Payout of termination benefits in the event of a change of employment

If you are leaving the pension plan because you are changing employer, or for other reasons, you have various options for transferring your pension assets. In this information sheet, we have briefly summarized these options and the most important steps for you.

What is a termination benefit and how high is it?
The termination benefit serves to preserve your pension when you leave the pension plan. It corresponds to the retirement savings capital that you have saved in your retirement account. The amount of the termination benefit paid at the time of exit is made up of the employee's and employer's savings contributions, any personal top-ups, vested benefits that have been transferred, and accumulated interest.

In what cases is a vested benefit transferred?
The departure payment is transferred as a vested benefit if you leave the pension plan, for instance:
– when changing employment,
– when becoming self-employed,
– when leaving Switzerland, or
– if you become unemployed or have no job.

What do you have to do when you change employers?
Once you have handed in your notice, inform your current employer without delay of your new employer's address and this employer's pension plan. Your pension fund assets (termination benefit) will be transferred to the pension fund of your new employer. In this way, you ensure that your pension planning will continue without interruption.

What options do you have if you do not yet have a new employer or stop working before the earliest possible retirement date?
In this case, you can open a vested benefits account with the Zurich Vesting Foundation or take out a vested benefits policy or open a vested benefits custody account with another vesting institution. Your pension fund assets remain with this institution until you either start a new job or your pension funds' assets can be paid out.

What are your options if you do not join a new pension facility and have reached the age of 58?

1. Early retirement
You will get your benefits paid out in this case.

2. Opening of a vested benefits account
If you continue to be gainfully employed or are registered as unemployed with the RAV, you can have your vested benefits transferred to a vested benefits institution. There can be tax consequences, if the conditions for a transfer to a vested benefits account are not met. A subsequent remittance of the departure payment back to us is not possible. If you have any questions, we recommend that you contact the tax authority responsible for you.

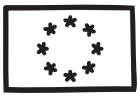
3. Continued insurance with your current pension fund
If you are withdrawing from the compulsory pension scheme because your employment has been terminated by the employer, you can demand that the insurance is to be continued to the previous extent. The registration for continued insurance must be made within three months after termination of the employment relationship. If you are interested, please contact the foundation. Further information can also be found in the → Information sheet on continued insurance in accordance with Art. 47a BVG.

In what cases can you demand the cash settlement of your departure payment?

1. If you become self-employed
If you become self-employed, you are no longer subject to mandatory insurance and can have your retirement assets paid out in cash at the time when you become self-employed. For this purpose, the foundation requires proof that you are recognized as self-employed from the competent AHV compensation office. A cash settlement is only possible if you work in a self-employed capacity as your main occupation.

2. If you leave the economic area of Switzerland / Liechtenstein permanently

In this case the foundation requires proof from your local authority that you have registered your move abroad. Depending on where you settle, different conditions apply to your cash withdrawal:



EU / EFTA

You can withdraw the super-mandatory part of your departure payment in cash. The withdrawal of mandatory benefits is only possible to a limited extent, and an application must be submitted for this purpose. The application form needed for this purpose and further information on the possibility of having the mandatory part of your departure payment paid out in cash can be obtained at → www.verbindungsstelle.ch



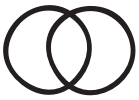
Destination outside the EU / EFTA

You can have the entire departure payment paid out in cash.

3. If your departure payment amounts to less than your annual premium

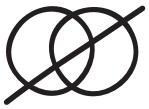
What else do you have to take into account in the case of a cash settlement?

- If the cash settlement is more than CHF 5,000, the foundation must report the payment to the Swiss Federal Tax Administration.
- Cash settlements for insured persons domiciled abroad are subject to withholding tax.
- If a purchase into the pension plan has been made three years prior to the termination of employment, no cash payment can be requested.



You are married or living in a registered partnership

Your partner must agree in writing to the cash settlement. If the departure payment is more than CHF 50,000, you, as the partner wishing to take the cash settlement, must have the authenticity of your signature officially certified on the application for a cash settlement. This certification may be obtained for a fee from a notary or mayor upon presentation of your passport, identity card, or residence permit.



You are not married and are not living in a registered partnership

You must enclose recent proof of your marital status with your application.

What happens if you do not inform your new employer?

If you do not tell your employer where the termination benefit is to be transferred within six months of your departure, the foundation will transfer it to the Substitute Occupational Benefit Institution. The fees charged by the Substitute Occupational Benefit Institution will be borne by you.

What happens if you are unemployed?

If you are drawing unemployment benefits you will have mandatory risk insurance from the Substitute Occupational Benefit Institution (Stiftung Auffangeinrichtung) (www.aeis.ch). Please ask there whether you can continue your pension on a voluntary basis if you are not collecting unemployment benefits.

If you have reached the age of 58 and continue the insurance with your current occupational benefits institution, the insurance of risk benefits with the Substitute Occupational Benefit Institution ceases to apply.

→ You will find forms for the departure payment at www.vita.ch in the downloads area.



Any questions?

The Help Point BVG (phone 0800 80 80 80) is available to you on Mondays to Fridays from 8 a.m. to 12 noon and from 1 p.m. to 5 p.m. for all questions relating to occupational retirement provision. Or visit us at → www.vita.ch

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