

3.01 OASI benefits



# OASI old-age pensions and helplessness allowances

Position as of 1<sup>st</sup> January 2019



## A brief overview

You are entitled to an old-age pension when you reach ordinary retirement age. Ordinary retirement age is 65 for men and 64 for women.

To be entitled to an old-age pension, you need to have a minimum of one full year of contribution credits.

One full year of contributions will be credited to you if

- you have paid contributions for one year in total, or
- your working spouse has paid twice the minimum contribution for at least one year, or
- you are entitled to parental or care credits.

In just a few minutes, the *explanatory video* will show you the most important things about the calculation of the old-age pension.

## Beginning and end of entitlement

### 1 At what point do I become entitled to an old-age pension?

Entitlement to an old-age pension begins on the first day of the month after you reach ordinary retirement age.

### 2 When does my entitlement to an old-age pension end?

Entitlement to an old-age pension ends at the end of the month in which the recipient dies.

## Child pensions

### 3 When am I entitled to child pensions?

If you are entitled to a pension, you will also be entitled to child pensions for your children

- until they turn 18, or
- until they have completed their education or training, provided they are still under 25.

Drawing an old-age pension early rules out entitlement to a child pension.

### 4 Will I also be entitled to a child pension for foster children?

You are also entitled to a child pension for foster children provided that you are not receiving remuneration for providing foster care. No child pension is paid for children fostered after the foster parent became entitled to an old-age or disability pension. An exception is made for children of your spouse.

## Flexible pension payment

### 5 Is it possible to bring forward or defer my old-age pension?

Flexible pension payment rules mean you can begin drawing your old-age pension

- early by one or two years (but not by individual months) or
- late by between one and a maximum of five years.

For further information, we refer you to leaflet *3.04 – Flexible retirement*.

## Applying to draw a pension

### 6 When do I need to apply for my old-age pension?

You should submit your application roughly three to four months before reaching retirement age as it may take the compensation office some time to obtain the necessary documents and calculate the amount of your pension.

You can obtain an application form *318.370 – Old-age pension application* from the OASI compensation offices and their branches or from the OASI website at [www.ahv-iv.ch](http://www.ahv-iv.ch).

If you are not resident in Switzerland, please consult the page entitled «Request for an old-age pension» on the Swiss Compensation Office SCO website: [www.zas.admin.ch](http://www.zas.admin.ch)

### 7 Where should I submit my application for an old-age pension?

- As an employee, or as a self-employed or non-employed person, you need to apply to the compensation office that was receiving your contributions before you became entitled to a pension. Your employer will be able to give you their address.
- If you are married and your spouse is already entitled to a pension you will need to apply to the compensation office that is paying your spouse's pension.
- If you have not paid any contributions, you will need to apply to the cantonal compensation office in the canton where you live or to its local branch office.
- If your contribution record includes periods of insurance cover in Switzerland and in one or more EU or EFTA countries, a single application for benefits in your country of residence will trigger the application procedure in all the countries involved.
- If you are not resident in Switzerland, please consult the page entitled «Request for an old-age pension» on the Swiss Compensation Office SCO website: [www.zas.admin.ch](http://www.zas.admin.ch)

## Calculating old-age pensions

### **8 When can my old-age pension be calculated?**

In general, it will not be possible to arrive at a binding calculation of your old-age pension until you reach retirement age. Only then will the various factors involved in the calculations be known.

### **9 What are the factors involved in the calculations?**

The factors involved in calculating someone's pension entitlement are:

- the qualifying years of contributions, and
- your income from gainful employment and
- your entitlement to parental credits and care credits.

### **10 Under what circumstances will I receive a full pension?**

You will receive a full pension (pension scale 44) if you have paid contributions continuously from 1<sup>st</sup> January of the year after you reached 20 years of age until the end of the calendar year before you reached ordinary retirement age.

### **11 Under what circumstances will I receive a partial pension?**

Your contribution record will be incomplete if you do not have the same number of years of contributions as others born in the same year as you. In this case, you will receive a partial pension (pension scale 1-43). One missing contribution year will normally result in a reduction in your pension by at least 1/44.

