

Bilateral agreements of 1 June 2007

OCCUPATIONAL BENEFIT PLANS

PURPOSE

In the field of occupational pensions, the aim of the EU-Swiss bilateral Agreement on the Free Movement of Persons is to coordinate the various national social security systems, while allowing each country to retain the specificities of its own system.

The Agreement should enable persons covered by “second pillar” insurance in Switzerland to receive equal treatment in the countries of the European Union (EU) and the European Free Trade Association (EFTA) and to have their insurance cover coordinated between systems if they take up permanent residence abroad.

WHO IS AFFECTED?

Any person, regardless of nationality, insured with a Swiss pension fund or vested benefits institution, who leaves Switzerland on a permanent basis and who is subject to compulsory retirement, death and disability insurance in any EU or EFTA State.

These provisions enter into force on 1 June 2007.

BENEFITS AFFECTED

Cash payment of the vested termination benefit

With respect to the minimum LPP part of the vested termination benefit, cash payment may only be made to an insured (or a beneficiary) moving abroad if the following two conditions are met:

- **The insured has left Switzerland permanently**
- **The insured is not subject to compulsory retirement, death and disability insurance in any EU or EFTA State**

If the above two conditions are not met, the minimum vested termination benefit (LPP minimum) must be paid into a vested benefits account or a blocked insurance policy in Switzerland.

These assets can be withdrawn at the earliest five years before the legal retirement age (women 59 and men 60).

Vested termination benefits exceeding the statutory (LPP) minimum can still be paid in cash.

People leaving Switzerland to live in Liechtenstein can request transfer of their pension capital into a local pension plan.

EU Member States			EFTA States
Austria	Germany	Netherlands	Iceland
Belgium	Greece	Poland	Liechtenstein
Bulgaria ¹	Hungary	Portugal	Norway
Cyprus	Ireland	Romania ¹	Switzerland
Czech Republic	Italy	Slovakia	
Denmark	Latvia	Slovenia	
Estonia	Lithuania	Spain	
Finland	Luxembourg	Sweden	
France ²	Malta	United Kingdom ³	

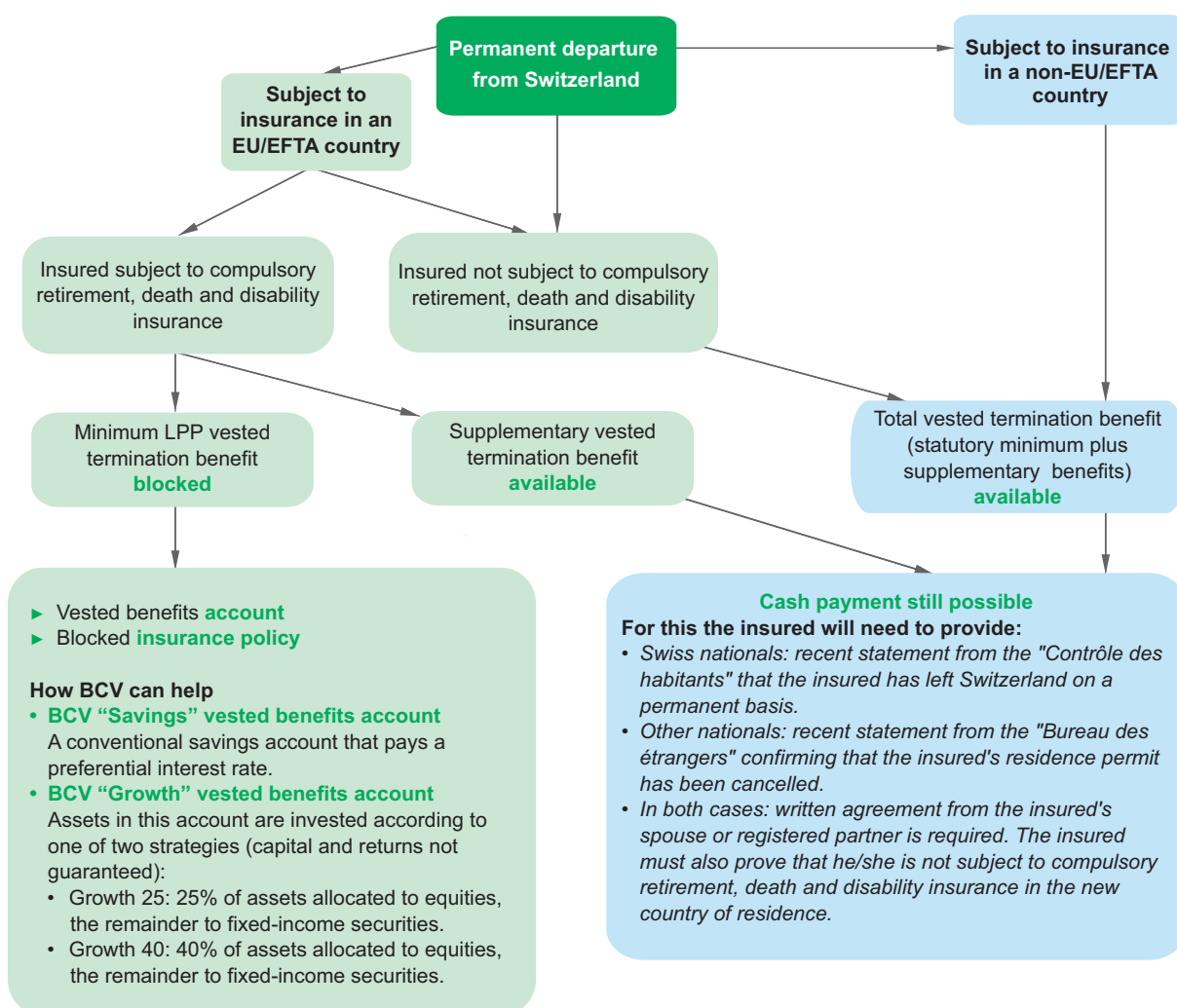
¹ These two countries are not concerned by the bilateral agreements

² Including Guadeloupe, French Guiana, Martinique and Reunion

³ Including Gibraltar

The following are not affected by this provision:

- Retirement benefits paid out in the form of a regular pension or as lump-sum capital
- Withdrawals of pension capital under the encouragement of the home ownership (EHO) programme



For more information

Organe de liaison – Fonds de garantie LPP

Belpstrasse 23, C.P. 5032, 3001 Bern

www.sfbvg.ch

Contact

Our team of experts can provide you with a clear explanation of the complexities of occupational benefit plans.

To keep in step with the latest developments or for advice on this matter, please contact your personal advisor or call us on 0848 808 880.

www.bcv.ch

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