

3.06 OASI benefits



## Pension forecasts

Position as of 1<sup>st</sup> January 2024



## A brief overview

A pension forecast tells you what sort of pensions you could expect to receive from the OASI and DI schemes. It shows what pension benefits are likely to be paid when you reach the 'reference age' (previously 'normal retirement age') or if you become disabled and what pension benefits your family would receive in the event of your death.

Forecasts are based on your current personal circumstances (marital status, family members, etc.) and the legislation currently in force. If your personal circumstances or the legislation change, this may have a significant impact on your pension entitlement and the amount of any pension. A binding pension calculation can therefore only be made when an insured event – old age/disability/death – actually occurs.

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>

## Entitlement to a forecast

### 1 When can I request a forecast?

You can request a forecast at any time. A forecast may be useful in certain situations in life, such as when there has been a change in your employment status or family circumstances, or if you are planning to emigrate or take early retirement. You may also want a pension forecast if you continue to work beyond the reference age and apply for a recalculation of your old-age pension to include the additional contributions and contribution periods you may have accumulated during the period that begins when you reach the reference age and ends when you reach 70 years of age.

### 2 When is it a good idea to apply for a forecast?

If you still have many years to go before you reach the reference age, an old-age pension forecast will not tell you very much. In this case, you can arrive at your own estimate using the table in the appendix to leaflet 3.01 – *OASI old-age pensions and helplessness Allowances*.

## Forecasting principles

### 3 What are the rules underpinning pension forecasts?

Pension forecasts are essentially based on the same rules as standard pension calculations.

### 4 What dates are pension forecasts based on?

Pension forecasts are based on the following dates:

- Survivors' and disability pensions are based on the date on which the forecast is requested;
- old-age pensions based on the date when the applicant reaches the reference age or on the date when they plan to take early retirement.
- after the applicant reaches the reference age and is still in gainful employment when they plan to apply for a recalculation of their old-age pension

### 5 Is the compensation office's forecast binding?

No, the forecast is not binding, as not all of the factors that affect your pension calculation will be known at the time when the forecast is produced.

The compensation office has to make certain assumptions and estimates:

- If you do not provide details of the future progression of your salary, the compensation office will take your most recent annual income and on this basis will make a projection up until your retirement date using tables on the general trend of salaries.
- If you live in Switzerland and do not mention any future plans to live abroad, it will be assumed that you will continue to be insured in Switzerland until you retire.

Please note that the compensation office will base its calculations on the information you provide and will not check if it is correct.

## Factors involved in calculating your pension

### 6 What is the basis on which pensions are calculated?

Pension calculations are based on a combination of information provided by the applicant and information from his or her individual account. Before each forecast, the compensation office automatically obtains an account statement.

## **7 How is the amount of the pension calculated?**

The amount of a pension depends on

- the number of qualifying years of contributions,
- the earnings on which contributions were paid and
- parenting credits and care credits.

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

You will receive a full pension (pension scale 44) if, at the reference age, you have the same number of contribution years as others born in the same year as you, i.e. if you have no gaps in your contribution from the age of 20 until the end of the calendar year before you reach the reference age.

## **9 How is the amount affected if I take my pension early or defer retirement?**

If you take your old-age pension in full or in part (20 % –80 %) before you reach the reference age, you will receive a reduced pension. This reduction is for the life of the pension and the amount depends on two factors: the amount of the pension that you have drawn before you reach the reference age, and the duration of the early payments period.

If you defer your old-age pension by between one and a maximum of five years, you will receive a higher pension. This increase is for the life of the pension and the amount depends on two factors: the amount of the pension that you have deferred and the duration of the deferral period.

## **10 When is the division of income procedure applied?**

A couple's earnings during the years of their marriage will be shared between them (splitting), with each spouse being credited with half of the income of the other spouse. This division of income is applied:

- the marriage is dissolved by divorce;
- both spouses have reached the reference age;
- the surviving spouse has reached the reference age or is entitled to an disability pension;
- both spouses are entitled to a disability pension, or
- one spouse is entitled to a disability pension and the other has reached the reference age.