### **12 Is a woman's contribution record credited for the years of her marriage or widowhood in which she did not pay any contributions?**

When calculating a woman's contribution record, she will be credited for the years of her marriage or widowhood prior to 31<sup>st</sup> December 1996 during which she was insured, but did not pay any contributions.

### 13 What are youth years?

Youth years are contribution periods between the ages of 18 and 20. Any contributions you pay before the age of 20 can be used to fill subsequent gaps in your contribution record. However, this is possible only if the contributions for the gaps in question can no longer be claimed owing to the statute of limitations (five years).

### 14 What are additional months?

If prior to 1<sup>st</sup> January 1979 you have gaps in your contribution record, or were insured or could have been insured, you will be credited with additional months:

Where the insured person has a full contribution record from		until	Eligible for additional credits for up to
20		26	12 months
27		33	24 months
34 and over			36 months

### 15 What does a person's average annual income consist of?

A person's average annual income consists of:

- average earnings,
- average parental credits, and
- average care credits.

## Average earnings

### 16 How are a person's average earnings calculated?

To calculate a person's average earnings, all earnings up to 31<sup>st</sup> December of the year preceding the entitlement to a pension are added together. Income earned during a person's youth will be taken into account only if it can be used to fill subsequent gaps in the contribution record.

Each person's earnings are recorded in his or her "individual account" (IA).

Earnings may date from years when salary levels were lower. A person's total income is therefore revalued in line with the average trend of salaries and prices (see Flate-rate revaluation factors, p. 15). The total income revalued in this way is divided by the number of years and months, which can be credited. The result is the person's average earnings.

## 17 What is meant by division of income?

Division of income is also referred to as “splitting”. Income earned by spouses during the calendar years of their marriage is split, with 50 % of each spouse’s income being credited to the other.

In the case of a married couple, if one spouse is entitled to a pension, but the other spouse is not yet entitled to a pension, their incomes will be credited without being split. As soon as the other spouse also becomes entitled to a pension, both pensions will be recalculated on the basis of their income before their marriage, which will not be split, and their income during their marriage which will be split. Income arising during the period when only one of the spouses was entitled to an old-age pension will not be split.

Division of income takes place under the following circumstances:

- when a marriage is dissolved following divorce;
- if both spouses are entitled to an OASI or DI pension;
- if a widow or a widower is entitled to an old-age pension;

## Average parental credits and care credits

### 18 What are parental credits?

You may be awarded parental credits for the years when you had children under the age of 16. The level of the parental credit corresponds to three times the minimum annual pension. In the case of married couples, the credit is divided equally between the two spouses during the calendar years of their marriage. The average amount of parental credits is calculated by dividing the total amount credited by the total duration of the contributions.

In the case of divorced parents and parents who are not married to each other, but who exercise joint parental responsibility, either the whole parental credit will be awarded to one parent or half will be awarded to each parent, depending on the care given. For further information, we refer you to leaflet *1.07 – Erziehungsgutschriften (Parental credits)*.

## 19 What are care credits?

You may be awarded care credits for years that you spent looking after relatives requiring care who are easily accessible and are entitled to a helplessness allowance on grounds of medium or severe incapacitation. There is no entitlement to care credits for years in which parental credits can be awarded. The level of the care credit corresponds to three times the minimum annual pension. In the case of married couples, the credit is divided equally between the two spouses during the calendar years of their marriage. The average amount of care credits is calculated by dividing the total amount credited by the total duration of the contributions. For further information, we refer you to leaflet *1.03 – Betreuungsgutschriften (Care credits)*.

## Pension rates

### 20 What are the current pension rates?

For those with full contribution records, the amount of the ordinary full pension is as follows, depending on their average income:

	Minimum of CHF / month	Maximum of CHF / month
Old-age pension	1 185.–	2 370.–
Child pension	474.–	948.–

### 21 Why is there a cap on the pensions of married couples?

The sum of the two individual pensions received by a married couple must not exceed 150 % of the maximum pension. If this maximum amount is exceeded, the two individual pensions are reduced accordingly. This cap does not apply if the couple's joint household has been dissolved by a court decision.

