Swisscanto
Pensions Ltd.

Swiss Pension Fund Study 2019

Commented results

Legal notice
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Editorial

Life expectancy in Switzerland is higher than ever. A healthy lifestyle and medical advances mean that after the end of our professional careers we have more opportunities than ever to enjoy life or get involved in social activities. Increasing prosperity is another factor: in the canton of Zurich 65- to 74-year-olds own almost a quarter of the wealth.

However, demographic change presents a challenge for our pension system. In 2015, it was already the case that more people reached retirement age than young adults reached the age of 19, and the Federal Statistical Office predicts that by 2045 there will only be two people of working age for every pensioner.

In the debate about how to organise our old-age pension provision, occupational pensions play a particularly important role: pension fund assets represent the largest component of most Swiss people's wealth. Thus, the security of occupational pensions has a significant influence on the financial future of every individual.

This is the 19th edition of the Swisscanto Pension Fund Study. Since its first issue it has cast a spotlight on the pension fund situation and how it is developing, and provided valuable findings for the debate about occupational pensions. Against the backdrop of the reductions in benefits experienced in recent years, one focal point of the current study is the measures that pension funds have taken to stabilise the level of beneficiaries' pensions.

I hope you find this year's survey interesting and useful.

Martin Scholl
CEO Zürcher Kantonalbank

At a glance

-15%

The **conversion rate** has fallen from 6.74% to 5.73% since 2010. That equates to an old-age pension that is 15% lower.

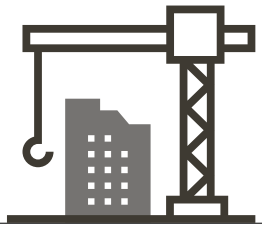
Over

half

of study participants have **increased savings contributions** in the last three years.

+34%

The **share of real estate** in the asset allocation has increased 34% in the last 10 years.



Larger pension funds – better performance

0.5% higher return for larger pension funds compared to smaller ones over 10 years p.a.

102.6%

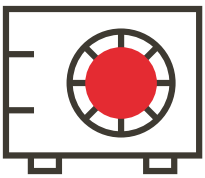
Public-sector employers with full capitalisation

79.6%

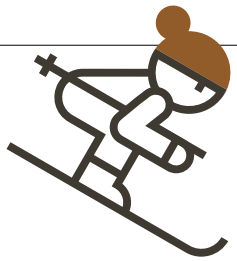
Public-sector employers with partial capitalisation

108.7%

Private-sector employers



Average asset-weighted **funding ratio** of pension funds as at the end of 2018.



40%

reduction in **technical interest rates** over the last ten years.

Content

Stabilisation of benefits

Cushioning measures are more necessary than ever

Reto Siegrist
Managing Director
Swisscanto Pensions Ltd.

Pension schemes are redoubling their efforts to cushion the effect of falling conversion rates and to stabilise pension payments.

The BVG conversion rate is too high. Pension funds have been in agreement about this for a long time. In order to pay the statutory conversion rate of 6.8 per cent, pension schemes would need to achieve a return of 5 per cent on retirement assets on a lasting basis. In the current market environment that is impossible. The sobering investment performance experienced in 2018 made this clear once again.

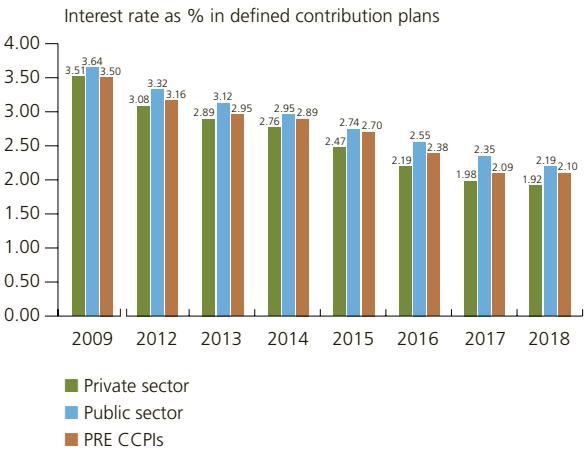
Because of poor investment results, pension schemes' funding ratio deteriorated across the board last year. For pension funds with a private- or public-sector employer, the reduction amounted to five percentage points. For pension schemes with partial capitalisation, the ratio fell by four percentage points. However, the gloom lifted somewhat with a healthy performance in the first quarter of 2019.

The pension funds have reacted to the challenging market conditions by reducing the technical interest rate. Firstly, because lower interest rates are more realistic with the low interest rate environment looking set to continue. Secondly, however, in order to reduce the pressure to produce returns and to compensate for the expected poorer performance.

Stabilisation of technical interest rates

Since the financial crisis pension funds have steadily shifted their technical interest rates downwards. At private-sector pension funds there was an overall reduction of 1.59 percentage points between 2010 and 2018. In 2018 most pension funds cut their technical interest rates again, although there are signs that the reductions are flattening out: at private-sector pension schemes the technical interest rate was only slightly below the previous year's at 1.92 per cent. For collective and common pension institutions the rate remained unchanged at 2.1 per cent. At public sector pension funds, on the other hand, technical interest rates continue to decline more sharply. Last year the reduction was 0.16 percentage points.

Figure 1: Change in the technical interest rate



The reduction in the technical interest rate has implications for the conversion rate which pension funds calculate individually: this metric has also been falling for years, since the technical interest rate is the most important component in its calculation. In 2018 the average conversion rate across all pension funds was 5.73 per cent (average for men at the retirement age of 65). Thus, for the first time the rate deviates by more than one percentage point from the statutory minimum – and the reductions appear to have no end in sight. Over the coming years pension funds will continue to correct their conversion rates downwards, partly because they often spread the reductions over several years. By 2023 a drop to 5.45 per cent can be expected.

Large majority increasing savings contributions

This trend has implications for pension fund members: the reduction in the conversion rate inevitably means a reduction in pension benefits – unless pension funds put in place measures to cushion the impact. And pension schemes are in fact looking for ways to stabilise pension benefits. The measure most frequently used is to increase the savings contributions of employees and employers. Around 90 per cent of pension funds surveyed are already doing this or at least planning to. Increased saving contributions will benefit the younger generations above all, as they will ensure better capitalised schemes and, in the long run, higher pension payments.

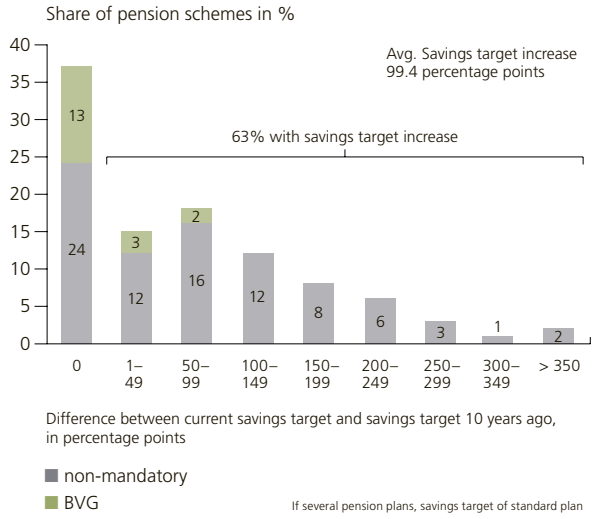
A better level of capitalisation can also be achieved by extending the period over which contributions are paid. One option is to lower the minimum membership age. Currently 25 per cent of pension funds have lowered the minimum membership age below the threshold of 25 stipulated by the BVG and thereby lengthened the contribution period. Most of them are applying a minimum membership age of 18 or 20. Another way of extending the contribution period is to increase the retirement age. At least 10 per cent of pension schemes have raised it to 65 over the last ten years. This is now the age at which the benefits target is reached at 93 per cent of pension funds.

The other measures for stabilising benefits are aimed at the transitional generation that will retire in a few years from now. These include increasing savings capital from pension scheme provisions and capital contributions from the employer. In this way, the retirement assets of older members can be boosted in their final years of employment.

Increasing the savings target does not make up for the reduction in the conversion rate

Since a large majority of pension funds have now raised savings contributions, savings targets – i.e., cumulative savings contributions over the total contribution period – have also been adjusted accordingly. In the last ten years, 63 per cent of pension schemes have increased their savings target, on average by 99.4 percentage points. A large majority of pension funds are now well above the savings target of 500 per cent of the last coordinated salary, which has been considered the golden rule since the BVG was introduced under the assumption "salary growth rate = rate of interest". Funds with a savings target of less than 500 per cent are generally those not applying a coordination deduction, where the insured salary is the actual salary.

Figure 2: Distribution of change in savings target within the last ten years



The increases in the savings target do not fully make up for the conversion rate reductions in standard savings plans. Overall, pension schemes have raised the savings target in their standard savings plan by an average of 17.6 per cent and in the same period have cut their conversion rate by 18.3 per cent. This results in a pension that is on average 4.3 per cent lower than in a pension plan that was valid ten years ago.

Almost half offer optional components

In order to provide members with other options for boosting their pension, pension funds are to an increased extent adding other pension plans to their standard plan, with three to choose from in general. The opportunity to choose between different pension plans enables insured members to make higher savings contributions than those envisaged in the standard plan. Now 44 per cent of pension funds offer members this option. That is more than double the number in 2012.

The broad range of measures shows that pension funds are making efforts to enable members to boost their savings contributions. Nonetheless, other measures are necessary if occupational pension payments are to be stabilised in the long term and intergenerational fairness is to be safeguarded. As well as a reduction in the BVG conversion rate, the coordination deduction could also be adjusted. With a "percentage coordination deduction" the insured salary could be increased, as proposed by the Swiss Pension Fund Association (ASIP) in its BVG reform. This would also improve the situation for part-time employees, who at present are somewhat left behind in occupational pension provision.

Optimising returns in Pillars 2 and 3

A solution to the benefits gap

Iwan Deplazes
Head Asset Management, Swisscanto Invest by Zürcher Kantonalbank

The impact of the low level of interest rates and rising life expectancy can no longer be denied. Pension funds have reacted by reducing conversion rates in supplementary provision. Newly retired pensioners are therefore confronted with a benefits gap. What options are available to close this gap? We are of the view that asset management in Pillars 2 and 3 has a particularly important role to play in meeting this challenge.

Swiss pension funds manage around CHF 650 billion in supplementary plans. Here, pension funds can decide for themselves what interest they pay on assets and what conversion rate they use to pay out accumulated savings to beneficiaries. For a number of years one pension fund after another has been cutting their conversion rate (see chart next page) – with a corresponding shrinkage in the old-age pensions received by new retirees. Even if not all pension funds are reducing their benefits to the same extent, the reason for such moves is the same for all of them: persistent low interest rates are making it impossible for pension funds to achieve the requisite returns on the capital market at a low level of risk. Our Pension Fund Study 2019 shows that risk-free interest-bearing investments – particularly bonds in Swiss francs – still account for a significant proportion of the assets invested by pension funds. At large pension funds the proportion is 15.5 per cent, at medium-sized ones 17.6 per cent and at small pension funds 22.6 per cent. At the same time, the life expectancy of pensioners is still rising.

Challenges continue to mount

The impact of reduced conversion rates is dramatic: without taking account of compensatory measures, retirement now begins with a pension that is 15 per cent smaller than it was in 2010. This benefits gap is being partly filled by various contribution-based measures. Nonetheless, it is certain that the gap will grow: the Pension Fund Study 2019 shows that pension funds will further reduce conversion rates over the coming years – from 5.73 per cent at present to an average of 5.45 per cent in 2023. Even the current gap is a yawning one, and that is before the conversion rate in mandatory provision (6.8 per cent) is cut in an urgently needed pensions reform.

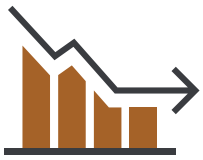
Life expectancy, low interest rate environment, conversion rates: increasing challenge

Life expectancy increasing

It's great that we're all living longer. That means that individual savings in the second pillar must also cover more retirement.

Source: Federal Statistical Office

Low interest rate phase continues



Interest income has long secured the second pillar. That's no longer the case with permanent 0% interest rates.

Source: Investing.com

Conversion rates continue to fall

The conversion rate has fallen from 6.74% to 5.73% since 2010. That equates to an old-age pension that is 15% lower.

Source: Swisscanto Pension Fund Study 2019

Huge imbalance

In its Pension Reform 2020 proposal, the Federal Council wanted to reduce the current rate for mandatory provision to 6 per cent in stages. However, in September 2017 Swiss voters rejected this proposal. The increasing challenges even require a conversion rate of under 6 per cent, assuming the current life expectancy of a 65-year-old man and an investment return of 2 per cent plus the administrative costs of the pension fund.

According to current figures from the Swiss Occupational Pension Supervisory Commission, the unintended redistribution from members still working to pensioners has now reached huge proportions. The figure given is CHF 7 billion. This must be reduced if occupational pensions are to avoid developing a very bad list. The occupational pension system is in fact evolving a collective component that is not envisaged in a funded system of old-age pension provision. If the parameters are not set right for the long term or just ignored, members still in work will forgo large interest credits every year. The result: the return on investments, that is so important for the success of funded old-age pension provision, will lose its effectiveness.

Adjustable measures on the contributions side preferred to date

Typical of the financial measures being used at present to counteract the current erosion in new pensions are special contributions to members' accounts to mitigate their losses somewhat. In addition, the savings process is being rearranged or expanded such that pension assets are increased while risk premiums are reduced. This pattern is found in one form or another at all pension funds that have cut their conversion rate in recent years. Nowhere was there any mention of closing the benefits gaps by optimising returns in Pillar 2 or making greater use of Pillar 3 provision.

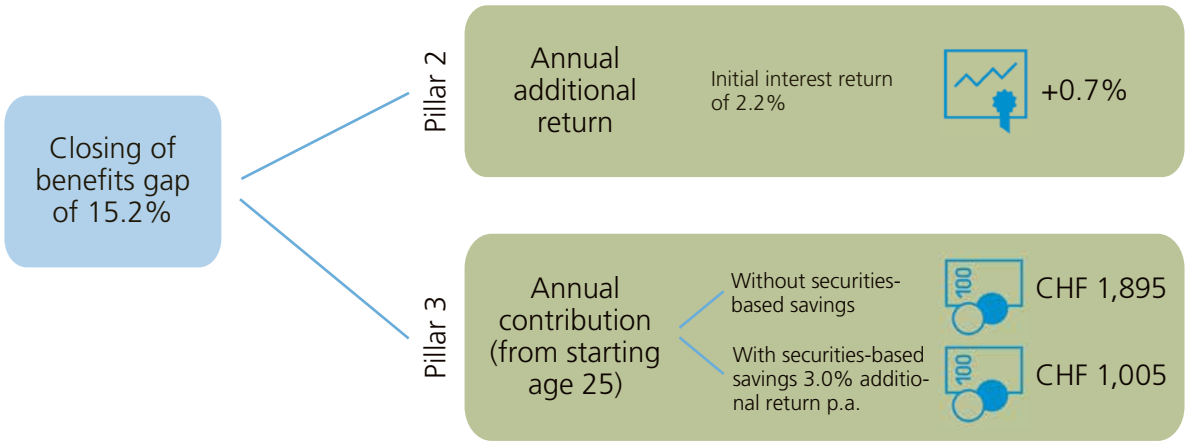
Better to optimise returns than increase contributions

Since we cannot rely on politicians to resolve the pensions issue in good time in the interests of members, we should and must turn our attention to our own room for manoeuvre. By achieving better investment returns, the benefits gap could easily be closed. Pension funds have a very responsible job to do here. As experienced asset managers we are happy to offer any assistance that is effective. We have calculated that the financing gap described could be closed if pension funds on average achieved an annual additional return of 0.7 per cent (see chart). How do we get to that?

A professional approach leads to better results

Anyone considering how to arrange their pension provision should familiarise themselves with the three factors of return, risk and investment horizon and the prospects for success they hold out. Improving diversification remains a top priority. Let us take, for example, what is called "home bias": misplaced attachment to one's home country results in lost returns and larger fluctuations. With Swiss pension funds, we see both veritable cluster risks in illiquid Swiss property and only a hesitant approach to a broad range of private market investments. At the same time, the exposure to bonds, particularly bonds in Swiss francs, remains too large in view of the returns they do not provide. Nonetheless, even if work remains to be done here, the results of re-

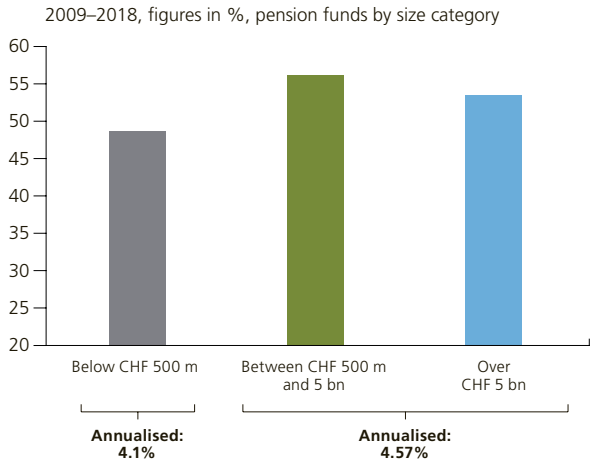
Financing the benefits gap



Source: Swisscanto Invest by Zürcher Kantonalbank

cent years show that the pension funds have been fulfilling their task. Investment returns have delivered (see chart) – and more so at large pension funds than at small ones.