## **11 When will a married couple's individual pensions be reduced?**

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 will be reduced accordingly (capped). If one spouse does not have a complete contribution record and is therefore not entitled to a full old-age pension, the maximum pension amount and pension cap will be lower. Pensions are not capped in the following cases: if the joint household has been dissolved by court order; if one spouse draws an old-age pension and the other spouse has a degree of invalidity that is less than 50 %; or if one spouse draws a partial old-age pension early and the total of the couple's individual pensions is less than the maximum pension amount.

## **12 When are parenting credits counted?**

You may be awarded parenting credits for the years when you had children under the age of 16. The level of the parenting 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. However, these credits are only split between the parents if they were awarded between 1<sup>st</sup> January following the 20<sup>th</sup> birthday and 31 December preceding the date on which the first spouse reaches the reference age. The average amount of parenting 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 parenting credit will be awarded to one parent or half will be awarded to each parent. This split is determined by a court order, or by a decision issued by the child and adult protection authority (KESB), or by prior agreement between the parents.

More details can be found in leaflet *1.07 – Erziehungsgutschriften (Parenting credits)*.

## **13 When are care credits counted?**

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. Cohabiting partners who have shared a household for at least five years are treated the same as relatives. There is no entitlement to care credits for years in which parenting 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. However, these credits are only split between the parents if they were awarded between 1<sup>st</sup> January following the 20<sup>th</sup> birthday and 31 December preceding the date on which the first spouse reaches the reference age. The average amount of care credits is calculated by dividing the total amount credited by the total duration of the contributions.

The application for counting care credits for the previous year must be submitted annually to the compensation office in the canton where the care recipient lives. Form *318.270 – Anmeldung für die Anrechnung von Betreuungsgutschriften* (application for counting care credits).

More details can be found in leaflet *1.03 – Betreuungsgutschriften (Care credits)*.

## **14 Where can I get more information?**

Further information on how old-age, survivors' and disability pensions are calculated and on flexible retirement age rules can be found in the following leaflets:

- *3.01 – OASI old-age pensions and helplessness allowances*
- *3.03 – OASI survivors' pensions*
- *3.04 – Flexible retirement*
- *3.08 – Recalculation of the old-age pension after the reference age*
- *4.04 – Invalidenrenten und Hilflosenentschädigungen der IV (DI disability pensions and helplessness allowances)*

## **Procedure**

### **15 Where can I apply for a pension forecast?**

You can submit a written request for a pension forecast to your compensation office. You can obtain the necessary form *318.282 – Pension forecast application* online at [www.ahv-iv.ch](http://www.ahv-iv.ch), or from any compensation office and its branches. It is recommended that married couples submit a joint request.

If you live abroad, you can download the form for a projected pension calculation from the Swiss Compensation Office SCO website: [www.zas.admin.ch](http://www.zas.admin.ch)

## **16 What happens if the division of income (splitting) has not yet been applied after a couple gets divorced?**

If the division of income following divorce has not yet been applied, the compensation office will start by initiating the splitting procedure. A pension forecast can only be produced once the couple's income has been split. It is therefore advisable for divorced couples to apply for the division of income as soon as possible after their divorce. You can obtain the necessary form 318.269 – *Application for income splitting after divorce* online at [www.ahv-iv.ch](http://www.ahv-iv.ch), or from any compensation office and its branches.

### **Cost**

## **17 Is there any charge for pension forecasts for disability or survivors' pensions?**

No, pension forecasts for disability or survivors' pensions are always free of charge.

## **18 Is there any charge for pension forecasts for the old-age pension?**

Pension forecasts for an old-age pension are generally free of charge. However, a fee of up to 300 francs will be charged if

- the applicant is under 40, or
- the applicant requests multiple forecasts within a five-year period.

The fee is waived if there is a special reason for requesting a forecast (for example, separation, divorce, marriage, birth of a child, loss of job, becoming self-employed, emigration, first-time pension calculation if the person continues to work beyond the reference age).

## 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

Published by the OASI/DI Information Centre in cooperation with the Federal Social Insurance Office (FSIO).

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