The caps for complete pensions amount to:

	CHF / month
Married couples	3 555.–
Child's pension	1 422.–

### 22 Is there also a cap on child pensions?

The child pensions accompanying the spouses' individual pensions are also capped. This also applies if both a child pension and an orphan's pension are being paid in respect of a child.



## Widowed recipients of old-age pensions

### 23 Does the amount of the pension change after the death of the spouse?

After the death of the spouse entitled to a pension, the amount of the pension changes for the following reasons: The cap imposed while the deceased spouse was alive ceases to apply. In addition, a 20 % widow(er)'s supplement is added to the resulting pension. However, this supplement is only paid up to the amount of the maximum old-age pension.

### 24 What pension do I receive as a widow or widower?

If widows or widowers also qualify for a survivor's pension, they will receive the latter if it amounts to more than the old-age pension.

## Supplementary benefits

### 25 When am I entitled to supplementary benefits?

If you are receiving an old-age pension and are living in modest financial circumstances, you will, under certain conditions, be entitled to supplementary benefits.

For more on this topic, we refer you to leaflet *5.01 – Ergänzungsleistungen zur AHV und IV (Benefits to supplement the OASI and DI schemes)* and *5.02 – Ihr Recht auf Ergänzungsleistungen zur AHV und IV (Your right to benefits to supplement the OASI and DI schemes)*.

If you are not resident in Switzerland, you are not entitled to supplementary benefits.

## Helplessness allowance

### 26 When am I entitled to an OASI helplessness allowance?

If you are receiving an old-age pension or supplementary benefits and live in Switzerland, you will be able to claim an OASI helplessness allowance if:

- you are slightly, moderately or severely incapacitated,
- your incapacitation has lasted for at least one year without interruption,
- you do not qualify for a helplessness allowance from the compulsory accident insurance or military insurance schemes.

A person is considered to be incapacitated if he or she continuously has to rely on the help of others to perform everyday tasks (getting dressed, personal hygiene, eating, etc.) or is in need of constant care or personal supervision.

The following allowances are paid depending on the degree of incapacitation:

- Slight 237 francs
- Moderate 593 francs
- Severe 948 francs

You are entitled to an OASI helplessness allowance (slight degree) only if you live at home.

The helplessness allowance is not linked to income or assets.

If you have already been receiving a DI helplessness allowance before reaching retirement age, you will receive an OASI helplessness allowance equal to the same amount.

If you are not resident in Switzerland, you are not entitled to a helplessness allowance.

## **OASI personal assistance allowance**

### **27 When am I entitled to an OASI personal assistance allowance?**

You cannot gain entitlement to an OASI personal assistance allowance in conjunction with your entitlement to an old-age pension.

However, if you were already receiving a DI personal assistance allowance before reaching retirement age or before taking early retirement, you will be granted an OASI personal assistance allowance, although the amount may not exceed the amount you were receiving previously.

If you are not resident in Switzerland, you are not entitled to an OASI personal assistance contribution.

## Sample calculations

### 28 One spouse is entitled to a pension

A woman born on 17<sup>th</sup> April 1955 is entitled to take her old-age pension as from 1<sup>st</sup> May 2019. The woman has been married to the same husband since 1978. Since her husband is not yet entitled to a pension, her pension will initially be calculated on the basis of her own income which will not be split. The couple have two children (born in 1979 and 1981). The woman is therefore entitled to 18 years of parental credits. For the period of their marriage these credits are split between the two spouses.

The woman paid OASI contributions without interruption from 1976 until the start of her pension entitlement and therefore has a full contribution record of 43 years. She is therefore entitled to a full pension (pension scale 44).

