



# Changes with effect from January 1, 2025

The AXA Foundation for Supplementary Benefits will gradually adjust its rates between 2025 and 2027 in order to minimize redistributions from the people who are still working to those who have retired. This will **provide insureds with a sustainable and attractive rate of interest in the future.**

The Board of Trustees of the AXA Foundation for Supplementary Benefits is committed to providing attractive, fair and sustainable Pillar 2 benefits. Since the Foundation switched from a full insurance model to a semi-autonomous model, insureds enjoyed average annual interest of 3.93% on their retirement savings between 2019 and 2023. Our Foundation is also very sound, both financially and structurally, and has a healthy age and risk structure.

## **Increasing redistribution from younger to older people**

Despite this, increased life expectancy is causing assets of more than CHF 2 million per year to be redistributed within the Foundation from people who are still working to those who have retired, and this amount is forecast to increase to more than CHF 4 million in the next five years.

## **Adjustment of conversion rate for more attractive benefits over the long term**

In order for insureds to continue receiving attractive interest on their retirement savings and to maximize compound interest for working insureds, the Board of Trustees has decided to gradually adjust the conversion rate between 2025 and 2027. This will offset the increasing redistribution from people who are still working to those who have retired as well as ensuring an attractive level of benefits for insureds over the long term.

## **Fair distribution of funds for all generations**

The Board of Trustees is determined to provide a fair distribution of funds for all generations. To this end, it has also decided to introduce a pension participation model on January 1, 2025. After they retire, the insureds themselves will profit from the Foundation's strong performance.

## **Gradual adjustment over three years**

The conversion rate will gradually be adjusted over the next three years. This means insureds can plan with greater reliability, and it cushions any pension reductions, especially for people who are about to retire.

The adjustment will have no effect on existing retirement pensions or lump sum withdrawals.

## **Further information**

You can find an overview of the new conversion rate and sample calculations on the back of this flyer.



Additional information and answers to frequently asked questions can be found online at [AXA.ch/foundation-supplementary-benefits](https://www.axa.ch/foundation-supplementary-benefits)

# Overview of the conversion rate adjustment

## What is a conversion rate?

The conversion rate is the percentage of the retirement capital you have saved up that is converted into an annual pension when you retire. If you have CHF 100,000 in retirement savings and the conversion rate is 4.6%, then your annual pension is CHF 4,600.


## How will retirement pensions be calculated for those retiring at or before the end of 2024?

Nothing will change for anyone retiring up to the end of 2024. The current conversion rates – 5.0% for men retiring at age 65 and 4.88% for women retiring at age 64 – will continue to apply to these retirees.


Sample calculation

### Current conversion rates

Retirement assets  
Extra-mandatory share: CHF 300,000

Women (age 64)			
	Retirement assets	CR	Annual pension
	Extra-mandatory: CHF 300,000	x 4.88%	= CHF 14,640

Men (age 65)			
	Retirement assets	CR	Annual pension
	Extra-mandatory: CHF 300,000	x 5.0%	= CHF 15,000


## How will retirement pensions be calculated for those retiring from 2027 onward?

A standard conversion rate of 4.6% will apply to all men and women retiring at age 65 starting in 2027.

Sample calculation

### New conversion rate of 4.6%

Retirement assets  
Extra-mandatory share: CHF 300,000

Women and men (age 65)			
	Retirement assets	CR	Annual pension
	Extra-mandatory: CHF 300,000	x 4.6%	= CHF 13,800

Assumption: reference age 65/65

## Gradual transition between 2025 and 2027

The conversion rate adjustments will gradually take place over the next three years. This means insureds can plan with greater reliability, and it cushions any pension reductions, especially for people who are about to retire.

During these transitional years, the following conversion rates will apply to both men and women who are retiring at the age of 65:

### Conversion rates from 2025

	2025	2026	2027
Extra-mandatory:	4.87%	4.74%	4.60%

*The respective conversion rates apply to women and men aged 65.*

The conversion rate from the previous year will still apply to everyone retiring on January 1.

Now you can also simulate your future pension in the myAXA pensions portal.



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