Flexible retirement

Position as of 1st January 2021
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.

Under flexible retirement age rules, you can take your old-age pension
• early by one or two whole years (but not by individual months) or
• late by between one and a maximum of five years.

If you take your old-age pension early, you will receive a reduced old-age pension for the full duration of your retirement. The reduction will be calculated on the basis of actuarial principles and, like the pension itself, will be periodically adjusted to changes in salaries and prices.

If you defer your old-age pension, you will receive an increased old-age pension for the full duration of your retirement. The increase will be calculated on the basis of actuarial principles and, like the pension itself, will be periodically adjusted to changes in salaries and prices.

If you are married, you will have the option of taking your old-age pension early or late independently of your spouse. This means that it is possible for you to take your old-age pension early, while your spouse defers his or her old-age pension.

In just a few minutes, the explanatory video will show you the most important things about the flexible withdrawing of the retirement pension.

How much will my AHV pension be?
The Swiss Compensation Office’s online calculator ESCAL provides an immediate, non-binding estimate based on your details: https://www.ahv-iv.ch/en/Leaflets-forms/Online-pension-estimate-ESCAL
# Taking your pension early

1. **From what point in time can I take my old-age pension early?**

Those wishing to take their pension early have the following options:

<table>
<thead>
<tr>
<th>Year</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Date of birth between</td>
<td>Date of birth between</td>
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<tr>
<td></td>
<td>Early pension</td>
<td>Early pension</td>
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<tr>
<td></td>
<td>Reduction</td>
<td>Reduction</td>
</tr>
<tr>
<td>2021</td>
<td>1st Dec. 1957 and 30th Nov. 1958</td>
<td>1st Dec. 1956 and 30th Nov. 1957</td>
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<td></td>
<td>1st Dec. 1958 and 30th Nov. 1959</td>
<td>1st Dec. 1957 and 30th Nov. 1958</td>
</tr>
</tbody>
</table>

2. **If I take my old-age pension early, will I be entitled to any other pensions during that period?**

If you take your pension early, you will not receive any child pensions during that period and taking your pension early will result in loss of entitlement to any previous disability or survivors’ pensions.

Widows’, widowers’ and orphans’ pensions which replace an old-age pension taken early will be reduced by the same amount.

The amount of the reduction is the same as the percentage of the old-age pension (80 % for widows’ and widowers’ pensions and 40 % for orphans’ pensions).
Calculating the reduction for pensions taken early

3 If I take my old-age pension early, how much will it be reduced by during that period?

First of all, your old-age pension will be calculated on same basis as if it had been taken at ordinary retirement age. The amount will then be reduced by 6.8 % for each year of early pension payments.

4 How much will my old-age pension be reduced by once I have reached ordinary retirement age?

If you opt to take your pension early, you should be treated in exactly the same way as those who take their old-age pension at ordinary retirement age. The amount by which your pension is reduced is therefore revised once the early-payment period has come to an end. The key factor in calculating the amount of the reduction will be the total of all early old-age pension payments, the duration of the early payments and the corresponding percentage reduction (6.8 % or 13.6 %; cf. sample calculations). The reduction thus takes account of the old-age pension payments you received prior to reaching your ordinary retirement age.

Applying to take your pension early

5 When do I need to apply to take my pension early?

You should submit an application to take your old-age pension early around three to four months before reaching the age at which you wish to start drawing your pension. Your application must be submitted by the last day of the month in which you reach the age in question. Otherwise, you will only be able to apply to take your pension early from your next birthday. It is not possible to submit retrospective applications.

You can obtain an application form 318.370 – Old-age pension application from the compensation offices and their branches or from the OASI website at 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
Obligation to pay contributions when taking your old-age pension early

6 If I take my pension early, do I still have to pay contributions during that period?

If you take your old-age pension early, you will still be required to pay OASI contributions. If you are no longer employed, you must pay contributions as a non-employed person, but the contributions you pay during this period will no longer count for the purposes of calculating your pension. For further details, we refer you to Information Sheet 2.03 – OASI, IV and APG Contributions of Non-Employed Persons.

