

Stabilisation of the OASI (OASI 21) What's changing?

Position as of 1st January 2025



A brief overview

On 25th September 2022, the Swiss people and the cantons approved the OASI 21 reform, thereby ensuring that the OASI will be sufficiently funded until 2030. The amendment came into effect on 1st January 2024.

In this way, the financing of the OASI and the level of pensions will be guaranteed for the next few years. The reference age for women will be raised to 65, as is already the case for men, retiring from work will be made more flexible and VAT will be increased slightly.

The stabilisation of the OASI comprises four measures:

- harmonisation of the retirement age (now “reference age”) for women and men at 65
- compensatory measures for women in the transitional generation
- flexible retirement in the OASI
- additional financing through VAT increase

The new rules are set out on the following pages.

Harmonisation of the retirement age (reference age) for women and men at 65

The OASI 21 reform provides for harmonisation of the retirement age at 65 for both sexes. This age will serve as a reference for flexible retirement and, from now on, will therefore be called “reference age”: persons drawing their pension at 65 will receive it without any reduction or increase. Women in the transitional generation (born in 1961 up to and including 1969) who do not draw their old-age pension early (see Section 4) will however be entitled to a pension supplement for life. The new reference age will also apply to occupational pension funds.

1 How is the reference age for women raised?

The reference age for women will rise from 64 to 65 by three-month increments every year. The first three-month rise will come into effect on 1st January 2025. This first stage will concern women born in 1961. Subsequent stages will raise the reference age to 64 and six months for women born in 1962, followed by 64 and nine months for those born in 1963 and finally 65 for those born in 1964. From 2028, the reference age will be identical for everyone, i.e. 65.

| In | Reference age for women | Concerns women born in |
|------|-------------------------|------------------------|
| 2025 | 64 years and 3 months | 1961 |
| 2026 | 64 years and 6 months | 1962 |
| 2027 | 64 years and 9 months | 1963 |
| 2028 | 65 years | 1964 and after |

| Year of birth | Reference age | Start of pension entitlement |
|---------------|-----------------------|------------------------------|
| 1960 | 64 years | From Feb. 2024 to Jan. 2025 |
| 1961 | 64 years and 3 months | From May 2025 to April 2026 |
| 1962 | 64 years and 6 months | From Aug. 2026 to July 2027 |
| 1963 | 64 years and 9 months | From Nov. 2027 to Oct. 2028 |
| 1964 | 65 years | From Feb. 2029 |

You can find out the reference age applicable to your date of birth at: <https://www.bsv.admin.ch/bsv/de/home/sozialversicherungen/ahv/grundlagen-gesetze/ahv-21.html> (in German, French and Italian only).

Compensation measures for women in the transitional generation

2 Who is part of the transitional generation?

The transitional generation includes women born in 1961 up to and including 1969.

3 What are the compensation measures for women in the transitional generation?

The reference age increase can disrupt the life plans of women who are close to retirement. This is why it is linked to two compensation measures that will benefit women born in 1961 up to and including 1969.

The first compensation measure will benefit women who draw their old-age pension before the reference age. When old-age pensions are drawn early, they are normally reduced because they are received for longer. The OASI 21 reform provides for an exception for women born from 1961 to 1969: if they draw their pension early, there will be a smaller reduction in their pension, for life. The lower their average income before retirement, the smaller the reduction will be. Besides, the women concerned will also retain their right to receive an early pension from the age of 62. As for women born from 1970 onwards, the rule will be the same as for men: early receipt from the age of 63 at the earliest and normal reduction of the old-age pension.

The second compensation measure concerns women in the transitional generation who do not draw their old-age pension early: they will receive a pension supplement. This supplement will be higher for low-income earners than for high-income earners, vary depending on the year of birth and represent between 12.50 and 160 francs per month for women who have a full contribution period. If there are contribution gaps, the pension supplement will be reduced accordingly. This supplement will also be paid for life. For married women, the pension supplement will not be subject to capping, which means that it will be paid in addition to the capped pension. Nor will it lead to the loss or reduction of any potential entitlement to supplementary benefits.