Cumulative and annualised returns for Swiss pension funds over 10 years



Source: Swisscanto Pension Fund Study 2019

Improve expertise on potential returns and the understanding of risk

It is already the case today that individuals can supplement their benefits from Pillars 1 and 2 of our pension system by means of private Pillar 3 pensions. A significant incentive for saving in Pillar 3a is the tax deductibility of contributions. We have calculated how much someone who is currently 25 and earns an average Swiss salary through their working life would need to save to close the benefits gap of 15.2 per cent. The figure is CHF 1,895 per year if deposits are made just into a Pillar 3 savings account. If the same investor made use of securities-based savings, they could achieve the same result with a significantly lower amount of CHF 1,005 per year. These are amounts that even those on relatively modest incomes can afford! The benefits gap will cause less of a fright if people have the means available to close it or even to save for a larger pension with a moderate outlay. Legislators could make this instrument even more attractive by, for example, introducing back-payment options or a collective component. However, it is even more important with private pensions than with occupational pensions to improve expertise about potential returns and risks.

Conclusion

Reduced conversion rates must not be allowed to turn retiring into a nightmare. The resulting benefits gaps are being closed partly at the expense of members still working by means of various measures. That is not exactly the best approach. A more elegant solution would be to make better use of the effectiveness of investment returns. They should therefore be strengthened, not undermined. At the same time, private pension provision is increasingly important.

Concepts are needed

Sustainably securing the future and returns

René Raths
Head Distribution Pension Funds, Zürcher Kantonalbank, and Member of the Board of Directors of Swisscanto Pensions Ltd.

Those who consistently focus on investments to guarantee sustainability, social standards and good corporate management today will profit from them in every respect in the long term.

"The future interests me – I'm going to spend the rest of my life there" is a quote by Mark Twain that I would like to share with you. But despite public transport, the energy revolution and paper bags, we would need more than one planet Earth if everyone lived like the Swiss. But it is a unique case.

In the wake of advancing climate change, political and social trends are developing in an effort to counterbalance current lifestyles. Importantly, Zürcher Kantonalbank and its asset management arm, Swisscanto Invest, are also making a contribution, as they have been carefully screening sustainable investments since 1992 and integrating them into their funds. Under current understanding, however, sustainability not only covers environmental aspects, but also social compatibility, i. e., no weapons or gambling, good corporate governance – therefore no corruption – and balanced social partnership. These aspects are known as environmental, social and governance (ESG) criteria.

The times are long gone when investment in an "eco-fund" was primarily an ideological statement and the return secondary and often unattractive too. Many well-known studies show that investments marked by social justice, sustainability and good corporate management with a long investment horizon can easily compete with conventional investments, and this is the case across all asset classes.

This is because these investment vehicles are today constructed and managed more professionally: indices and criteria are defined and can be obtained in a standardised form. For example, it is easier to evaluate, integrate or exclude investment properties.

But there are other crucial drivers behind this development: sustainable investments have above-average opportunities for growth, high innovation potential and in addition are often promoted through political regulation. We can therefore expect high profitability, particularly with long-term investment horizons, which are the hallmark of the pension fund business.

Just think about electric cars. Political targets and premiums already characterise this business sector. There is also enormous potential for tapping into remote regions with telecommunication and financial services. Cancer research, potential solutions to problems such as an ageing population and technologies for water usage and extraction are other business areas offering major opportunities for growth. It would therefore be a good idea for smaller pension funds to look at sustainable investment forms too and to consider how these could fit into their specific portfolio.

Based on our long-standing experience, we know that an all-embracing investment concept is required to carry out sustainable investing on a profitable basis.

Why am I talking about a concept? "Merely" assembling ESG criteria-satisfying securities in the portfolio is not sufficient. Only a principled strategy with careful implementation makes the difference.

Companies' own pension funds obviously need to have a strategy that reflects the values of that business. If it is innovative, then forward-looking securities will definitely find a way into the pension fund's portfolio too. Pension funds of more traditional companies perhaps invest in slightly more conservative vehicles. So ABB's strategy will differ from that of Google. But ultimately, consistency on this issue is also part of good corporate management.

For collective pension foundations, consistent alignment with sustainable investments can become both a profitable strategy and a sales argument. A unique selling point on the basis of which companies explicitly decide to affiliate to a specific foundation.

I think it is important that the vast majority of Swiss pension funds also identify with this issue: we are currently seeing the creation of interest groups and in line with the Swiss Association for Responsible Investments (SVVK – ASIR), for example, something of a "sustainability light" label is being established. But it would be better if the whole industry were part of a standardisation drive to help create a common understanding of the subject of sustainability. The criteria could be set down more broadly or even sustainably. Only then would the process be measurable and transparent for all.

In considering how environmentally and socially compatible an investment should be, the main aim of a pension fund should never be lost, which is to guarantee the pensions of its insured members. To do so, we need good income and as little volatility as possible. We also need the individual concept mentioned above to define these often fine boundaries.

"Do good and talk about it" – we could now expand this well-known phrase by adding "and profit from it". Not only would this benefit investment returns and therefore your insured members, but also society, our descendants and our unique blue planet.

In this context, I would like an industry-wide discourse that sets new standards.

Considerations from the perspective of the ASIP

Where now for the pension benefits target?

Hanspeter Konrad
Lawyer, Director of the Swiss Pension Fund Association (ASIP)

At present Switzerland's social policy agenda is being dominated by a debate about how to structure the AHV state pension system. In view of demographic change and the economic framework, action is doubtless needed to stabilise the AHV system. Yet, similar considerations also apply to occupational pensions. The demographic prospects, financial market trends and social, economic and labour market factors call for swift adjustment.

However, the political reality is somewhat different. For now, the social partners have been asked by the Federal Council to work out a proposal for a revision of the Swiss Federal Occupational Retirement, Survivors' and Disability Pensions Act (BVG). The expectations placed upon them are considerable. In their deliberations the social partners cannot avoid the debate about the core aims of the BVG. With this in mind, the Swiss Pension Fund Association (ASIP) urges that a swift and viable solution be found. The Association continues to argue for realistic core aims in occupational pension provision such that the benefits promised can be delivered at the end of the day.

Benefits target under social policy as the starting point

The current debate shows clearly how important and urgent BVG reform is: the benefits promised must be defined in a more realistic way in terms of economics than is currently the case with the present BVG minimum conversion rate of 6.8 per cent. If the parameters were realistic, the issue of subsequent adjustments to promised benefits would not arise. However, in all these discussions the question of how high to set the benefits target must always be answered.

It must be remembered that the overarching sociopolitical benefits target is derived from the requirements of the Federal Constitution: occupational pension provision, in conjunction with AHV/IV state old-age and disability pensions, is intended to enable a person to maintain the standard of living they are used to in an appropriate manner. In view of this, the ASIP regards securing an income in old age to enable a person's customary standard of living to be maintained as a basic social policy objective. The benefits target to be pursued is a replacement rate comprising AHV and BVG benefits of 60 per cent of the most recent gross income in the BVG salary band up to CHF 85,320. That remains the case despite the fall in the benefits target in recent years from 80 per cent to 69 per cent for pension funds paying more extensive benefits (all-inclusive pension funds) (see the results of the 2019 Swisscanto Pension Fund Study presented below). The objective laid down in the constitution continues to be exceeded. The question as to whether 60 per cent comprising AHV and BVG benefits is sufficient is a question of social policy that is for politicians to answer.

BVG replacement rate

Under the BVG the current replacement rate is 34 per cent of the most recent salary covered by BVG benefits (since the first BVG revision). However, in the past this level of benefits was significantly exceeded. It used to be around 41 per cent. The main reason for this is that the rate of interest paid over the last 30 years has been well above the rate of wage growth. In 2016, for example, even with a conversion rate of 5.7 per cent the benefits target of a 34 per cent replacement rate would still have been achieved.

The ASIP is clearly committed to these benefits objectives. The trends referred to also show how robust pension funds are on the whole. It cannot be inferred from the reductions in the technical interest rate and conversion rate in supplementary pension provision that (statutory) BVG provision is not sufficient to achieve 60 per cent of the most recent salary in conjunction with AHV benefits in line with the model pursued. However, the interest rate on retirement assets and the interest implied in guaranteed pension payments and in the conversion rate must be examined from an economic perspective. It must be remembered that the conversion rate is purely an accounting value. It is based on life expectancy and the returns that can realistically be expected. To reflect these basic conditions, many pension fund managers have reduced their conversion rates, as the survey results from the current pension fund study show.

Management bodies increasingly face the question as to whether their decisions are fair in terms of intergenerational relationships. They are indeed fair. The most realistic determination possible of the technical parameters is the best basis for intergenerational fairness. In addition, simple regulatory participation mechanisms can be applied to make later improvements to benefits. In these terms the pension payment calculations currently being made are not wrong. In fact, managers have been correcting as far as possible for undesirable redistributions that were contrary to what the system intended. They have, of their own accord, reduced or stopped for the future the financial flows from active insured members to pension recipients that temporarily became necessary to finance promised benefits.

Safeguarding the BVG benefits target

At the same time as a reduction to the BVG conversion rate, it must be ensured that the objective under the constitution – i. e., a benefits target of around 60 per cent of the most recent gross salary in the case of a full contribution history – is achieved. Thus, in the context of an immediate cut to the BVG conversion rate, for example from 6.8 per cent to 5.8 per cent as proposed by the ASIP (see www.asip.ch), compensatory measures would need to be put in place. Together with a percentage coordination deduction (60 per cent of the AHV salary, no more than three quarters of the AHV pension), adjusted retirement credits and an earlier start to the savings process (beginning at 20), solutions can be found within occupational pension provision that secure the present BVG benefits level. However, implementing these measures is associated with additional costs. These additional costs have to be borne by employees and employers together.

To have a chance of success in real-world policy decisions, measures need to be put in place in particular for birth cohorts directly affected by a reduction in the BVG conversion rate. With a realistic transition phase of ten years, as envisaged in the above-mentioned ASIP proposal for BVG reform, the threat of lost pension benefits for older members could be cushioned considerably by pension-fund-specific, compensatory contributions to BVG pension assets, financed on a decentralised basis. Furthermore, taking into account the historical real interest rate and under the assumption of a moderate future real interest rate (of 0.7 per cent), the original benefits target under the golden rule would be exceeded for all cohorts in the transitional generation.

Similar considerations apply to all-inclusive pension funds. As the results of the present survey show, management bodies are making full use of their room for manoeuvre and are making well-considered decisions in full knowledge of the actuarial basis and in line with social policy considerations. In addition, efforts are being made wherever possible to cushion or balance out changes to the benefits target by strengthening the savings process and introducing transitional provisions for older members.

Conclusion

Pension funds have demonstrated the effect they can have in recent decades; they also hold the keys in their hands for the years to come and are prepared to make a significant contribution to furnishing pensions for old age, survivors and the disabled, provided politicians and authorities create the necessary framework. It is clear that a swift reduction in the conversion rate will always elicit protest. However, with a view to achieving effective BVG reform, the debate needs to progress. There are no solutions to please everyone. Saving more or working longer are the options if pensions are not to shrink.

Against this backdrop, we must remember the strengths of occupational pension provision and the benefit to society that pension funds provide overall. By securing an income in old age, they make a considerable contribution to ensuring people can continue to enjoy the standard of living they are used to. In addition, as long-term investors currently looking after more than CHF 900 billion, they make a key contribution to the economy as a whole. That is an indisputable fact. The benefits provided in the past and the current benefit potential are guarantees of strong occupational pension provision. The focus must be on addressing the core aims that shape BVG pension provision. It is crucial that the benefits promised are defined realistically in economic and actuarial terms. That is the best basis for intergenerational fairness.

Results of the 2019 survey

Trend and resistance

The country is finding it hard to reform the Swiss Federal Occupational Retirement, Survivor's and Disability Pensions Act (BVG) and retirement provision in general. Since the first BVG revision came into effect in stages in 2004 to 2006, all attempts at amending it to the changed circumstances have failed. The results of the Swisscanto Pension Fund Study 2019 highlight the urgent need for reform. Its contents are revealing and even challenging in parts. In particular, the change in the level of benefits calls for in-depth analysis and discussion, as can be seen from the information from participants.

The generally accepted guideline for retirement pensions provides for a replacement level of 60 per cent of the final salary to maintain "the accustomed lifestyle in an appropriate manner", based on Pillars 1 and 2. Since the introduction of the BVG as mandatory coverage, this target has not only been achieved but also exceeded. This continues to apply. Nonetheless, the measured value according to the survey data has been declining since 2014.

The replacement rate for an income of CHF 80,000 was measured from 2009. Using the comparable data from 2015, there has been an ongoing reduction in the median value from 74 to currently 69 per cent. The values are the highest for public-sector pension funds at 74 per cent, followed by company pension funds at 67 per cent and private collective and common pension schemes at 64 per cent.

This is due to a range of factors, such as rising life expectancy and the historically unique interest rate situation. The statutory minimum conversion rate and benefits guarantee mean that pension funds must credit pensioners with interest that is too high under current circumstances. This comes at the cost of active insured persons, which is reflected in the massive reallocation. The reduction in conversion rates is unavoidable to correct this.

The identified reduction in benefits is the result of conflicting developments. The main trend is the substantial reduction in conversion rates from an average of 6.25 per cent in 2015 to the current 5.45 per cent, in conjunction with the decrease in technical interest rates in the same period from an average of some 2.47 to 1.92 per cent for private-sector pension funds.

However, contributions were increased at the same time. 63 per cent of study participants stated that they had increased the savings target in the last ten years. The calculated sum of retirement assets is now 765 per cent, compared with the 500 per cent set down in the BVG over a total contribution period of 40 years.

Efforts were therefore being made not to simply accept the reduction in benefits caused by the necessary decrease in conversion rates, but to maintain benefits, at least to a certain extent, through a range of measures. Contribution increases were just one of these measures, but the most important part.

The correlation between the savings target, the conversion rate and the change in the benefits target is shown using a selected range of pension funds, for which there is a complete data series. These pension funds lowered their conversion rates within the last ten years by an average of 18.3 per cent, while at the same time increasing their savings target by 17.6 per cent which would result in a 4.3 per cent decrease in future pensions. The increase in contributions and savings target plus other measures were not enough to compensate for the reduction in conversion rates.

The same also applies to the average of all pension funds as it does to these selected ones. Efforts are being made to absorb the consequences of the lower technical parameters, but benefit losses must still be accepted.

Given the significance of these correlations and also in view of the next BVG reform and generally for the evolution of occupational pensions, it is important to study these in depth and to record in detail the links between the various elements of benefit provision. This is a broad and so far underexamined area.

However, the results of the survey also show how remarkably well pension funds have fared in the past ten years since the financial crisis. Despite tough conditions on the capital markets with constantly falling interest rates and longer periods over which pensions are paid, they have maintained largely stable funding situations. This is an impressive achievement and was only possible through the involvement of social partners and forward-looking action by the responsible executive bodies. With few exceptions, the necessary adjustments were taken in hand robustly and at the right time. It is unsurprising that, in some cases, painful measures also came in for criticism.

The unpopular fact of rising contributions with simultaneously falling benefits is generally unpleasant for Pillar 2 overall, but it must be seen as a reflection of realistic business management. The survey provides an array of new data and important findings on this.

Another development is reflected in the 2019 survey. This is namely the ongoing structural change whereby the popularity of classic company pension schemes is waning while that of collective and common pension schemes is rapidly rising. It is becoming more difficult and more important to record and attribute the collected data to the various providers. Several categories of pension scheme must be defined to produce meaningful results.

The survey used to distinguish primarily between public-sector and private-sector pension schemes, with public-sector funds also subdivided into partially and fully capitalised schemes. After various pension funds of public-sector employers waived their state guarantee and adopted a private legal form, the evaluation then distinguished between pension schemes of private-sector (PRE) and public-sector (PSE) employers. Of main interest are the differences between the pension funds of the Confederation, cantons and municipalities on the one hand and the pension funds of private companies on the other. The legal form is secondary.

In the last few years, collective and common pension schemes (CCPI) have become much more significant, and today they insure the majority of assets. Consequently, this development must also be reflected in the presentation of data. Nonetheless, the distinction between "pension funds" and "collective and common pension schemes" has only limited meaning, as not only does Publica appear as a federal pension fund but numerous cantonal schemes appear as collective pension foundations, and external employers are included as well as government and cantonal staff.