#### The average earnings are determined on the basis of the individual accounts and are calculated as follows:

Total income from 43 contribution years from 1976 up to and including 2018	CHF	1 090 000.–
The enhancement performed by applying the relevant factor of 1.091 (first IA entry in 1976) results in an enhanced total income of	CHF	1 189 190.–
This enhanced total income is divided by the total contribution period (43 years) to obtain the average earnings which amount to	CHF	27 656.–

#### The average for the parental credits is calculated as follows:

Number of years x triple annual minimum pension divided by the contribution period split between two		
$18 \times 42\,660 \text{ francs} \div 43 \text{ years} \div 2$	CHF	8 929.–

#### The average annual income and the pension are calculated as follows:

Average earnings	CHF	27 656.–
Average parental credits	CHF	8 929.–
Average annual income (rounded up to table value, see p. 14) of	CHF	36 972.–
As of 1 <sup>st</sup> Mai 2019, the woman's monthly old-age pension amounts to	CHF	1 678.–

## 29 Both spouses are entitled to a pension

The starting position is the same as in the previous example. However, the husband, who was born on 2<sup>nd</sup> August 1954, is also entitled to an old-age pension from 1<sup>st</sup> September 2019. The two old-age pensions are now recalculated applying the division of income. The husband also paid OASI contributions without interruption from 1975 until the start of his pension entitlement and therefore has a full contribution record of 44 years. This means that he is entitled to a full pension (pension scale 44).

**The average earnings are determined on the basis of the individual accounts and are calculated as follows:**

	Wife		Husband	
Earnings before split (1976 to 1978)	CHF	25 000.–		
(1975 to 1978)			CHF	120 000.–
Split earnings for the period of the couple's marriage (1979 to 2018)				
Wife's income	CHF	532 500.–	CHF	532 500.–
Husband's income	CHF	920 000.–	CHF	920 000.–
Total income from 43 contribu- tion years from 1976 to 2018	CHF	1 477 500.–		
Total income from 44 contribu- tion years from 1975 to 2018			CHF	1 572 500.–
The enhancement performed by applying the relevant factor of 1.091, or 1.104 in the case of the husband, (first IA entry in 1976 for the wife and in 1975 for the husband) results in an enhanced total income of	CHF	1 611 953.–	CHF	1 736 040.–
This updated total income is divided by the relevant contribu- tion period (43 years for the wife and 44 years for the husband) to obtain the average earnings which amount to	CHF	37 487.–	CHF	39 455.–

**The average for the parental credits is calculated as follows:**

	Wife	Husband
Number of years x triple minimum pension divided by the annual contribution period split between two		
18 x 42 660 francs ÷ 43 years ÷ 2	CHF 8 929.–	
18 x 42 660 francs ÷ 44 years ÷ 2		CHF 8 726.–

**The average annual income and the pension are calculated as follows:**

	Wife	Husband
Average earnings	CHF 37 487.–	CHF 39 455.–
Average parental credits	CHF 8 929.–	CHF 8 726.–
Average annual income (rounded up to table value) of	CHF 46 926.–	CHF 48 348.–
As the table in the Appendix shows, the (full) old-age pension amounts to	CHF 1 858.–	CHF 1 877.–

**Because of the pension cap, the resulting pensions are as follows:**

Cap formula	Wife	Husband
Wife's pension x 150 % of maximum amount	CHF 1 768.–	
CHF 1 858.– x CHF 3 555.–		
Wife's pension + husband's pension		
CHF 1 858.– + CHF 1 877.–		
Husband's pension x 150 % of maximum amount		CHF 1 787.–
CHF 1 877.– x CHF 3 555.–		
Husband's pension + wife's pension		
CHF 1 877.– + CHF 1 858.–		