If you are not resident in Switzerland, you are not subject to compulsory insurance and there is also no possibility of paying contributions (except for joining voluntary insurance, see Information Sheet 10.02 – The voluntary old-age, survivors’ and disability insurance scheme).

7 Are those who take their pension early entitled to a personal allowance during that period?

Working pensioners are normally entitled to a personal allowance which is exempt from the obligation to pay contributions. However, those who take their old-age pension early are not entitled to this personal allowance during that period.

Entitlement to supplementary benefits when taking your old-age pension early

8 If I take my pension early, will I be entitled to supplementary benefits during that period?

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

We also refer you to Information Sheet 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.
Deferring your old-age pension

9 When can I defer my old-age pension?

If you have reached ordinary retirement age, you can defer your old-age pension by a minimum of one year and a maximum of five years. This will have the effect of increasing your pension by a monthly increment. During the deferral period, you will still be free to decide to claim your old-age pension. In other words, you do not need to commit yourself to a fixed deferral period in advance. You must register for deferral within one year of becoming eligible for your ordinary pension.

10 If I defer my pension, will I be entitled to any other pensions during the deferral period?

Deferring your old-age pension will also result in the deferral of any child pensions. During the deferral period it will not be possible to pay any widow’s or widower’s pension.

If you defer your old-age pension, it may be necessary to recalculate and cap the old-age or invalidity pension paid to your spouse.

For further details, we refer you to Information Sheet 3.01 – OASI Old-Age Pensions and Helplessness Allowances; see Section 21 for the provisions regarding caps.

11 How much does my old-age pension increase by if I defer it?

The monthly increase depends on how long you defer for. It is set as a percentage of the average deferred pension (cf. Section 14). The percentage increase is calculated as follows:

<table>
<thead>
<tr>
<th>years</th>
<th>Percentage increase after a deferral period of and months</th>
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<tbody>
<tr>
<td></td>
<td>0-2</td>
</tr>
<tr>
<td>1</td>
<td>5,2</td>
</tr>
<tr>
<td>2</td>
<td>10,8</td>
</tr>
<tr>
<td>3</td>
<td>17,1</td>
</tr>
<tr>
<td>4</td>
<td>24,0</td>
</tr>
<tr>
<td>5</td>
<td>31,5</td>
</tr>
</tbody>
</table>
12  Can I revoke the deferral?
Once the minimum deferral period of one year has elapsed, you will no longer be able to revoke your deferral. This also means you will no longer be able to opt for back-payment of your deferred pension payments accumulated during this period. If you do revoke the deferral before the expiry of the minimum period, you will be back-paid your accumulated pension instalments retrospectively to the start of your entitlement without any supplement or interest.

13  Will I also receive an increase on survivors’ pensions?
When you die, the increase will also be applied to any survivors’ pensions, but not to your spouse’s old-age pension.

Calculating the increase when a person defers their pension

14  How is the increase calculated when a person defers their pension?
A deferred old-age pension consists of the base pension amount and the deferral supplement. The supplementary amount in francs is a fixed sum corresponding to a percentage of the average deferred pension payments (cf. Section 11). The supplement is therefore determined on the basis of the total of the monthly pension instalments that are actually deferred; for married individuals, the instalment amount might be capped. The supplement calculated in this way is added to the base pension amount at the time when the pension is claimed.
Deferral declaration

15  **How do I need to register the deferral?**

To register the deferral, you need to submit what is known as a deferral declaration. To do so, you need to tick the appropriate box on the registration form for the old-age pension. The compensation office will acknowledge receipt of this deferral declaration.