Subdividing collective pension foundations into private-sector and public-sector employers or sponsors creates a degree of clarity here. Collective or open common pension schemes primarily refer to schemes that now insure the staff of companies that gave up their own pension fund and became affiliated to a collective scheme. To create additional clarity, those collective and common pension schemes that report broker and marketing costs are now recorded separately. They are described as "market-active" CCPIs and their data is presented in the accompanying text to the charts.

These CCPIs are in competition with each other on the pensions market, and this is what crucially differentiates them from other pension schemes. The fear is that they may be tempted to apply high conversion rates or technical interest rates in order to increase their appeal to employers seeking affiliation. The supervisory authorities have revealed that they aim to keep a close eye on this sector. New studies and parliamentary motions are proof of the topicality and importance of the issue. The study can bring important and unique insights to this topic.

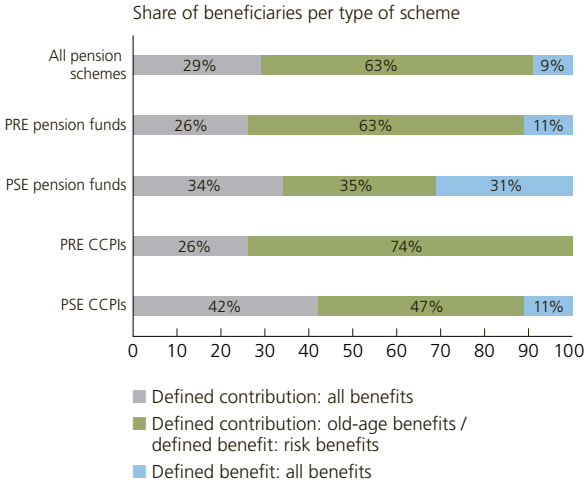
Finally, it is important to note that this year's pension fund survey again met with an extremely positive response. With 531 respondents, last year's record result of 535 was almost matched, confirming the highly informative value of the results. Given that it takes a great deal of time to complete the questionnaire, sometimes involving complex details, the overall willingness to participate is impressive. We would therefore like to express our thanks to all those who took part in the survey.

Peter Wirth

A Pension schemes and insured members

1 Defined benefit and defined contribution plans

Chart A-1: Type of pension scheme by legal form and beneficiary



531 pension schemes (previous year 535) with 3.8 (4.1) million insured members took part in the 2019 survey.

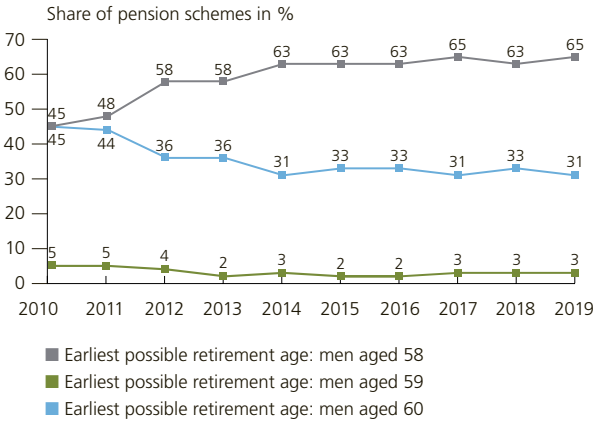
Taking into account the number of insured members, very little changed for the various categories of pension fund and types of plan. 29 (30) per cent of all beneficiaries are insured for all benefits under defined contribution plans, 63 (62) per cent for risk benefits in defined benefit plans and for retirement benefits in defined contribution plans and 9 (9) per cent in purely defined benefit plans.

Defined benefits plans for all benefits are mainly found in pension funds with public-sector employers (PSE) and still apply to 31 (36) per cent of beneficiaries there. There has been a substantial decline, but this is following the general trend. The figure is 11 per cent for pension funds with private-sector employers (PRE).

Collective and common pension schemes with private employers no longer offer purely defined benefit plans, but defined benefit plans still apply to 11 per cent of the beneficiaries of schemes with public-sector employers.

2 Flexible retirement

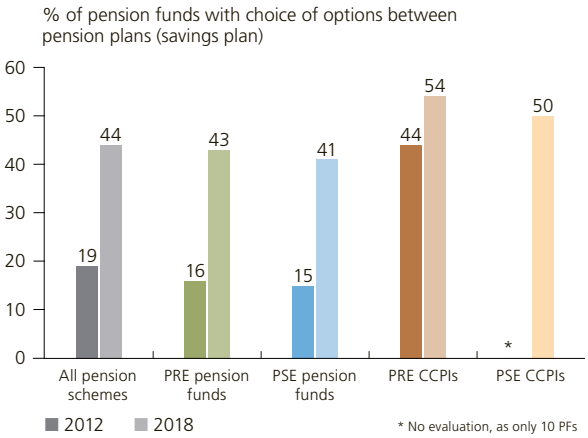
Chart A-2: Change in earliest possible retirement age for men



The figures established for the earliest possible retirement age for men have not shown any clear sign of a change in trend for five years. Age 58 still dominates at around two thirds. Nearly one third of men retire at age 60, but not many at age 59. The initiative on the Pension Reform 2020, which voters rejected, stipulated a minimum age of 60. It is possible that this lower limit will be the subject of renewed discussion for the next BVG reform.

3 Choice of options for savings plans

Chart A-3: Choice of options for pension plans (savings plans)



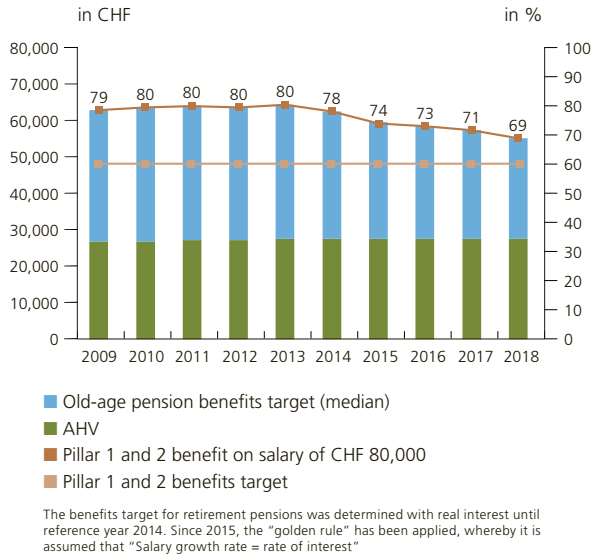
A growing number of pension schemes today offer insured members a choice of various savings plans. The overall proportion of pension funds doing so is 44 per cent (previous year 42), whereas in 2012, it was only 19 per cent.

More recently, there was a sharp rise for the pension funds of public-sector employers in particular, where the share increased within the last two years from 31 per cent to the current 41 per cent.

The clear leaders are the market-active collective and common pension schemes (CCPI) at 60 per cent, while the overall area of CCPI of private employers (CCPI PRE) stands at 54 per cent and the area with public-sector employers (CCPI PSE) at 50 per cent.

4 Benefits

Chart A-4: Change in the benefits target for retirement pensions at a salary of CHF 80,000



The benefits target for retirement pensions was determined with real interest until reference year 2014. Since 2015, the "golden rule" has been applied, whereby it is assumed that "Salary growth rate = rate of interest"

The benefits target reported by study participants for a salary of CHF 80,000 fell once again. This means that the downward trend has continued since 2014. The results require in-depth analysis in order to be understood properly.

It is important to note that they do not relate to actual benefits paid out, but benefits calculated on the basis of the regulations and applicable parameters, which do not always contain all elements of actual benefit provision.

For example, they do not include certain compensation benefits or staggered benefit adjustments where conversion rates have been reduced.

The sharp drop between 2014 and 2015 is partly explained by the reformulation of questions. Until 2014, answers were given based on the actual regulatory provisions, but from 2015, they have been recorded as calculations based on the golden rule (interest return equals salary increase) as the total of all retirement assets multiplied by the applicable conversion rates.

It can be assumed that to determine benefits, this simplified formula will tend to produce lower results than those that actually apply, for example because real interest return is not included.

However, it is clear that in the four years since 2015, there has been a further considerable reduction in benefits based on comparable data and unchanged survey methods. This should give an indication of the trend and scope of the actual development of occupational pension benefits.

The established decline is surprising, as the majority of pension funds have at the same time made great efforts to stabilise benefit levels despite sharply lower technical interest rates (see section 5).

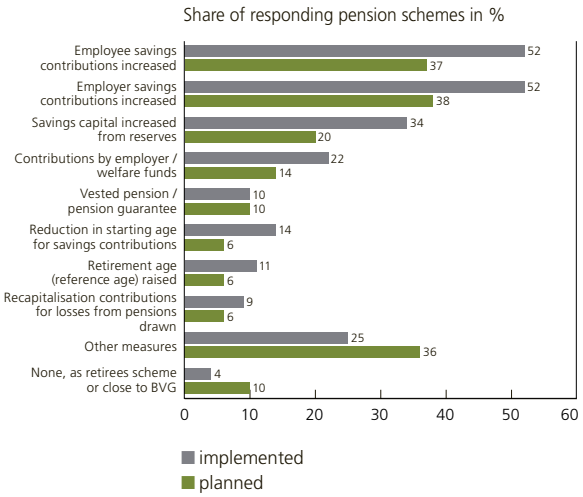
It should be noted that with a calculated average replacement rate of 69 per cent for all participants (right scale) from Pillars 1 and 2, the informal guideline of 60 per cent for maintaining the accustomed lifestyle has been significantly exceeded.

The median of the BVG benefits target for public-sector pension funds was 40 per cent (previous year 42) for 2018; if AHV is included, this comes to a replacement rate of 74 per cent. The value for private-sector pension funds is 33 (35) per cent, 67 per cent including AHV. There continues to be a high performance disparity between private- and public-sector pension funds.

The median for market-active collective and common pension schemes (with broker and marketing expenses) is also 30 per cent. Together with AHV, the average replacement rate comes to 64 per cent, which is no longer very far from the stipulated 60 per cent.

5 Measures to maintain benefits

Chart A-5: Measures taken in the last three years or to be taken in the next three years to maintain benefits



More than half of study participants indicated that they had increased savings contributions in the last three years and another 37 per cent are planning to do so in the next few years. The percentage figures for employee and employer contributions largely match each other, suggesting that contribution increases are being borne jointly.

There was a remarkably high number of mentions for increasing savings capital from provisions, contributions from the employer and from welfare funds, but much fewer for reducing the starting age for savings contributions and increasing the retirement age. Increasing contributions and/or reducing benefits still seem to be tolerated better than raising the retirement age. It should be borne in mind that there would be little point in raising Pillar 2 above age 65 without raising the AHV retirement age.

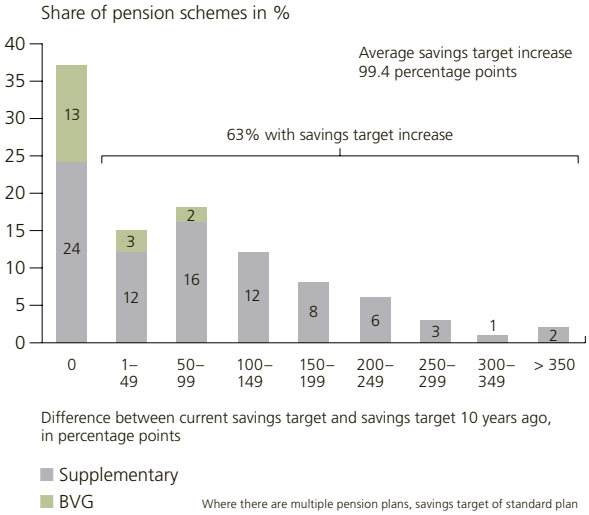
The frequent mention of "other measures" in the next three years, at 36 per cent, was striking. Clearly respondents are seriously thinking about the benefits issue and also seem to be looking for solutions.

Specific measures mentioned include allocations from available resources, voluntary additional saving by beneficiaries, the option of single contributions upon retirement (subject to pension) or a reduction in risk contributions at the same time as an increase in savings contributions by the same amount.

Overall, the established benefit reductions were not due to employers showing less interest or commitment to occupational benefits. On the contrary, the broad contribution increases indicate that there is a determination and willingness to strengthen retirement pensions as part of corporate social policy, even under difficult conditions.

6 Savings target as percentage of insured salary

Chart A-6: Distribution of change in savings target within the last ten years



The frequency seen in section 5 with which savings contributions were bolstered to maintain benefits mirrors an increase in the savings target. As a total of retirement assets under BVG for the mandatory portion, this amounts to 500 per cent of the coordinated salary over the full contribution period of 40 years.

This value only applies to a relatively small minority, specifically to 15 per cent of study participants, compared with 21 per cent ten years ago. At the other end of the scale, we find values of more than 1,200 per cent, but these are also exceptions. The most frequent values above the mandatory amounts lie between 600 and 1,000 per cent, i. e., up to double the statutory requirement.

63 per cent of study participants stated that they had increased the savings target in the last three years.

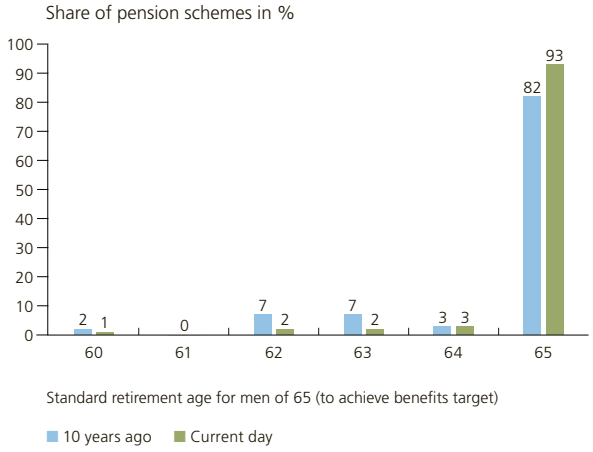
Accumulated retirement assets rose on average from 677 to 765 per cent or plus 88 percentage points. If only pension schemes that increased their savings target are taken into account, the value was plus 99 percentage points. These values indicate the importance of the extra-mandatory component of Pillar 2.

However, an increase of approx. 110 percentage points in savings targets would be required to compensate for the established reduction of approx. 1 percentage point in the conversion rate since 2009 in otherwise unchanged conditions. The difference between the actual and planned increase at least partly explains the reduction in benefits.

The question of whether to increase statutory retirement credits as part of the compensatory measures for reducing the conversion rate – a question that will undoubtedly be discussed again as part of BVG reform – will only be significant for a small number of pension funds and only relevant to benefits in exceptional cases.

7 Change in retirement age to reach benefits target

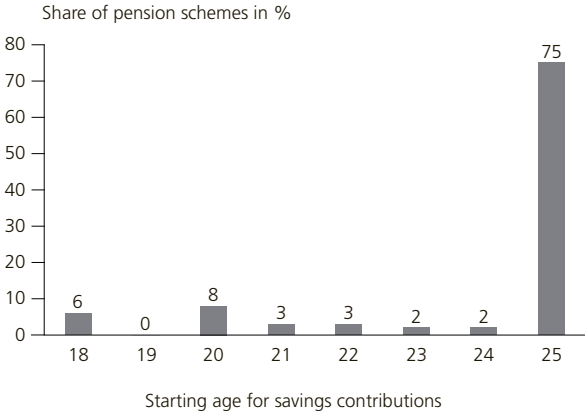
Chart A-7: Change in retirement age within the last ten years for men to reach the benefits target



The regulatory retirement age of 65 currently applies to 93 per cent of men, compared with 82 per cent ten years ago. This change shows that the new realities are taking effect across the board against the background of rising life expectancy and the resulting costs.

8 Current starting age for savings contributions

Chart A-8: Entry age for savings contributions

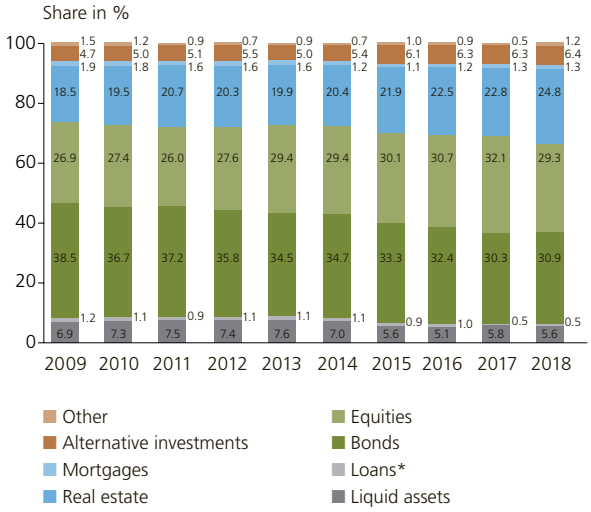


The upcoming fresh attempt at reforming the BVG will undoubtedly lead to renewed discussions about when the savings process should start. In mainly non-professional jobs (graduate careers rarely start before age 25), an earlier starting age boosts retirement assets. Interestingly, one quarter of participants stated that they already levy savings contributions before the statutory scheduled starting age of 25. For most of them, the starting age is 20, while for some it is 18, the same age as for the mandatory collection of risk contributions.