4 Pension supplement and reduction rates

The old-age pension amount depends on numerous individual factors, the main ones being the contribution period and the average income during that time. In addition, where applicable, there are bonuses for bringing up children (parental credits) and caring for a relative (care credits). Applica-

tions for care credits must be renewed each year. For married couples, the contribution period of a professionally active spouse who paid double the minimum contribution generally also applies to the other spouse for the years of marriage during which the latter was not professionally active. Furthermore, the old-age pension amount is periodically adjusted in line with salary and consumer prices evolution.

The pension supplement and reduction rates for women in the transitional generation vary according to age and income category and can be found at: <https://www.bsv.admin.ch/bsv/de/home/sozialversicherungen/ahv/grundlagen-gesetze/ahv-21.html> (in German, French and Italian only).

Flexible retirement in the OASI

5 Early payment

Prior to the OASI 21 reform, a person could draw their old-age pension early but only one or two years before they reached the normal retirement age and only the entire pension amount. The reform allows for a more flexible transition to retirement. It is now possible to start drawing the pension from any month between the ages of 63 and 70, and even from the age of 62 for women in the transitional generation. Alternatively, the person can choose to draw only part of the pension. If part of the pension is taken early, this part will have to amount to at least 20 % and at most 80 % of the entire pension. It will be reduced accordingly depending on the number of months of early retirement. These changes will make it easier to leave working life gradually. As with the new reference age of 65, this greater flexibility will also apply to occupational pension funds.

The percentage of the pension drawn early can be increased once, after which the remaining part of the pension will have to be taken in full.



The reduction rate in the event of early pension receipt will be adjusted in line with life expectancy. Lower reductions are planned for low incomes. However, these adjustments will apply from 2027 at the earliest. The new rates will be set by the Federal Council shortly before their introduction.

6 Deferred payment

It is also possible to defer only part of the pension. This will make it possible, for example, to reduce one's working hours and compensate the part of the income lost with part of the old-age pension. Receipt of the pension must be deferred by at least one year. After this deadline, the deferment may be revoked each month as is already the case today.

Similarly to early retirement, the percentage of the pension already deferred may be reduced once, after which the remainder of the pension will have to be taken in full.



The insured also have the option of combining early payment and deferment. This way, it will be possible to bring forward the payment of part of the pension and defer the remaining part. This portion can only be changed once between the ages of 63 and 70.



The rates of increase in the event of pension deferment will be adjusted in line with life expectancy. These adjustments will apply from 2027 at the earliest. The new rates will be set by the Federal Council shortly before their introduction.

7 New calculation of the pension after the reference age

At present, persons who continue to work beyond the reference age and pay contributions cannot improve their old-age pension. The OASI 21 reform means that income and contribution periods after the reference age are taken into account in the new pension calculation, subject to certain

conditions and provided that the maximum pension of CHF 2 520 has not already been reached or that there is an entitlement to a partial pension due to a gap in the person's contribution record.

You can ask for your pension to be recalculated once, taking into account the income and any contribution periods completed up to the age of 70 at the latest. The annual income after the reference age must amount to at least 40 % of the average determining annual income at reference age. See leaflet *3.08 – Recalculation of the old-age pension after the reference age*.

This will make it more attractive to continue working after the reference age. Persons who work beyond the reference age will benefit from an allowance of CHF 1 400 per month, or CHF 16 800 per year on which no OASI/DI/EO contributions are deducted. Contributions will however be deducted from the part of the income in excess of this allowance. The persons concerned will be able to choose whether or not they wish the pension allowance to be applied. Employees will inform their employer of their choice, while self-employed persons will inform their compensation office.

Persons in receipt of a pension can now request a new calculation that takes into account the income from professional activity and contribution periods after the reference age. The condition for the recalculation of a pension under the old legislation is that the person has not yet reached the age of 70 by 1st January 2024.

Additional financing through VAT increase

The OASI will receive additional funding thanks to the VAT increase. The reduced rate will rise from 2.5 % to 2.6 % and the standard rate from 7.7 % to 8.1 %.

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.avs-ai.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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