefits those women who are drawing their retirement pension before the reference age: The reduction in the retirement pension is lower than in the case of a normal early withdrawal. The lower the average income, the smaller the reduction. The second compensation measure applies to those women who are not drawing their pension early: They receive a lifelong pension supplement. This supplement is greater for low incomes than for higher incomes.

Drawing a pension flexibly in AHV

The AHV 21 reform makes retirement more flexible. Pensions can be drawn between the ages of 63 (or 62 for women in the transitional generation) and 70.

If you remain in gainful employment beyond the reference age, the retirement pension can be postponed for between one and five years. You can postpone either the entire retirement pension or merely part of the pension. In this way, you can, for instance, reduce your working hours and offset the fall in income through the partial receipt of your retirement pension. As before, the postponement must last at least one year. After that, the pension can be drawn monthly. A partial pension can be increased once. After that, the remaining part of the pension must be drawn in full.

From January 1, 2024, the previously mandatory allowance of CHF 1,400 per month or CHF 16,800 per year will become voluntary. If your salary is higher than the allowance, AHV, IV and income replacement contributions will be deducted from the portion of your salary exceeding that amount. Contributions paid in after the reference age can now be used to close any gaps, if the maximum monthly pension of CHF 2,450 (married couple: CHF 3,675) is not yet achieved. Contributions to unemployment insurance no longer apply.

Pension fund: Individual conditions depending on the retirement provision strategy

Depending on your pension fund, you can postpone receiving your pension from the 2nd pillar until the age of 70, if you remain in gainful employment. This will mean that the retirement assets and interest accumulated will be higher at the time of retirement. Clarify with your pension fund whether you can continue to pay in savings contributions. Postponing retirement can also have a positive effect on the conversion rate: Depending on the conditions of your pension fund, you may receive a higher pension at a later date.

Under certain circumstances, postponement can have tax advantages, since your earnings from gainful employment, the AHV pension, plus your pension from the pension fund must be taxed together as income. The amount of the survivor benefits is generally based on your savings balance. As in the case of AHV, partial pensions in up to three steps are also possible with pension funds.

Pillar 3a: Still tax-privileged

If you continue to be gainfully employed, you can keep using Pillar 3a for up to five years beyond the reference age. If you postpone your pension from the pension fund, you can continue to pay in the current maximum contribution of CHF 7,056. If you are not affiliated with a pension fund, the contribution is limited to a maximum of 20 percent of your earnings from gainful employment. You can still deduct the payments from your taxable income. Please note that you must have withdrawn all your 3a pension fund assets by no later than five years after reaching the reference age.



Do you have any questions?

You can contact the Help Point BVG (phone 0800 80 80 80) Monday to Friday from 8 a.m. to 6 p.m. with any questions about occupational pension plans.