B Capital investment and asset allocation

1 Asset allocation

Chart B-1: Asset allocation 2009–2018



* Until 2016 investments with the employer

The chart clearly shows that the fundamental trends of the last ten years continued in the year under review. In that period, however, and by way of an exception, the bond portion increased slightly at the same time as equities decreased. This was due to price slumps in December and not to a change in investment strategies.

There was a marked shift in the real estate portion, which increased within a year from 22.8 to 24.8 per cent. The much-discussed changes on property markets, with increasing vacancy rates in some regions, are therefore an issue for pension schemes too. The portion is edging close to the 30 per cent limit set by BVV2, which explains the large number of applications for exceptional approvals to exceed the limit (see section B-11).

By contrast, the other categories have only limited, not to say marginal significance. Despite great efforts on various sides, alternative and unconventional investments remain at a modest level and only showed a small increase (6.4 vs. 6.3 percentage share).

Mortgages are also of little consequence; however, many new service providers have emerged recently, taking over mortgage origination for pension funds, which means that some pension funds now offer mortgages to non-members. The measured share is unchanged on the previous year at 1.3 per cent. As with alternative investments, mortgages are primarily a domain for larger pension funds.

Table B-1: Asset classes 2009–2018

Average asset allocation in %

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cash	6.9	7.3	7.5	7.4	7.6	7.0	5.6	5.1	5.8	5.6
Loans from 2017**	0.7	0.8	0.6	0.8	0.8	0.8	0.8	0.8	0.5	0.5
Equities and other shareholdings with employer	0.6	0.4	0.3	0.3	0.3	0.3	0.2	0.2	*	*
Bonds CHF	28.3	27.3	27.5	25.5	24.6	24.3	22.9	21.7	20.0	20.3
Bonds foreign currencies	10.1	9.3	9.7	10.3	9.9	10.5	10.4	10.7	10.4	10.6
Domestic equities	12.6	12.7	11.9	12.4	13.2	13.1	13.4	13.1	14.2	12.8
Foreign equities	14.3	14.7	14.1	15.2	16.2	16.3	16.8	17.6	18.0	16.5
Domestic real estate	17.6	18.6	19.7	19.3	18.9	19.1	20.2	20.7	20.7	22.2
Foreign real estate	0.8	0.9	1.0	1.1	1.1	1.3	1.7	1.9	2.1	2.6
Mortgages	1.9	1.8	1.6	1.6	1.6	1.2	1.1	1.2	1.3	1.3
Hedge funds	2.3	2.2	2.0	1.9	1.7	1.5	1.4	1.4	1.2	1.3
Private equity	0.6	0.6	0.7	0.8	0.7	0.8	0.9	0.9	0.8	0.9
Commodities	1.1	1.4	1.5	1.7	1.3	1.1	0.8	0.9	0.8	0.6
Infrastructure investments	*	*	*	*	0.2	0.2	0.2	0.3	0.4	0.6
Non-traditional nominal value investments	*	*	*	*	*	*	0.5	0.5	0.6	0.5
Other alternative investments	0.7	0.8	0.9	1.1	1.1	1.8	2.1	2.2	2.4	2.4
Other assets	1.5	1.2	0.9	0.7	0.9	0.7	1.0	0.9	0.9	1.2
Total	100.0	100.0	99.9	100.1	100.1	100.0	100.0	100.0	100.0	99.9

* Not available
** Until 2016 investments with the employer

Table B-2: Investments, investment forms and size of pension fund*

Mean asset share per asset group in %

	<50 million	50–100 million	100–500 million	500–1,000 million	1,000–5,000 million	>5,000 million
Investment foundations	23.5	29.8	21.0	14.1	20.4	15.1
Investment funds	46.9	62.1	48.4	51.6	40.8	39.1
Investment companies	0.3	1.8	1.1	1.4	2.2	3.4
Category-based mandates	9.7	17.3	20.5	28.0	25.7	55.4
Mixed mandates	42.8	57.6	47.2	39.7	10.2	1.9
Index investments	22.2	25.8	31.5	34.8	30.2	27.5
Sustainable investments	6.1	8.4	1.7	2.5	19.0	18.8
Structured products	0.8	1.8	1.5	0.7	0.4	0.0
Real estate Switzerland: Direct investments	11.2	10.9	12.3	13.3	14.6	9.9
Real estate Switzerland: Indirect investments	17.3	18.2	13.6	12.6	10.4	7.4
Real estate abroad: Direct investments	0.2	0.0	0.0	0.1	0.1	0.1
Real estate abroad: Indirect investments	2.9	5.0	2.9	3.2	3.7	3.6

* As the list covers various categories of investment forms and investments that sometimes overlap, the percentage shares do not add up to 100%.

The matrix by investment category and size of pension fund shows the expected relationships. Investment foundations become less important as pension fund size grows. This applies to an even greater degree to mixed mandates. Indirect real estate investments are also primarily found in smaller pension funds. In all size classes, investment funds account for high proportions and only fall back to around 40 per cent for pension funds with assets of more than CHF 1 billion.

The sustainable investment category only gains significance – but very rapidly so – in pension funds with assets of more than CHF 1 billion. This is probably less to do with lower exposure on the part of smaller pension funds than to differing classifications. Allocation is neither consistent nor clear.

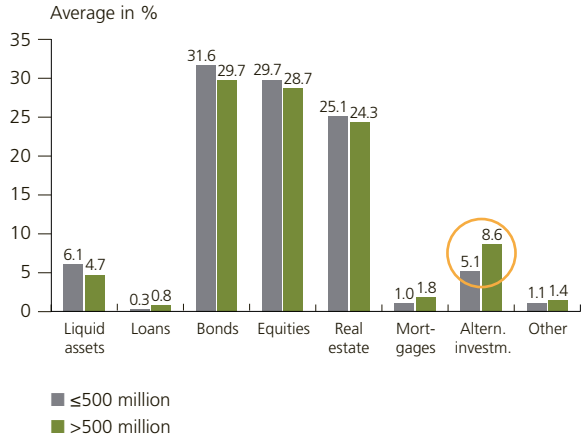
Table B-3: Change in asset share in investment funds, investment foundations and indexed investments

Mean asset share in per cent

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Investment funds	28.9	33.1	34.2	37.6	40.8	41.1	40.9	43.2	42.2	46.0
Investment foundations	27.5	27.4	23.6	20.8	21.1	22.6	20.4	21.4	22.0	19.0
Index investments (market-capitalised or other construction forms)	19.9	21.4	21.8	24.5	22.4	24.9	24.1	26.8	28.1	29.0

The overview of the change in selected investment forms over the past ten years reveals marked shifts. While the popularity of investment funds has risen, that of investment foundations has declined sharply. This is possibly due to the disadvantaged position of investment foundations when it comes to equities (stamp duty). The share of indexed investments has been growing continuously, accounting on average for 29 per cent of investments, which is an increase of around 50 per cent compared to ten years ago.

Chart B-2: Size of pension fund and asset allocation

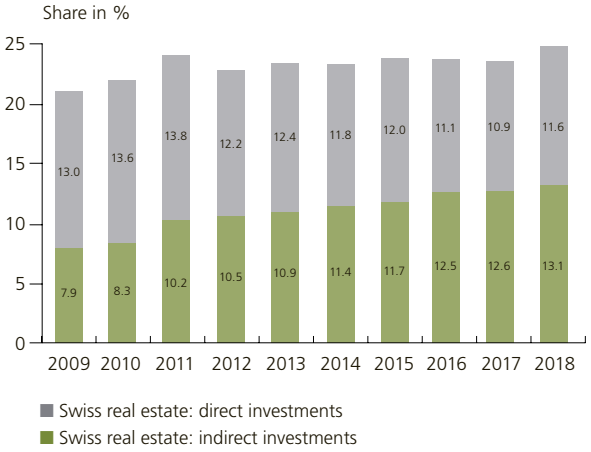


Is there a link between the size of pension funds and asset allocation? The answer is actually yes, but the differences are relatively minor. Small pension funds with assets of less than CHF 500 million have on average higher liquidity, more bonds, equities and real estate, but much less by way of alternative investments and hardly any mortgages.

The greatest difference is found in alternative investments with 5.1 per cent against 8.6 per cent; this means that the larger pension funds hold on average 70 per cent more alternative investments.

2 Real estate investments

Chart B-3: Change in direct and indirect real estate investments



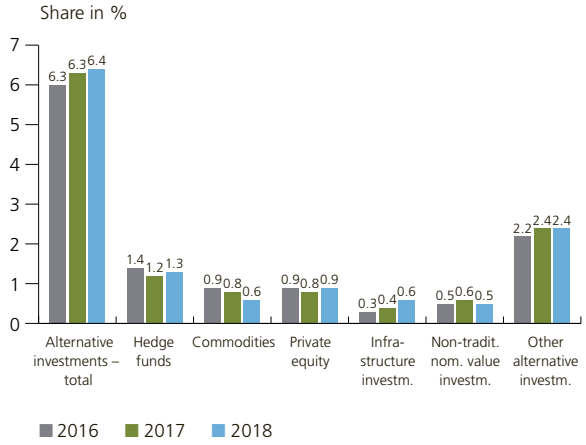
The marked rise in real estate investments seen in section B-1 in the year under review was spread more or less equally between direct and indirect investments. By comparing the last ten years, it can be seen that, proportionately, indirect investments have increased much more than direct investments in this period and have accounted for the larger share since 2016.

The lack of suitable properties frequently forces pension funds into making indirect investments, increasingly listed funds, as most NAV funds are closed. This is particularly true for smaller pension funds with assets of less than CHF 500 million. Listed funds account for almost half of their real estate investments, with the drawback of related premiums. The share among larger pension funds is around 30 per cent.

Real estate investments at the end of 2018 accounted for 24.8 per cent of all asset allocation, 11.6 percentage points related to direct and 13.1 to indirect investments. The two values do not add up to 24.8 exactly due to a different survey method.

3 Alternative investments

Chart B-4: Alternative investments on a multi-year comparison



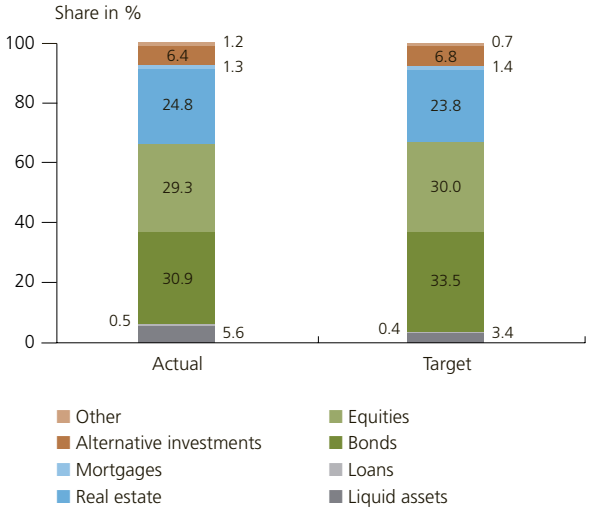
There was barely any discernible movement in the alternative investment category. Despite considerable efforts from all sides with reference to unused return opportunities and greater stability through increased diversification, pension funds still appear to be sceptical. The 0.1 percentage point increase means that there is no clear indication of a trend in the statistical range of variation.

Nonetheless, certain shifts in composition can be identified. Commodities have been declining for two years due to corresponding setbacks and losses; at the same time, infrastructure investments have gained ground at a very low level. If there are suitable offers, further growth can be expected here.

Hedge funds fared well despite widespread criticism over lack of transparency and high fees. The call for greater access to start-ups seems to have gone (practically) unheeded so far. There was no growth in private equity either. It remains to be seen whether the launch of special funds for institutional investors or the planned promotion of young Swiss businesses through a new category in BVV2 in the form of max. 5 per cent for non-listed Swiss investments will have the desired effect. However, there does not seem to be a lack of effort in this direction.

4 Comparison of actual/target asset allocation

Chart B-5: Comparison of actual/target asset allocation



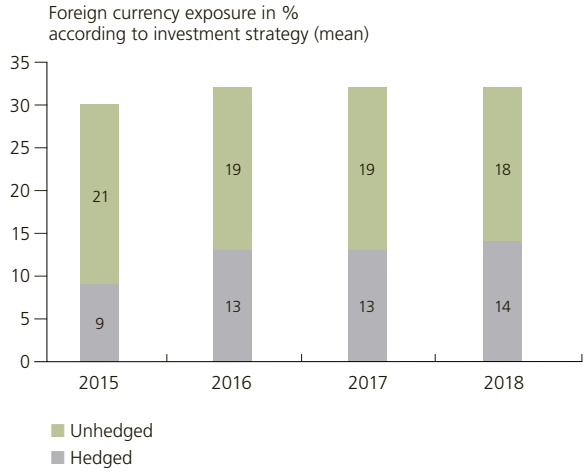
The chart gives an impression of how far the current distribution of invested funds is – or perhaps is not – in line with the targets under the strategies. These are of course averages of very large aggregates, but they give an idea of how pension funds assess the situation.

The generally low variance between the actual and target situation is striking. However, the target preference is for much lower liquidity (3.4 rather than a 5.6 per cent share) in favour of more bonds (around 34 rather than 31 per cent). It seems that despite an unfavourable environment, fixed income investments have still not lost their appeal with pension schemes. However, demand is suffering due to the coupons on offer.

Equities are fairly closely on track, but this is mainly due to the year-end losses. There do not appear to be any grand ambitions for alternative investments, as they are stuck in the mid-single percentage range.

5 Hedging of foreign currency investments

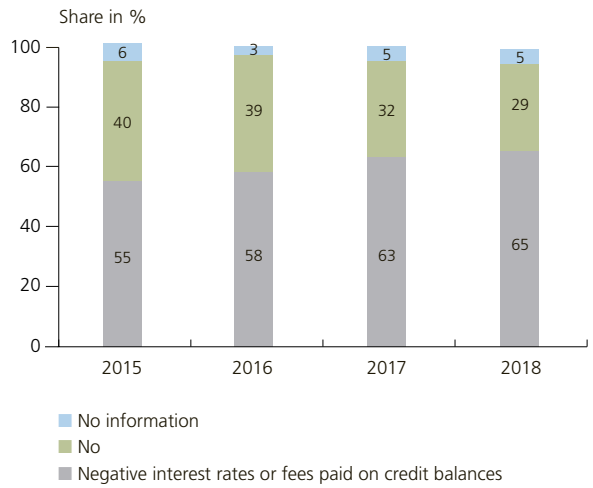
Chart B-6: Strategic foreign currency exposure



Foreign currency exposure was unchanged on the previous year at 32 per cent of all investments. By contrast, the proportion of hedged investments went up slightly at 14 (13) percentage points.

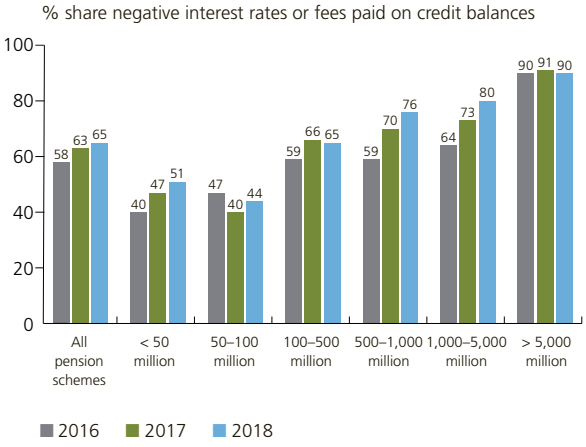
6 Negative interest rates

Chart B-7: Pension schemes affected by negative interest rates 2015–2018



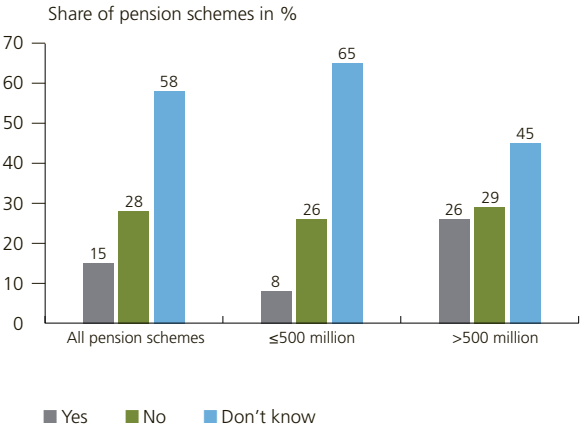
The Swiss National Bank (SNB) has been applying a negative interest rate of –0.75 per cent on deposits for the past four years. The banks are increasingly passing this onto pension funds in various ways. This affects almost two thirds of pension schemes, which means that the proportion has increased slightly once more. Given the pressure on margins at banks, it is expected to increase further.