16  **When do I need to register for deferral of my old-age pension?**

You need to register your deferral at the latest one year after reaching your ordinary retirement age. If you register any later than this, or if you fail to tick the deferral declaration on the registration form, your old-age pension will be set and paid out according to the general provisions, i.e. without any supplement.

17  **When is pension deferral no longer possible?**

Once you have been awarded your old-age pension on a legally binding basis, or have taken receipt of pension payments without raising objections, you will no longer be eligible to defer your old-age pension.
Claiming your old-age pension after deferral

18  How can I claim my old-age pension?

In order to start drawing your old-age pension after a deferral, you need to submit a pension claim. You can obtain the necessary form 318.386 – Cancellation of old-age pension deferral for this from the compensation offices or their branches or online at www.ahv-iv-ch. Unless you explicitly request a later payment date, your deferred old-age pension will be paid out from the month following the month in which you submit your claim.

19  When is an old-age pension regarded as having been claimed?

An old-age pension is regarded as having been claimed,

• as soon as a helplessness allowance has been paid,
• as soon as the maximum deferral period of five years has elapsed (although the entitled person still has to apply for actual payment of the pension by submitting a written claim),
• as soon as the entitled person dies.

Factors ruling out pension deferral

20  When is it not possible to defer my pension?

You cannot defer your old-age pension if

• You have already been drawing a disability pension,
• You have been awarded a helplessness allowance.
Sample calculations

21 Calculating the reduction in the amount of a pension where a claimant opts to take his or her old-age pension early

A married man takes his old-age pension two years early starting in January 2021. When he first takes his early pension he is entitled to a payment of 2 390 francs, less a 13.6 % early payment reduction of 325 francs, which leaves him with 2 065 francs.

After one year, his wife reaches retirement age. As a result, his old-age pension has to be re-calculated and becomes subject to a cap.

This means that during the second year he only receives a capped old-age pension of 1 793 francs, less a 13.6 % early payment reduction of 244 francs, which leaves him with 1 549 francs. Once he reaches ordinary retirement age, the reduction will be calculated as follows:

1 year of early pension at 2 390 francs
1 year of early pension at 1 793 francs (capped pension)

Reduction = [(2 390 x 12) + (1 793 x 12)] x 13.6 % ÷ 24 = 284 francs

This amount of reduction must now be subtracted from the man’s capped old-age pension of 1 793 francs. This brings the amount of old-age pension paid out to 1 509 francs.
22 Calculating the supplement due where an old-age pension has been deferred

A married woman deferred her old-age pension for three years starting in January 2018. At the time of the deferral, she is entitled to a maximum old-age pension. After two years, her husband reaches retirement age. Her old-age pension therefore has to be recalculated and becomes subject to a cap. During the third year, the deferral only relates to the capped pension of 1 778 francs.

In 2020, the husband, who took his old-age pension at the usual age of 65, was only entitled to a capped old-age pension of 1 778 francs (see section 10 of this leaflet). His pension will be increased to 1 793 francs as of 1\textsuperscript{st} January 2021.

When the woman claims her old-age pension, in this example after three years, the deferral supplement as of 1\textsuperscript{st} January 2020 is calculated as follows:

\[
\text{1 year’s (2018) deferral at } 2\,350\text{ francs} \\
\text{1 year’s (2019) deferral at } 2\,370\text{ francs} \\
\text{1 year’s (2020) deferral at } 1\,778\text{ francs} \\
\text{Deferral supplement for three years } = 17,1 \%: \\
\frac{[(2\,350 \times 12) + (2\,370 \times 12) + (1\,778 \times 12)] \times 17,1\%}{36} = 370\text{ francs}
\]

The supplement calculated in this way is added to the base pension amount at the time when the pension is claimed. The basic pension amount will be increased from 1 778 francs to 1 793 francs as a result of the pension adjustment as of 1\textsuperscript{st} January 2021. This results in an old-age pension of 2 163 francs (1 793 francs + 370 francs).
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.

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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