

## What must I do with my exit benefit ?

### \ I have found a new employer

According to the 2<sup>nd</sup> pillar legislation, you have no choice in this situation, but are under the obligation to transfer your benefit to the fund of your new employer.

It is from him that you must enquire in order to obtain the details of his fund.

If your salary with your new employer does not reach the minimum for entry into his pension fund, you must maintain your occupational pension by means of a vested benefit account or policy (see box).

### \ I am going to be unemployed

You will probably be affiliated, according to the minima prescribed by the law, to pension fund for the unemployed. You will be unable, however, to transfer your exit benefit to your account.

Your exit benefit must be paid into a vested benefit account or policy (see box).

### \ I am stopping work

You wish to devote yourself to your children, continue your studies or go on a journey. Your exit benefit must be paid into a vested benefit account or policy (see box). The law does not allow the possibility of receiving your 2<sup>nd</sup> pillar in cash.

### \ I am setting up on my own account

The law enables you to use the 2<sup>nd</sup> pillar for assisting you as an independent. You therefore have the possibility of requesting reimbursement in cash of your exit benefit.

Do not forget to include an AVS attestation certifying that you are independent. Reimbursement in cash involves the payment of a tax.

If you do not wish to request a reimbursement in cash, you have the possibility of paying your exit benefit into a vested benefit account or policy (see box).

### \ my exit benefit is low

You have the possibility of requesting the reimbursement of your exit benefit in cash if it is less than the annual amount of your own contributions.

### \ I am leaving Switzerland for good

If you are leaving Switzerland for good in order to go to a **non-member EU or EFTA country**, you can request the reimbursement in cash of the whole exit benefit.

If you are definitely leaving Switzerland for good in order to go to a **EU or EFTA member country**, with the exception of Liechtenstein, you may only request a reimbursement of the over-obligatory share of the exit benefit, on the first occasion.

On a second occasion, insofar as you are not insured in an obligatory way against the risks of old-age, death and disablement in your new country of residence, you may also request the reimbursement in cash of the obligatory share of the benefit (according to the BVG minimum). The necessary form for requesting payment of this share of the minimum BVG must be withdrawn from the liaison body of the BVG Guarantee Fund, at the following address:

LPP Guarantee Fund, Directive Organ,  
Eigerplatz 2  
Case postale 1023  
3000 Berne 14  
Tél. 031 380 79 71

Additional information may be obtained on the LPP Guarantee internet site: [www.verbindungsstelle.ch](http://www.verbindungsstelle.ch).

In all cases, if you are leaving for a certain time abroad with the intention of returning to Switzerland, reimbursement in cash is not possible.

If you cannot or do not wish to request reimbursement in cash, you can maintain your pension provisions by means of a vested benefit account or premium (see box).

### \ I wish to transfer my exit benefit to my 3<sup>rd</sup> pillar

The exit benefit cannot be transferred at will to a 3<sup>rd</sup> pillar account or policy.

The only possibility is to request reimbursement in cash (definitive departure from Switzerland, setting up on one's own account, low exit benefit) and to pay the tax. You will then be free to dispose of the capital and pay it into your 3<sup>rd</sup> pillar, if you so desire.

### \ I do not yet know what I am going to do

The vested benefit policy or account are intended for you (see box). They will enable you to maintain your occupational retirement provision as long as it is necessary for you to envisage the future more precisely.

#### The vested benefit policy or account

The exit benefit transferred to a vested benefit account or policy remains with the 2<sup>nd</sup> pillar.

To create a vested benefit policy, it suffices to apply to your insurer.

There are two types of vested benefit account. The first is administered by the vested benefit bank foundations. Your bank will inform you whether it can offer you such an account. The second is administered by an auxiliary institution in Zurich. The law requires pension funds for which the insured has not given instructions to be transferred there. Management of the account will incur expenses for the insured.

Policies and accounts offer some retirement benefits, but may equally specify benefits in the event of death and disability. Do not hesitate to inform yourself.

#### Taxes

The reimbursement is taxed from the moment of payment.

If the insured resides in Switzerland, this concerns a single and separate tax on the occupational pension benefits.

If the insured leaves Switzerland or no longer resides there, the pension fund must retain the withholding tax on the exit benefit.

The transfer of the exit benefit to a vested benefit policy or account does not incur a tax.