Chart B-8: Negative interest rates and size of pension fund



The large pension funds, with large amounts of liquidity, are of course affected in particular by the SNB's negative rate regime. This concerns around 90 per cent of pension funds with assets of CHF 5 billion and above. Thanks to special agreements or clever distribution of liquid funds, it seems that some of the largest schemes have managed to remain unscathed. There were sharp increases reported for medium-sized pension schemes with assets of between CHF 500 million and CHF 5 billion. In any event, the gap on the largest ones is closing year by year.

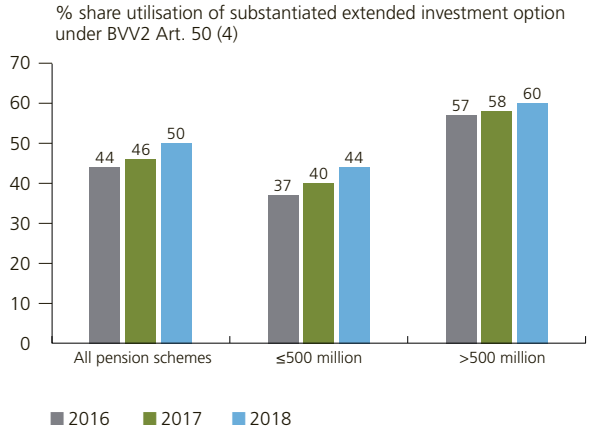
Chart B-9: Negative interest rates, collective investments and size of pension fund



As in the previous year, it must be concluded that pension funds' knowledge about the charges applied to collective investments because of negative interest rates is rather basic. The situation for larger pension funds is somewhat better than those with assets of less than CHF 500 million, but the proportion of respondents who replied "don't know" is also surprisingly high here. It is to be assumed that negative interest rates are applied to most collective investments.

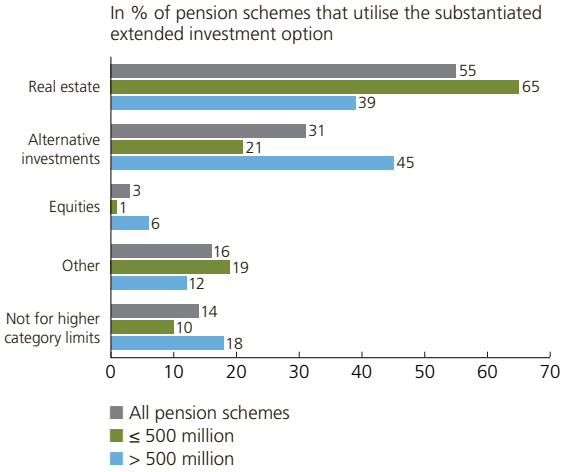
7 Category restriction and substantiated extended investment option

Chart B-10: Utilisation of substantiated extended investment option by size of pension scheme



Under Art. 50 (4) BVV2, pension schemes are given the option of exceeding the given limits of the ordinance through a substantiated extended investment option. They are utilising this option very enthusiastically and to an increasing extent; this is especially the case for most large pension funds, while there is a very marked annual increase in take-up by the smaller funds. Under these conditions, the question arises as to what importance the investment guidelines still have.

Chart B-11: Substantiated extended investment option by investment category



By a wide margin, pension funds most frequently come up against the limits of BVV2 in the real estate investment category. Around two thirds of the substantiated extensions submitted by small pension funds relate to this category. Taking all pension funds together, the total is 55 per cent (previous year 51). For alternative investments, the second-largest category, the total is 31 per cent (previous year 30). The large pension funds are of course active here. Exception requests that do not relate to category restrictions fell back somewhat year on year, down from 17 to 14 per cent overall.

C Performance and interest rates

1 Performance

Chart C-1: Performance values 2009–2018

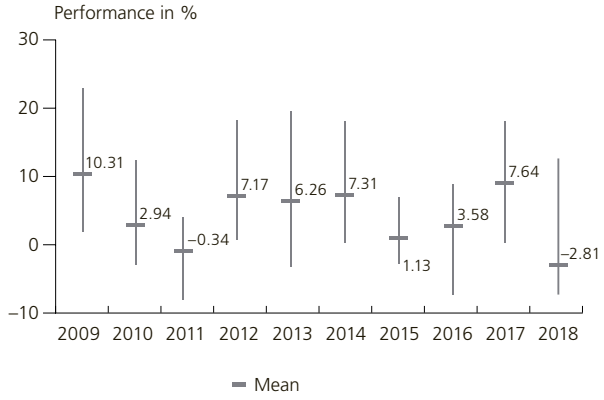
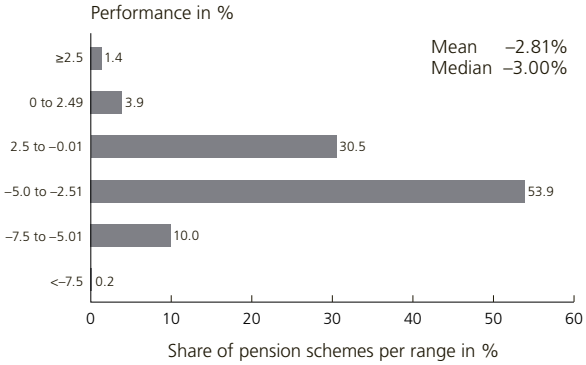


Chart C-1 gives an overview of performance for the last ten years. After an excellent performance in 2017, the year under review ended at a low –2.81 per cent, the worst result since 2008 (–12.6 per cent). The range stretches from a low of –8.16 to a high of plus 11.0 per cent, the latter reported by a pension fund with a real estate share of 43 per cent.

Private sector company pension funds reported an average return of –3.01 per cent and public sector schemes –2.59 per cent.

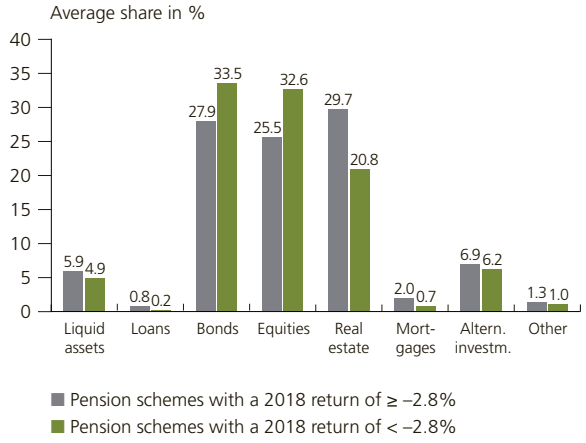
The average value for collective and common pension foundations of private employers was –2.77 per cent. Within this category, market-active pension funds reported a slightly weaker result of –2.89 per cent.

Chart C-2: Distribution of performance 2018



Well over half of study participants reported a performance of between –5.0 and –2.51 per cent, with 10 per cent faring even worse. Only 5 per cent achieved a positive performance. The average was –2.8, the median –3.0 per cent.

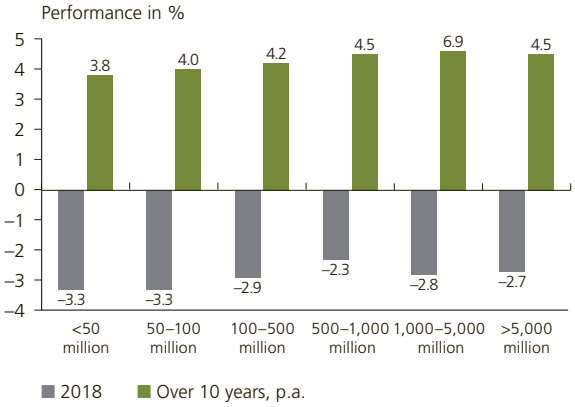
Chart C-3: Performance and asset allocation



The performance achieved in the given market environment is essentially a consequence of asset allocation, i.e., the strategy pursued. This can be seen in a breakdown of the results of pension funds with above- and below-average performances.

Pension funds with a performance below –2.8 per cent (green bar) had on average slightly lower liquid assets, more bonds, more equities and less real estate. The differences are pronounced and plausible, inasmuch as it was principally the collapse on domestic and international stock markets shortly before year-end that weighed very heavily on the annual result. A high equity component in this month proved to be a drag on performance, while real estate investments helped stabilise the results.

Chart C-4: Performance and size of pension fund



There is much discussion about the link between size of pension fund and performance, based on the expectation that economies of scale give large pension schemes an advantage. In-depth analysis shows that relationships are more complex and there is at least no simple linear link.

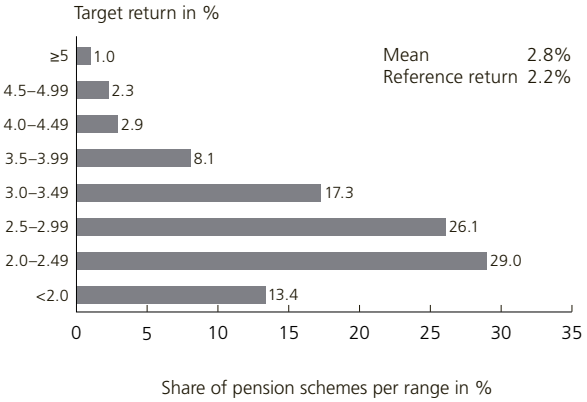
Very small pension funds with assets below CHF 50 million fared much worse than the other funds both in 2018 and over the ten-year period. A critical lower limit seems to have been breached here. From assets upwards of around CHF 500 million, however, differences are less pronounced and pension funds only gain a slight performance advantage from the larger volume. For investment year 2018, there is also no clear link between performance and size for medium-sized to large pension funds with assets upwards of CHF 100 million.

The advantages for large pension funds lie less in the return achieved than in the cost benefits for management.

The annualised return over ten years increased markedly by around 1 percentage point compared to the values in last year's study. The reason for this was the elimination of the poor investment year 2008.

2 Reference and target return

Chart C-5: Long-term target return

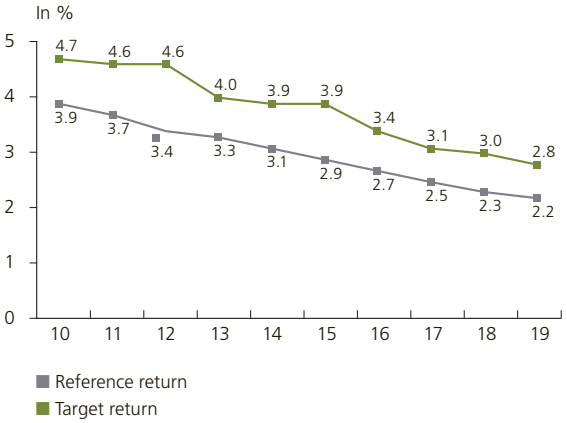


To a certain degree, the reported target return illustrates pension schemes' expectation of capital market performance based on their asset allocation. The calculated mean was 2.8 per cent. It has been falling constantly for the last few years – last year it was still 3.0 per cent. In parallel to this, the distribution is shifting downwards. The most frequently mentioned values last year were between 2.5 and 3.0 per cent, whereas in the current survey, they are between 2.0 to 2.5 per cent.

It is noticeable that 1 per cent of study participants still set themselves an ambitious target return of 5 per cent and above.

Pension funds with private employers gave an average target return of 2.8 per cent, public sector ones 3 per cent.

Chart C-6: Reference and target return since 2010

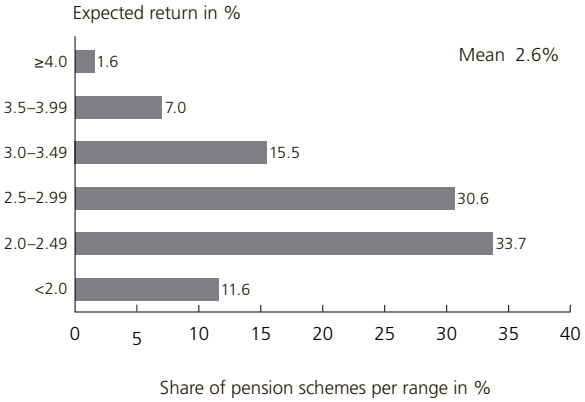


The graph very clearly illustrates the development described in C-5 in the ten-year comparison. What is noticeable is the almost linear decrease in the reference return in the last ten years from 3.9 to 2.2 per cent. The line with the respective information on target return is slightly less smooth. Here the different returns achieved from year to year seem to have an impact on target setting, while the reference return, which is marked more by technical considerations, follows a more stable course.

Nonetheless, the latest value shows that the curve has flattened slightly, but the trend towards 2 per cent is set to continue. It is also striking that the gap between reference and target return has tended to narrow. After reaching values of above 1 percentage point, the gap for the current year is just 0.6 points.

The decreasing reference return is a direct consequence of lower technical interest rates, which indicate a smaller capital return.

Chart C-7: Expected return

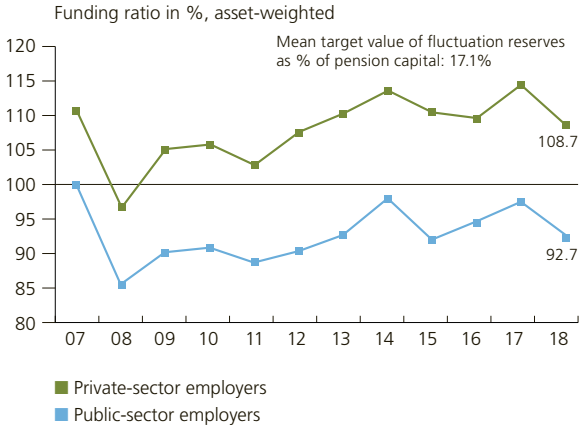


The expected return according to Professional Guideline 4 (FRP4) of the Swiss Chamber of Consulting Actuaries based on the respective investment strategy remains within the long-term target return range, but is rather more pessimistic with a mean of 2.6 per cent. Around 45 per cent of study participants anticipate a return of less than 2.5 per cent. Here there is no significant difference between pension funds with public sector and private sector sponsors, each at 2.6 per cent.

D Funding ratio

1 Funding ratio and change in funding ratio

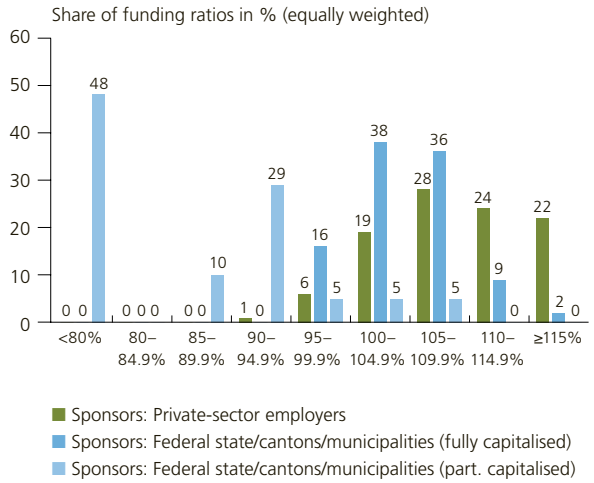
Chart D-1: Change in funding ratio since 2007



The year under review ended with an average funding ratio (asset-weighted) for pension funds with private-sector employers of 108.7 (previous year 114.4) per cent, and for those with public-sector employers of 92.7 (97.5) per cent. The value for the year under review was marked by volatile markets at the turn of the year.

Nevertheless, the picture since the 2008 financial crisis is an attractive one overall. Despite repeated turbulence on the capital markets and a regime of negative interest rates for the past four years, the pension funds of private sector employers have been stable in positive territory. And it is worth stressing again that this is despite a marked fall in technical interest rates from 3.51 per cent in 2009 to the current 1.92 per cent (section E-1).

Chart D-2: Distribution of funding ratios by sponsor

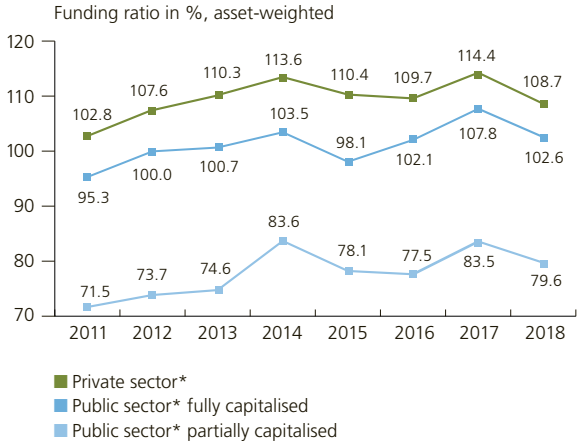


The distribution of funding ratios differs by sponsor (private-sector employer or public-sector employer with and without full capitalisation) and shows marked differences.

