

## Comparison of Pillars 2 and 3

	Pillar 2 – occupational pensions		Pillar 3 – private pensions	
	Mandatory pensions – OPA (Pillar 2a) Extra-mandatory pensions (P	illar 2b)	Tied pensions (Pillar 3a)	Flexible pensions (Pillar 3b)
Procedure	Possibility of voluntarily joining employees' collective foundation or the professional association's foundation  (3) Makes good sense for high earners		Voluntary purchase of a tailored private pension product based on actual needs and with regular adjustments  B Necessary if no occupational pension exists	
Financing	<ul> <li>Retirement credits: 7–18% of insured salary (by age group)</li> <li>Risk premiums (death and disability)</li> <li>Contributions for Guarantee Fund and administration costs</li> </ul>		Insurance Regular premiums, option of making additional payments (depending on product) and interrupting premium payments for up to four years  Bank Flexible payments in any amount	
Restrictions	Within the statutory framework, the regulations of the specific pension fund apply.		Statutory limits on amount paid in  • Employees: no more than CHF 7,258  • Self-employed: 20% of taxable income, but no more than CHF 36,288	No restrictions
Contract term	2024 1960 64 59 69 2025 1961 64+3 months 59+3 months 69+3 2026 1962 64+6 months 59+6 months 69+6		To be drawn at the earliest five years before the OASI reference age Exceptions:  Moving abroad  Becoming self-employed  Buying a home  To be drawn at the latest five years after reaching the OASI reference age if still in paid employment	No restrictions
Risk benefits	<ul> <li>Disability pension</li> <li>Spouse's/partner's pension or lump sum payment</li> <li>Orphan's pension</li> <li>Premium waiver in the event of occupational disability (continued financing by pension fund)</li> <li>Group rates mean that risk benefits are generally more favorable than with Pillar 3a individual life rates.</li> </ul>		Insurance  Occupational disability: pension and premium waiver (continued financing by insurer) Guaranteed lump sum payment on death plus any surpluses earned; payment to beneficiary  Bank Savings capital and interest fall to the estate  Regular income from a disability pension can secure your private and professional livelihood.	

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Capital protection	The pension fund's coverage ratio is decis Statutory disbursement guarantee for retirement assets (even if the pension fund is insolvent)	ve.	Insurance Statutory guarantee for disbursement of contractually agreed capital /guaranteed lump sum at maturity (even if the insurance company goes into bankruptcy)  Bank Statutory depositor protection for up to CHF 100,000 if bank goes bankrupt. Possible protection for a further CHF 100,000 with Pillar 3a pension accounts.  With the insurance option, assets and guaranteed amounts are 100% secure.	
Retirement benefits	to the requested lump sum payment, this  If the insured person dies while dra	hased benefits within the three years prior will have tax implications.  wing a pension, the pension fund	One-time lump sum payment plus any surpluses earned	
	retains the remaining retirement assets, provided no spouse's or orphan's pensions come into effect.			
Interest rate	The Federal Council sets the minimum OPA interest rate (1.0%).	There is no statutory minimum interest rate.	Insurance • Technical interest rate: set by the Swiss F (FINMA) • Any surpluses earned  Bank Interest rate changes with market situation	

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Taxes	<ul> <li>• Annual premiums of up to 20% of OASI income can be deducted from income tax.</li> <li>• Pension payments are taxable in full.</li> <li>• Lump sum payments are taxed at a reduced tax rate and separately from other income.</li> </ul>		Bank and insurance  Annual premiums can be deducted from income tax (up to a limit).  Interest income and surpluses are tax-free.  No wealth tax is a levied during the term.  Lump sum payments are taxed at a reduced tax rate and separately from other income.	Insurance  • Subject to certain conditions, annual premiums can be deducted from income tax (flat-rate deduction).  • Interest income and surpluses are tax-free.  • The surrender value of a life insurance policy is subject to wealth tax.  • Lump sum payments from life insurance policies financed with regular premiums are tax-free.  • Lump sum payments from single-premium life insurance policies are tax-free subject to certain conditions.  Bank  • No tax advantages
			(3) No withholding tax on life insurance policies	
Privileges	Exempt from inheritances, debt collection	and bankruptcy proceedings, and taxes	Exempt from inheritances, debt collection and bankruptcy proceedings, and taxes	Exempt from inheritances, debt collection and bankruptcy proceedings (provided spouse, registered partner or children are beneficiaries), and taxes
			(i) Only insurers offer pension privileg	es.

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