## Appendix

- Table of full pensions (scale 44)
- Table of enhancement factors

## Scale 44: Full monthly pensions

Amounts in francs

Parameter	Old-age and disability pension	Old-age and disability pension for widows/widowers	Survivors' pensions and benefits for dependants			
			Widows/widowers	Supplementary pension	Orphans' and child pension	Orphans' pension 60 %*
Up to 14 220	1 185	1 422	948	356	474	711
15 642	1 216	1 459	973	365	486	729
17 064	1 247	1 496	997	374	499	748
18 486	1 277	1 533	1 022	383	511	766
19 908	1 308	1 570	1 047	392	523	785
21 330	1 339	1 607	1 071	402	536	803
22 752	1 370	1 644	1 096	411	548	822
24 174	1 401	1 681	1 120	420	560	840
25 596	1 431	1 718	1 145	429	573	859
27 018	1 462	1 755	1 170	439	585	877
28 440	1 493	1 792	1 194	448	597	896
29 862	1 524	1 829	1 219	457	610	914
31 284	1 555	1 866	1 244	466	622	933
32 706	1 586	1 903	1 268	476	634	951
34 128	1 616	1 940	1 293	485	647	970
35 550	1 647	1 977	1 318	494	659	988
36 972	1 678	2 013	1 342	503	671	1 007
38 394	1 709	2 050	1 367	513	683	1 025
39 816	1 740	2 087	1 392	522	696	1 044
41 238	1 770	2 124	1 416	531	708	1 062
42 660	1 801	2 161	1 441	540	720	1 081
44 082	1 820	2 184	1 456	546	728	1 092
45 504	1 839	2 207	1 471	552	736	1 103
46 926	1 858	2 230	1 486	557	743	1 115
48 348	1 877	2 252	1 502	563	751	1 126
49 770	1 896	2 275	1 517	569	758	1 138
51 192	1 915	2 298	1 532	574	766	1 149
52 614	1 934	2 321	1 547	580	774	1 160
54 036	1 953	2 343	1 562	586	781	1 172
55 458	1 972	2 366	1 577	592	789	1 183
56 880	1 991	2 370	1 593	597	796	1 194
58 302	2 010	2 370	1 608	603	804	1 206
59 724	2 029	2 370	1 623	609	811	1 217
61 146	2 048	2 370	1 638	614	819	1 229
62 568	2 067	2 370	1 653	620	827	1 240
63 990	2 086	2 370	1 668	626	834	1 251
65 412	2 105	2 370	1 684	631	842	1 263
66 834	2 124	2 370	1 699	637	849	1 274
68 256	2 142	2 370	1 714	643	857	1 285
69 678	2 161	2 370	1 729	648	865	1 297
71 100	2 180	2 370	1 744	654	872	1 308
72 522	2 199	2 370	1 759	660	880	1 320
73 944	2 218	2 370	1 775	665	887	1 331
75 366	2 237	2 370	1 790	671	895	1 342
76 788	2 256	2 370	1 805	677	902	1 354
78 210	2 275	2 370	1 820	683	910	1 365
79 632	2 294	2 370	1 835	688	918	1 376
81 054	2 313	2 370	1 850	694	925	1 388
82 476	2 332	2 370	1 866	700	933	1 399
83 898	2 351	2 370	1 881	705	940	1 411
85 320 and higher	2 370	2 370	1 896	711	948	1 422

\* Amounts also apply to double orphans' pensions and whole double child pensions.

**Flat-rate enhancement factors dependent on occurrence:  
Occurrence of insured event in 2019**

<b>First IA entry*</b>	<b>Enhancement factor</b>	<b>First IA entry*</b>	<b>Enhancement factor</b>
1970	1,178	1995	1,000
1971	1,162	1996	1,000
1972	1,146	1997	1,000
1973	1,131	1998	1,000
1974	1,117	1999	1,000
1975	1,104	2000	1,000
1976	1,091	2001	1,000
1977	1,079	2002	1,000
1978	1,067	2003	1,000
1979	1,054	2004	1,000
1980	1,042	2005	1,000
1981	1,030	2006	1,000
1982	1,019	2007	1,000
1983	1,008	2008	1,000
1984	1,000	2009	1,000
1985	1,000	2010	1,000
1986	1,000	2011	1,000
1987	1,000	2012	1,000
1988	1,000	2013	1,000
1989	1,000	2014	1,000
1990	1,000	2015	1,000
1991	1,000	2016	1,000
1992	1,000	2017	1,000
1993	1,000	2018	1,000
1994	1,000		

\*The first individual account entry that can be considered as decisive for calculating the pension must not be earlier than in the calendar year when the person turns 21.

## Enquiries and further information



This leaflet merely provides an overview. Individual cases can only be assessed conclusively on the basis of the relevant legislation. The compensation offices and their branches will be pleased to answer any enquiries. A list of all compensation offices can be found at [www.ahv-iv.ch](http://www.ahv-iv.ch).

In this leaflet, the terms below describing a person's marital status also have the following meanings:

- Marriage: registered partnership
- Divorce: legal dissolution of a registered partnership
- Widowhood: death of a registered partner

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3.01-19/01-E