The clear leaders with a 93 per cent share with full funding are pension funds with private employers, the worst performers of course being public-sector pension funds with partial capitalisation, only 10 per cent of which are fully funded.

84 per cent of pension funds with public employers and full capitalisation are fully funded. A year ago it was 95 per cent and two years ago 77 per cent. Despite major restructuring efforts over the last few years, public-sector pension funds overall still lack an adequate basis to absorb major turbulence on the capital markets. There is still a substantial difference in the quality of the funding situation.

Chart D-3: Change in funding ratios by sponsor since 2011*

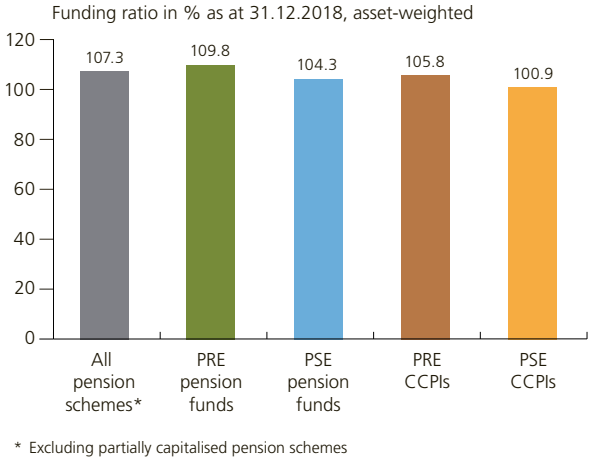


* Legal form of pension scheme until 2013, sponsor of the pension scheme from 2014

Despite the year-end stock market downturn, the pension funds of private-sector employers are still adequately funded. Reserves that were boosted after an excellent 2017 enabled them to absorb the year-end shock relatively well. Pension funds with public-sector employers fared less well, hovering constantly close to the 100 per cent line with their funding ratios in the last few years due to relatively low reserves.

Pension funds with partial capitalisation also had to absorb a significant reduction. On average, these again fell below the 80 per cent mark in their reported funding ratio. Under BVG, the target funding ratio that should be achieved by public-sector pension funds by 2052 at the latest is 80 per cent.

D-4 Asset-weighted funding ratios



* Excluding partially capitalised pension schemes

If the funding ratios are broken down by employer and type of management, the pension funds of private employers (PRE), with an average of 107.3 per cent overall, have an asset-weighted funding ratio of 109.8 and public-sector employers (PSE) have 104.3 per cent. The worst performers are CCPIs of public-sector employers (CCPI PSE) at 100.9 per cent.

Chart D-5: Distribution of funding ratios by type of management, excluding partially capitalised pension schemes

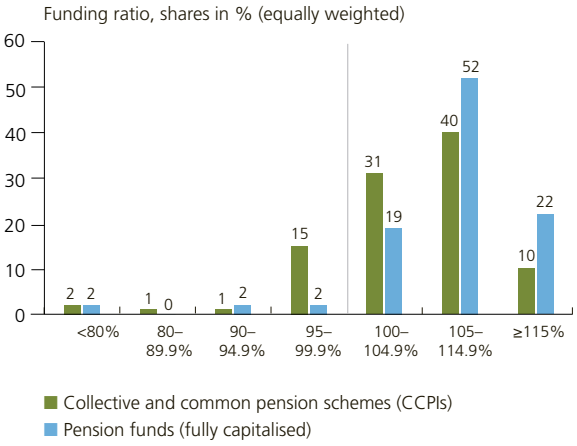
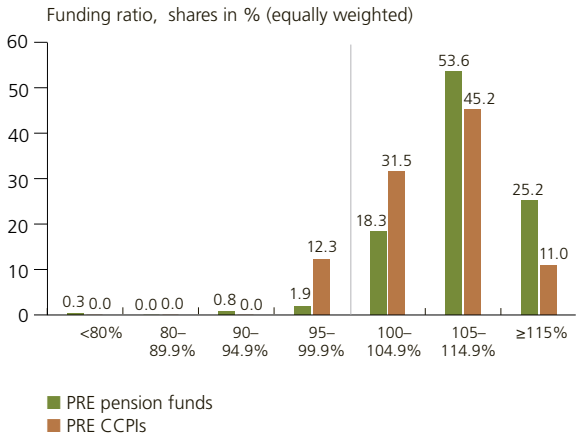


Chart D-5 represents the differences in the funding ratio distribution between fully capitalised pension funds and the collective and common pension schemes segment. The CCPIs have lower values across the board from a funding ratio category of 105 per cent, and 19 (previous year 6) per cent are underfunded.

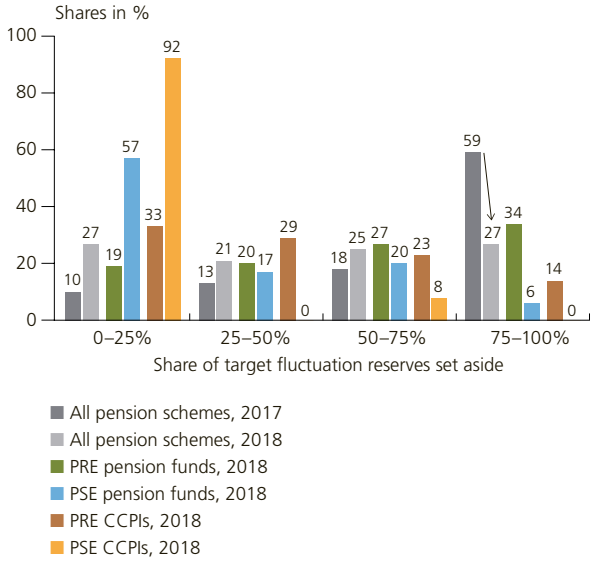
Chart D-6: Distribution of funding ratios of company pension funds and collective and common pension schemes



The distribution of funding ratios for company pension funds of private employers and collective and common pension schemes shows that CCPIs with a funding ratio of 105 per cent are found less frequently. 12 per cent are underfunded compared to close on 3 per cent of company pension funds.

2 Fluctuation reserves

Chart D-7: Change in target fluctuation reserves



The year-end price collapses not only affected funding ratios, but of course fluctuation reserves too. The losses that these falls triggered were considerable. While, for example, 59 per cent of all company pension funds increased their target fluctuation reserves to at least three quarters at the end of 2017, it was only 27 per cent at the end of last year. For company pension funds, the share was still 34 per cent and for public-sector pension funds 6 per cent. The value for collective and common pension foundations was 14 per cent.

At the other end, the proportion of pension funds with less than one quarter of the target rose accordingly, standing at 27 per cent, following 10 per cent in the previous year.

A value of at least 75 per cent is important for collective pension foundations, as under Art. 46 BVV2, it gives them the freedom to apply an interest rate to retirement assets above their technical interest rate, i. e., above the reference rate of the Swiss Chamber of Consulting Actuaries (FRP 4). This forms the upper limit if the target fluctuation reserves are lower.

E Technical interest rate and interest return

1 Technical interest rate – status and change

Chart E-1: Change in the average technical interest rate in defined contribution plans since 2009

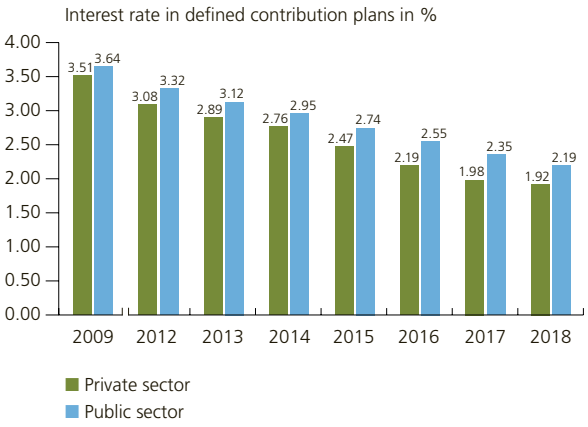


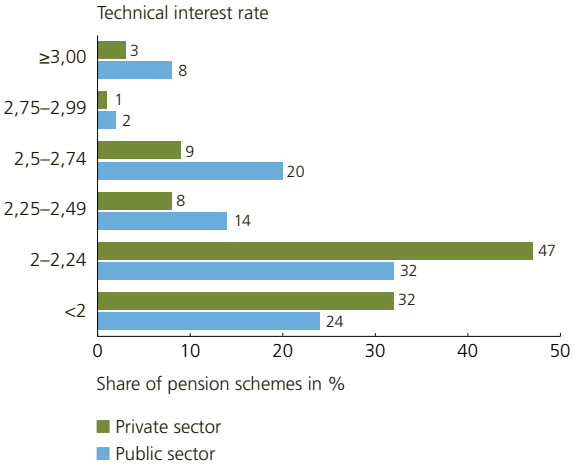
Chart E-1 very clearly shows the change in parameters of the past ten years (since 2009) using the technical interest rates in defined contribution plans. This change shows a continual downward trend, namely around 3.5 per cent for private pension funds and 3.6 per cent for public-sector ones to the current average of 1.9 and 2.2 per cent respectively. This is a decrease of over 40 per cent within just nine years. The technical interest rate for market-active CCPIs is 2.1 per cent.

In defined benefit plans, the values for private sector pension schemes are 1.58 per cent and still a considerable 2.41 per cent for public sector ones.

It is notable that despite the applicable benefits guarantee for promised pensions, pension funds have managed to maintain financial stability. Promised pensions are of course based on conversion rates that are geared towards the respective technical interest rate and can only be reduced under very restrictive conditions.

At the same time, it is no surprise that despite higher contributions the benefits level dropped overall. In the medium to long term, it is impossible to stabilise pensions through higher contributions alone. Serious thought should therefore be given to raising the retirement age, not least in view of the AHV's vulnerable finances.

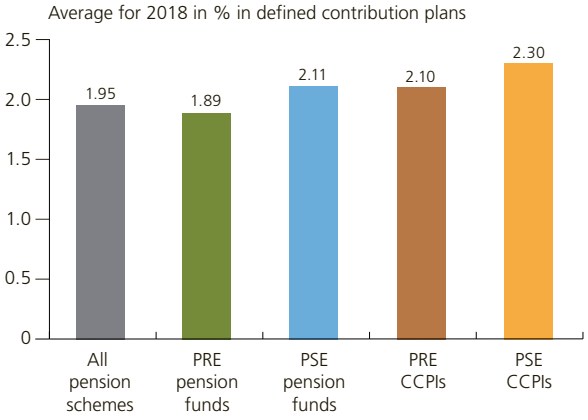
Chart E-2: Distribution of technical interest rates in pension funds in defined contribution plans



The proportion of pension schemes with technical interest rates below 2 per cent rose again. This currently stands at 32 per cent for private pension schemes and 24 per cent for public sector ones. In the previous year, the proportions were 28 per cent and 17 per cent respectively. The speed of this change can be seen from the fact that as recently as 2016, only 4 per cent of public-sector pension funds reported a rate of less than 2 per cent. At the same time, there are only a few pension funds in both categories with interest rates above 2¾ per cent.

Extreme values reported by private-sector pension funds were 0 per cent and 4 per cent as a maximum. The corresponding ratios for public-sector funds were 1 per cent and 5.85 per cent.

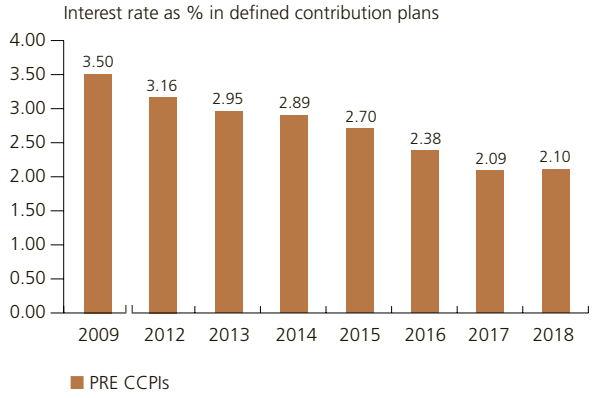
Chart E-3: Technical interest rates by pension fund category with defined contribution plans



In the context of the current discussions about the position and security of collective pension foundations, it is useful to examine their technical interest rates, which in turn give an indication of the respective conversion rates. The matter is of interest, as based on plausible assumptions, it is surmised that market-active collective pension foundations are tending towards higher conversion rates and technical interest rates.

The results of the survey contradict this conclusion, at least in part. The collective and common pension schemes of public-sector employers (PSE) showed the highest values by a wide margin compared with those with private employers (2.3 against 2.1 per cent). Company pension funds with private employers recorded the lowest value (1.89 per cent).

Chart E-4: Change in technical interest rate for CCPIs with private employers



The change in technical interest rates for private CCPIs (PRE) largely corresponds to that of other pension funds. What is striking is the small 0.1 percentage point increase between 2017 and 2018, which may be related to changes in the sample.

For market-active CCPIs, the ratios fell from 3.50 in 2009 to 2.09 per cent, in other words largely identical to all CCPIs with private sponsors.

2 Interest return on retirement assets

Chart E-5: Distribution of interest return on retirement assets in 2018 by legal form

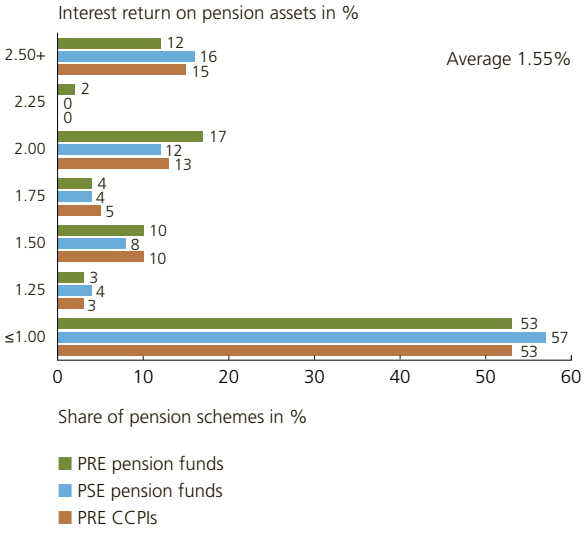
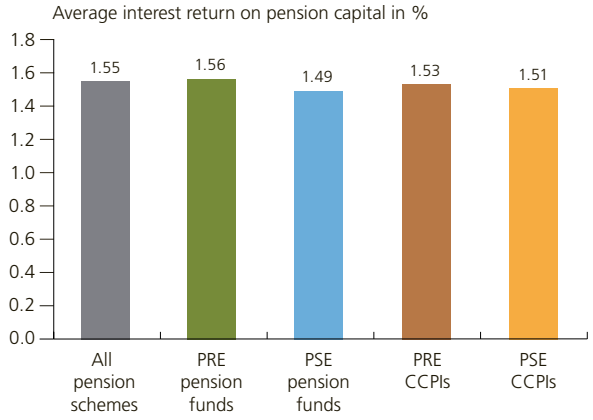


Chart E-5 leaves no doubt about the distribution of interest rates for retirement assets. Well over half of private- and public-sector pension funds applied an interest rate of 1 per cent or less in the year under review. The minimum interest rate prescribed by the Federal Council for the year under review was also 1 per cent.

Pension funds applying more than 1 per cent do not follow any discernible pattern. They are seemingly spread at random with values up to and above 2.5 per cent. Pension funds with the highest reported values were those with a funding ratio of 110 per cent on average and technical interest rates of 1.93 per cent.

22 participants reported a value of less than 1 per cent, 10 of them 0 per cent, the remainder 0.25 per cent.

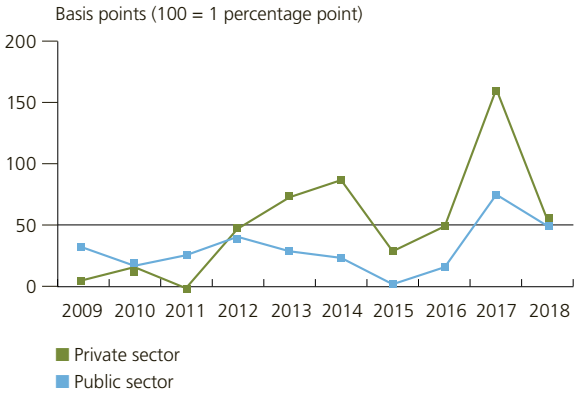
Chart E-6: Interest return on retirement assets



The average interest return on retirement assets across all pension funds was 1.55 per cent, the average rate for private schemes was somewhat higher than for public-sector ones, and there was an almost identical situation for private collective and common pension foundations.

But above all, it is striking how close the values for the various categories of pension fund are to each other.

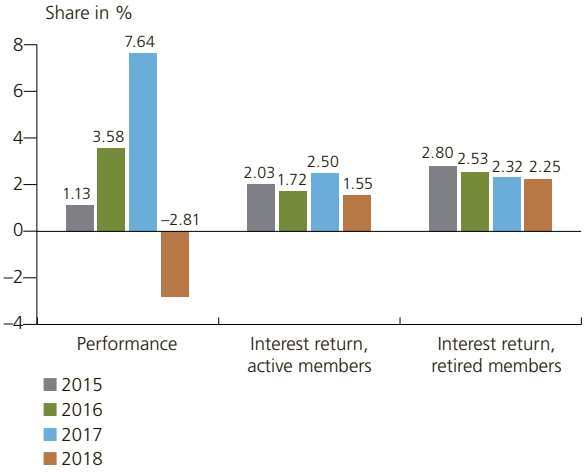
Chart E-7: Difference between the average interest return on retirement assets and BVG minimum interest rate by legal form since 2009



During the last ten years, the interest return in private-sector pension funds was largely higher than that of public-sector ones. This can be seen in the chart in the difference with the respective minimum interest return. The values became very close to each other for 2018. The interest return in private pension schemes was on average 50 basis points higher than the BVG minimum rate. This value is 33 basis points for public-sector schemes.

The values from 2011 are not comparable with those in last year's study.

Chart E-8: Interest return and performance



As a result of the minimum conversion rate being excessively high in technical terms, active insured members have for years had to accept lower interest return on their retirement assets compared with that applied to pensioners.

After assets exceptionally benefited from a higher interest return in 2017 due to outstanding performance, the situation in 2018 reverted to the old pattern as expected. While active insured members were credited with around 1.55 per cent on average, pensioners enjoyed 2.25 per cent. The difference is an expression of the ongoing shift between beneficiaries.

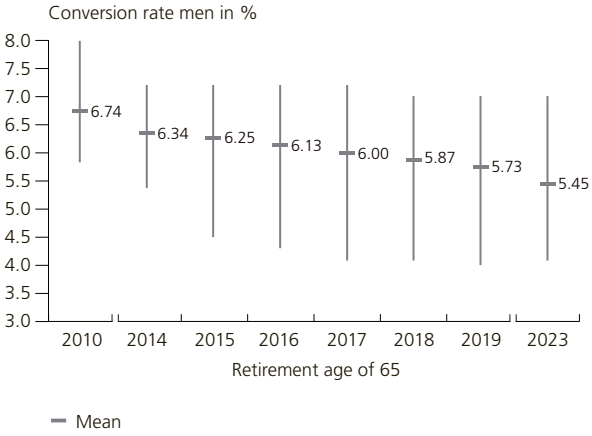
As can be seen, the interest return on pensioners' capital (section F-1) has been constantly falling due to the constant reduction in conversion rates, decreasing from 3.52 per cent in 2009 to the current 2.25 per cent.

It should be borne in mind that in this context, the respective interest return for active insured members and the minimum interest rate flexibly follow the conditions on capital markets and the Federal Council's ordinance. By contrast, the applicable interest return defined on retirement on the basis of the applicable conversion rate is set in stone for the whole period that the pension is drawn, regardless of what happens on the capital markets and of any inflation.

F Conversion rate and other actuarial calculations

1 Conversion rate

Chart F-1: Change in conversion rate



The conversion rate, which is closely linked to the technical rate, has been following a parallel course to the technical rate over the years. In both cases, we see the curve falling to the right over time. The oldest reflected value here refers to 2010 with 6.74 per cent on average for men. This is followed by ten years of constantly falling values until the current 5.73 per cent. The value expected by study participants for 2023 is 5.45 per cent, which would represent a slightly less steep course in future. This is probably based on rather optimistic assumptions.

An impression of the consequence of this change can easily be gleaned from the difference in percentage points over 10 years (around 1 percentage point) and 5 years (0.5 percentage points) with reference to the effect on benefits. A 1 percentage point lower conversion rate (6.45 to 5.45 per cent) results in an average loss of around 16 per cent for pensions.

Table F-1: Conversion rate all-inclusive pensions for men and women

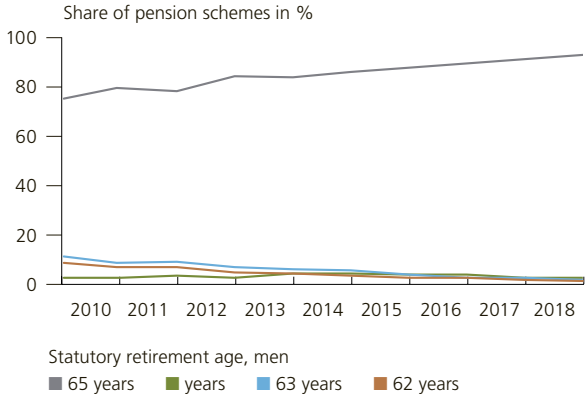
Gender	Reference year	Minimum	Maximum	Mean	Median	# PF
Rate for men at retirement age 65 (defined contribution plans)	2019	4.00%	7.00%	5.73%	5.70%	452
Rate for women at retirement age 64 (defined contribution plans)	2019	4.00%	7.00%	5.67%	5.65%	451

The credit principle allows all-inclusive pension funds which insure mandatory and supplementary benefits to reduce their conversion rates to significantly below the statutory minimum conversion rate, provided the statutory minimum insurance is guaranteed overall. This mechanism also underlies the established current median of 5.70 per cent (previous year 5.88) for men in defined contribution plans, although the statutory minimum rate has been unchanged since 2005 at 6.8 per cent. For women, the value at retirement age 64 is 5.65 (5.80) per cent.

The lowest value established for men and women was 4.0 per cent, the maximum 7.0 per cent.

2 Standard retirement age men

Chart F-2: Change in standard retirement age (reference age) men

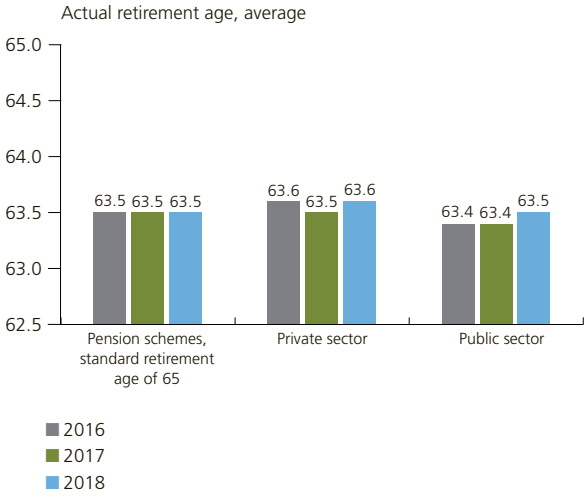


The rise observed for some considerable time in the regulatory retirement age to achieve the benefits target has continued. Around 93 per cent of participating pension funds have set this at 65 years for men; there were few instances of lower ages.

Chart F-3: Change in standard retirement age (reference age) women

The conditions for regulatory retirement are different for women compared to men. Age 65, the predominant retirement age for men, only applies to a minority of 36 per cent; age 64 in line with AHV clearly dominates at 60 per cent. But the chart suggests that a change is happening. Age 64 is beginning to lose ground somewhat in favour of age 65.

Chart F-4: Change in actual retirement age men



The distinction between private-sector and public-sector pension funds shows that there continues to be a difference in the actual retirement age, but the differences are minimal and not very informative. It is clear that men actually retire on average between ages 63 and 64, with no trend established in the last three years.

Chart F-5: Change in date of retirement

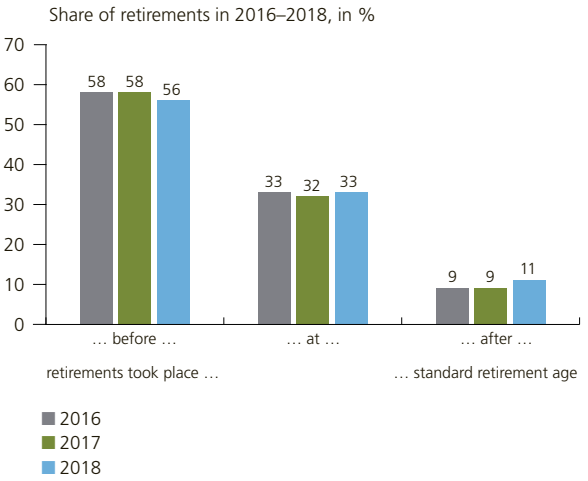
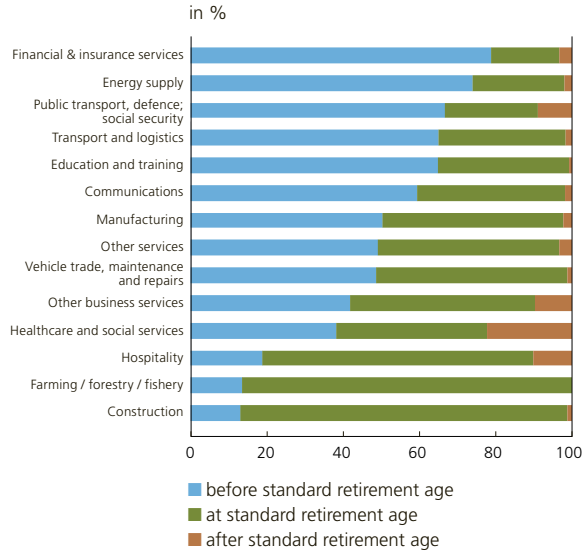


Chart F-5 shows that the majority of insured members retire before the standard retirement age. Around 11 per cent continue working, and for one third, regulatory retirement age and retirement coincide.

This information for 2018 is based on 20,485 people who retired.

Chart F-6: Timing of retirement by economic sector as percentage



Basis: 20,465 retirements in 2018

Is there a link between economic sector and actual timing of retirement? It is noticeable that there are considerable differences by sector, which are shown in the proportion of early retirement cases (blue).

The fact that the financial sector (902 retirements) comes out on top at 79 per cent of early retirements indicates that there is a clear trend towards early retirement in sectors with above-average salaries and good pension solutions.

The building sector (805 retirements), which had the lowest share at 13 per cent, is a special case, as thanks to the FAR Foundation, early retirement at age 60 is based on bridging benefits in the collective bargaining agreement.

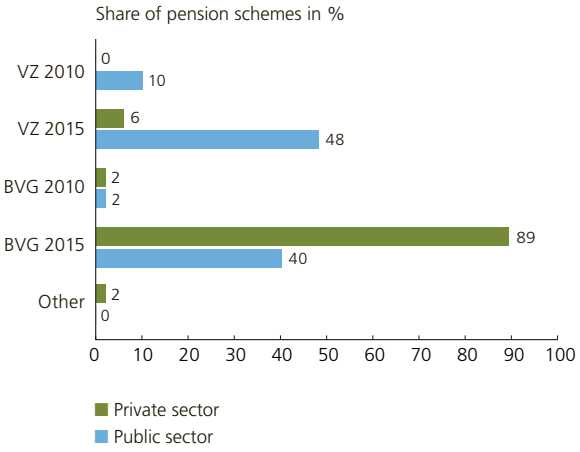
The picture is different in the catering industry, where there is a very low proportion of early retirements. It is safe to assume that the desire to take early retirement does not differ significantly in the catering industry compared with the banking and insurance sector but is probably even more pronounced. However, less generous pension arrangements stand in the way of people doing so.

The presumption is strengthened by the survey of the Federal Statistical Office (FSO) on the level of new pensions, which shows higher amounts for those taking early retirement compared with those who retire at the standard age.

The chart only lists those sectors that gave a minimum number of retirements (40).

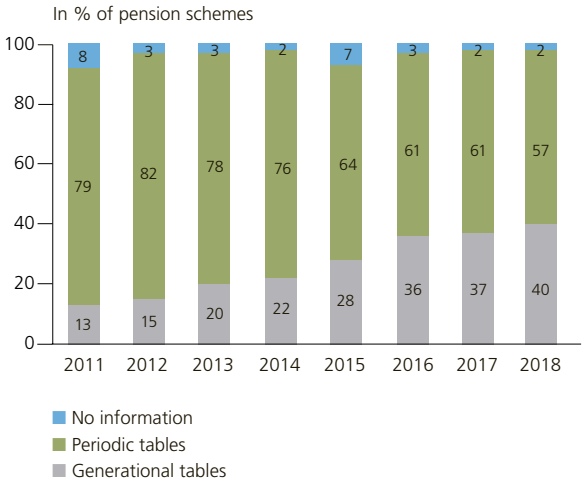
3 Technical principles

Chart F-7: Principles applied by legal form



The technical principles applied by pension funds are almost exclusively those of the BVG and official actuarial charts; based on their respective databases, the BVG tables are preferred by private-sector pension funds, whereas actuarial charts are preferred by public-sector funds. The results for 2018 again confirm this.

Chart F-8: Use of periodic and generational tables



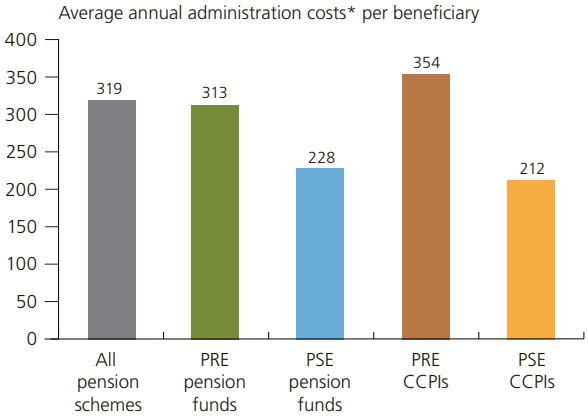
Generational tables are increasingly being used by the participating pension funds. Within eight years, the proportion has risen from 13 to 40 per cent and, if this development continues, it can be assumed that generational tables will soon be used by the majority of pension funds.

It seems that after a phase with rather restrained development, the change is now taking place on a broad basis and at increasing speed. As the change is determined crucially by the respective pension fund experts, it looks as if there has been a rethink here.

G Management and investment costs

1 General management costs

Chart G-1: Distribution of annual management costs by beneficiary and legal form



* General management, marketing, agent and broker activity, audit / experts / supervision

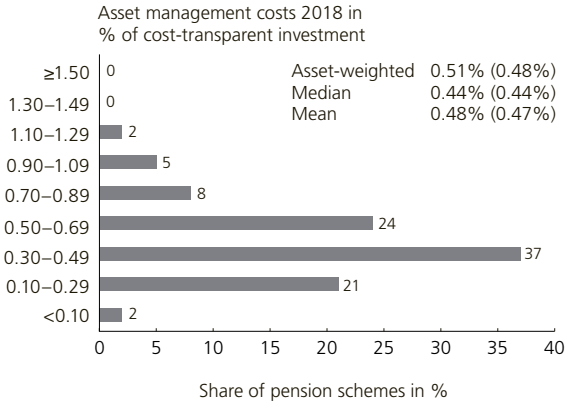
The management costs per beneficiary show a very broad spread in the classification by pension fund type. The average of all pension funds stands at CHF 319 (previous year CHF 341), with the lowest average value of CHF 228 (CHF 244) given by pension funds of public-sector employers, and the highest of CHF 354* (median: CHF 337) by private collective and common pension schemes. The figure for company pension funds with private employers comes out at CHF 313 (CHF 346). Overall, there were large falls compared to the previous year.

The level of costs is largely a function of the size and structure of the pension funds. The participating pension funds of the Confederation, cantons and municipalities with an average of 10,240 insured members report by far the highest figure, which offers significant efficiency benefits. By contrast, pension funds with private employers insure a much lower number of beneficiaries (2,836).

We see a different situation again in private collective pension foundations, which normally comprise a number of affiliated pension schemes with different kinds of plan, making execution difficult and causing corresponding costs.

2 Asset management costs

Chart G-2: Distribution of asset management costs 2018 in % of cost-transparent investments



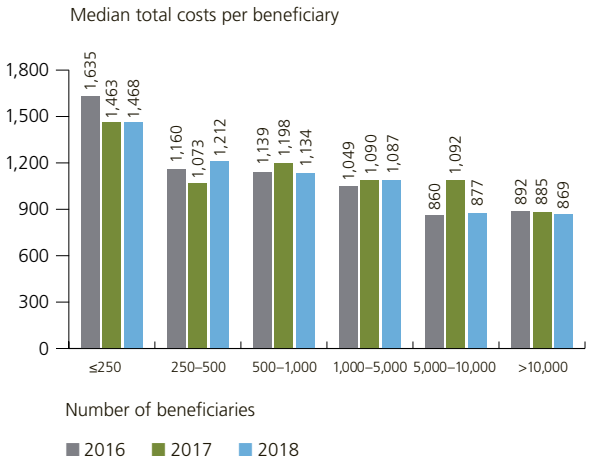
On an asset-weighted basis, asset management costs amount to 0.51 per cent (previous year 0.48) of cost-transparent investments. This means that the reduction seen in the past has come to an end. The mean is 0.48 (0.47) per cent and the median 0.44 (0.44) per cent.

The rise in asset-weighted costs can be explained by the price-driven reduction in assets with simultaneously unchanged costs.

Since the introduction of the cost transparency ratio, this has increased from an average of 97 per cent in 2013 to 99 per cent in 2016 and has been unchanged since 2017 at 99.2 per cent.

3 Total management costs

Chart G-3: Total costs per beneficiary



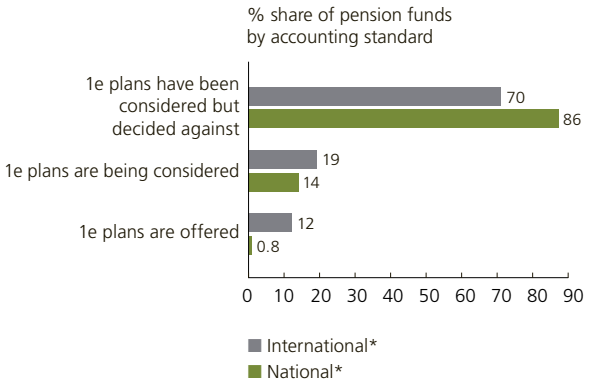
The classification of total management costs – comprising general costs and asset management costs – shows a familiar picture across the various size categories. Economies of scale can be seen immediately, but are reduced with increasing numbers of insured members. They are at their highest in the small and medium-sized pension funds, but from around 5,000 insured members, they are only minimal, at least according to the latest results.

No consistent trend can be identified over the course of time. There were reductions in some categories (smallest pension funds below 250 or very large pension funds with at least 10,000 insured members), while erratic movements were reported, for example in the case of pension schemes with between 5,000 and 10,000 beneficiaries, which we put down to differences in the sample.

H Derisking

1 1e plans

Chart H-1: Status 1e plans 2019



* Accounting standard at employer company

The survey shows that there has definitely not been a breakthrough with 1e plans. The majority of pension funds stated that they had considered these plans, but had decided that for the moment at least, they would not be introducing them.

In a widespread assessment, pension funds interested in these plans were mainly those of companies that report under international accounting standards (IAS). The survey shows that even for pension funds of companies reporting under ARR standards, there was at least interest. Nonetheless, all the schemes offering 1e plans were companies reporting under IAS.

I Details on the survey

1 Number and composition of participants

Table I-1: Study participants by legal form, assets, number of beneficiaries

	Pension funds		Collective/common pension schemes CPI)		
Sponsor of pension scheme	**PRE**	**PSE**	**PRE**	**PSE**	**Total***
Number of pension schemes	385	54	74	14	531
Pension fund assets billions	314	130	124	89	660
Active insured members in thousands	737	380	1,547	203	2,905
Number of pensioners in thousands	356	172	212	113	860
Total insured members in thousands	1,092	553	1,759	316	3,765
Pension capital active insured members	49%	47%	75%	47%	54%
– of which retirement assets under BVG	45%	43%	53%	36%	45%
Pension capital pension recipients	51%	53%	25%	53%	46%

PRE: Sponsor private-sector company
PSE: Sponsor public-sector institution

* including pension schemes without any indication of the sponsor

The 2019 survey attracted 531 participating pension schemes, which almost matched the record 535 respondents last year. Given the lower number of pension funds, the proportion of participants in the overall number was even slightly higher.

Recorded pension fund assets stood at CHF 660 (previous year 680) billion, which is slightly lower due to the price slumps at the end of 2018.

439 pension funds or closed collective pension foundations accounted for CHF 444 billion, 40 open common pension foundations CHF 93 billion and the 49 collective pension foundations CHF 120 billion.

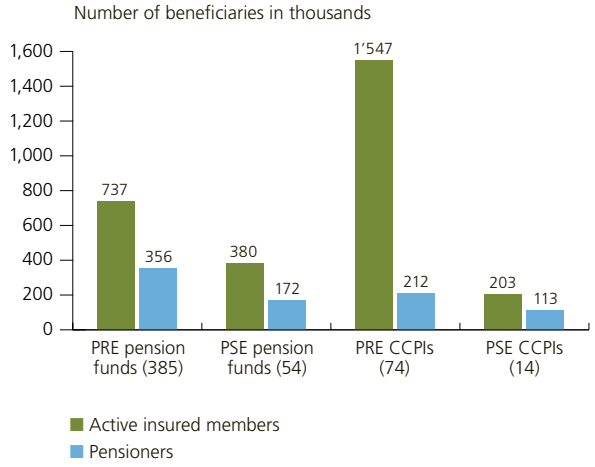
The total number of beneficiaries in all pension funds is 3.77 (4.1) million, of which 2.9 (3.2) million are active insured members and 0.86 million pensioners. Of these, collective pension foundations account for 2.1 million or 55 per cent of all beneficiaries.

For the first time, we have reported separately the information from collective and common pension schemes (CCPI) that are active on the market (in competition). The definition is based on reported broker and marketing costs.

They boast 1.56 million active insured members and 0.21 million pensioners. As such, they account for 47 per cent of all recorded beneficiaries, which is highly significant for this category.

85 per cent of all insured members belong to pension funds with assets of at least CHF 1 billion.

Chart I-1: Active insured members and pensioners by pension fund category



There are substantial differences in the ratio of active insured members to pensioners across the various categories of pension fund. It is particularly noticeable that the collective and common pension schemes of private employers have a much lower proportion of pensioners compared to all other categories. Looking at the total of all pension schemes taking part in the survey, the proportion of pensioners out of the total number of beneficiaries is 23 per cent, for private pension funds 32 and public-sector ones 31 per cent. However, it is only 14 per cent for CCPI with private sponsors, while at 35 per cent, the other CCPIs were marginally higher than the values for private- and public-sector pension funds.

The low percentage in private CCPIs reflects the younger average age of the workforce of affiliated companies as well as the higher share of capital withdrawals from retirement benefits.

Survey participants

Aargauische Pensionskasse
Agrisano Pencas
ALDI SUISSE Pensionskasse
Allgemeine Pensionskasse der SAirGroup
Alters-, Invaliden- und Hinterbliebenen-Fonds der Kalkfabrik Netstal AG
ALVOSO LLB Pensionskasse
Angestellten-Pensionskasse Bucher Schweiz
Arbonia Vorsorge
Ascaro Vorsorgestiftung
ASGA Pensionskasse Genossenschaft
Bâloise-Sammelstiftung für die ausserobligatorische berufliche Vorsorge
Bâloise-Sammelstiftung für die obligatorische berufliche Vorsorge
Basellandschaftliche Pensionskasse
Bernische Lehrerversicherungskasse BLVK
Biral-Personalvorsorgestiftung
BVG Sammelstiftung Swiss Life
BVG-Stiftung der SV Group
BVG-Stiftung Handel Schweiz
Caisse de pension de la Société suisse de pharmacie
Caisse de pension de l'EVAM
Caisse de pension du Comité International de la Croix-Rouge
Caisse de pension Parker Hannifin Suisse
Caisse de pensions de Bobst Mex SA
Caisse de Pensions de la BCV
Caisse de pensions de la Commune de Lausanne (CPCL)
Caisse de Pensions de la Fédération Internationale de la Croix-Rouge et du Croissant-Rouge
Caisse de pensions de la République et Canton du Jura
Caisse de Pensions de l'État de Vaud
Caisse de pensions de ROLEX SA et de sociétés affiliées
Caisse de pensions du Centre Suisse d'Electronique et de Microtechnique S.A. – CSEM Recherche et Développement
Caisse de pensions du Groupe Eldora
Caisse de pensions du Personnel de la Ville de Carouge
Caisse de Pensions Isover
Caisse de pensions Swatch Group (CPK)
Caisse de prévoyance de la Construction
Caisse de prévoyance du personnel de la Banque Cantonale de Fribourg
Caisse de prévoyance du personnel de la Ville de Fribourg
Caisse de prévoyance du personnel État de Fribourg
Caisse de Retraite en faveur du personnel du Groupe SICPA en Suisse
Caisse de retraite et de prévoyance du personnel de la Banque Cantonale du Valais
Caisse de retraite professionnelle de l'industrie vaudoise de la construction
Caisse Intercommunale de Pensions
Caisse paritaire de prévoyance de l'industrie et de la construction CPPIC
CAP Prévoyance
Capav
CAPREVI, PRÉVOYANCE CATERPILLAR
Cassa Pensioni di Lugano
CIEPP Caisse Inter-Entreprises de Prévoyance Professionnelle
Clariant-Pensionsstiftung
comPlan
CoOpera Sammelstiftung PUK
CPEG
CPP – Caisse de Pensions
CPVAL
EMMI VORSORGESTIFTUNG
Fondation banque cantonale vaudoise deuxième pilier
Fondation complémentaire Isover
Fondation de prévoyance Aon Hewitt
Fondation de Prévoyance des Paroisses et Institutions Catholiques
Fondation de prévoyance du Groupe Assura
FONDATION DE PRÉVOYANCE DU GROUPE BNP PARIBAS EN SUISSE
Fondation de prévoyance du personnel du groupe CIO
Fondation de prévoyance en faveur du personnel de la société RAYMOND WEIL
Fondation de prévoyance en faveur du personnel des Sociétés Liebherr en Suisse
Fondation de prévoyance LPP en faveur du personnel de Siegfried Évionnaz SA et des entreprises apparentées
Fondation de prévoyance Romande Énergie
Fondation de prévoyance SGS
Fondation LPP de TESA Sarl
Fondation LPP Vibro-Meter
Fondation rurale de prévoyance
Fonds de prévoyance de PROTECTAS SA et sociétés apparentées
Fonds de prévoyance des employés de la ville de Delémont de la ville de Delémont FRED
Fonds de prévoyance du Centre Patronal
Fonds de prévoyance en faveur du personnel de la Banque Cantonale du Jura
Fonds de prévoyance en faveur du personnel de l'Association St-Camille
Fonds de prévoyance en faveur du personnel du Groupe SICPA en Suisse
Fonds en faveur du personnel de la société Payot
Fürsorgestiftung der Johann Müller AG
FUTURA Vorsorgestiftung
GaleniCare Personalvorsorgestiftung
GastroSocial Pensionskasse
Gemeinschaftsstiftung der Geberit Gruppe
Gemeinschaftsstiftung der Zellweger Luwa AG
Gewerbepensionskasse
Glarner Pensionskasse
Goodchild Graham
Groupe Mutuel Prévoyance
Hapimag Pensionskasse
Hess-Honegger Personalvorsorgestiftung für die Embru-Werke
HIAG Pensionskasse
Hilti Pensionskasse
IKEA Personalvorsorgestiftung
inVor Vorsorgeeinrichtung Industrie
Istituto di Previdenza del Cantone Ticino
JTI Swiss Pension Fund

Kaderversicherung der SAirGroup
Kadervorsorge der Kobag Holding AG
La Collective de Prévoyance – Copré
Leica Pensionskasse
Loyalis BVG-Sammelstiftung
LUPK Luzerner Pensionskasse
Luzerner Gemeindepersonalkasse
Mauritius Pensionskasse
Merck Serono Pension Fund
Metron-Stiftung für Personalvorsorge
Mettler-Toledo Pensionskasse
MPK Migros-Pensionskasse
Pension Fund GF Machining Solutions
Pensions- und Sparkasse der Securitas Gruppe
Pensionsfonds der Shell (Switzerland)
Pensionsfonds Gruppe GastroSuisse
Pensionskasse ALCAN Schweiz Geschäftsstelle Swiss Life Pension Services AG
Pensionskasse AR
Pensionskasse Basel-Stadt
Pensionskasse Berner Notariat und Advokatur
Pensionskasse BonAssistus
Pensionskasse Bosch Schweiz
Pensionskasse BRUGG
Pensionskasse Bucherer AG
Pensionskasse Bühler AG Uzwil
Pensionskasse Caritas
Pensionskasse Conzzeta
Pensionskasse Coop CPV/CAP
Pensionskasse Denner
Pensionskasse der 3M Firmen in der Schweiz
Pensionskasse der Alcatel-Lucent Schweiz AG
Pensionskasse der ALSO
Pensionskasse der Antalis AG
Pensionskasse der AZ Medien Gruppe
Pensionskasse der Bank Vontobel AG
Pensionskasse der BASF Gruppe Schweiz, I
Pensionskasse der BASF Gruppe Schweiz, II
Pensionskasse der Basler Kantonalbank
Pensionskasse der BEKB | BCBE
Pensionskasse der Berner Versicherung-Gruppe
Pensionskasse der Bernischen Kraftwerke
Pensionskasse der C&A Gruppe
Pensionskasse der christkatholischen und evangelisch-reformierten Pfarrer des Kantons Solothurn
Pensionskasse der Colgate-Palmolive Gruppe Schweiz
Pensionskasse der CONCORDIA Schweizerische Kranken- und Unfallversicherung AG
Pensionskasse der Credit Suisse Group (Schweiz)
Pensionskasse der Dätwyler Holding AG
Pensionskasse der ehemaligen Asklia-Gruppe
Pensionskasse der Electrolux Gruppe Schweiz
Pensionskasse der Elektro-Material AG
Pensionskasse der Ernst Schweizer AG
Pensionskasse der F. Hoffmann-La Roche AG
Pensionskasse der Firma L. Kellenberger & Co. AG
Pensionskasse der Gemeinde Emmen
Pensionskasse der Gemeinde St. Moritz
Pensionskasse der Generali Versicherungen
Pensionskasse der GWF MessSysteme AG
Pensionskasse der Helvetia Versicherungen
Pensionskasse der Hewlett-Packard Gesellschaften in der Schweiz
Pensionskasse der HG COMMERCIALE
Pensionskasse der ISS Schweiz
Pensionskasse der Julius Bär Gruppe
Pensionskasse der JURA-Holding
Pensionskasse der Kimberly-Clark GmbH
Pensionskasse der Loeb AG
Pensionskasse der Luzerner Kantonalbank
Pensionskasse der NZZ-Mediengruppe
Pensionskasse der Orior Gruppe
Pensionskasse der Pilatus Flugzeugwerke AG
Pensionskasse der PricewaterhouseCoopers
Pensionskasse der Sanitas Troesch-Gruppe
Pensionskasse der Schlagenhauf Gruppe
Pensionskasse der Schlatter Gruppe
Pensionskasse der Schweizer Paraplegiker-Gruppe Nottwil
Pensionskasse der Schweizerischen Epilepsie-Stiftung
Pensionskasse der Schweizerischen Hagel-Versicherungs-Gesellschaft
Pensionskasse der Siemens-Gesellschaften in der Schweiz
Pensionskasse der SKF (Schweiz)
Pensionskasse der Stadt Amriswil
Pensionskasse der Stadt Arbon
Pensionskasse der Stadt Frauenfeld
Pensionskasse der Stadt Rheinfelden
Pensionskasse der Stadt Winterthur
Pensionskasse der Stadt Zug
Pensionskasse der Stahl Gerlafingen AG
Pensionskasse der Technischen Verbände SIA STV BSA FSAI USIC
Pensionskasse der Trisa
Pensionskasse der T-Systems Schweiz AG
Pensionskasse der UBS
Pensionskasse der Weidmann Unternehmen
Pensionskasse der Zuger Kantonalbank
Pensionskasse der Zürcher Kantonalbank
Pensionskasse der Zürich Versicherungs-Gruppe
Pensionskasse des Bundes PUBLICA
Pensionskasse des Kantons Nidwalden
Pensionskasse des Kantons Schwyz
Pensionskasse des Opernhauses Zürich
Pensionskasse des Schweizerischen Bauernverbandes
Pensionskasse des Spitals Region Oberaargau (PK SRO)
Pensionskasse DHL Schweiz
Pensionskasse Diakonat Bethesda Basel

Pensionskasse dormakaba
Pensionskasse EBM
Pensionskasse Eternit
Pensionskasse Evangelisches Gemeinschaftswerk
Pensionskasse fenaco
Pensionskasse Fiege Schweiz
Pensionskasse Franke
Pensionskasse Freelance der Gewerkschaft syndicom
Pensionskasse Frutiger
Pensionskasse für Angestellte der römisch-katholischen Kirchgemeinden des Kantons Zürich
Pensionskasse für die AXA Schweiz
Pensionskasse für die Mitarbeitenden der Gruppe Mobiliar
Pensionskasse Gemeinde Weinfelden
Pensionskasse General Electric Schweiz
Pensionskasse Georg Fischer
Pensionskasse Gilgen Door Systems
Pensionskasse Graubünden
Pensionskasse HACO
Pensionskasse Heineken Switzerland
Pensionskasse Johnson & Johnson Schweiz
Pensionskasse JUMBO
Pensionskasse Kaminfeger
Pensionskasse Kanton Solothurn
Pensionskasse Kern & Co. AG
Pensionskasse LANDI
Pensionskasse Manor
Pensionskasse Merck & Cie
Pensionskasse Novartis 1
Pensionskasse Plüss-Staufer
Pensionskasse Post
Pensionskasse Rheinmetall
Pensionskasse Römisch-Katholische Landeskirche des Kantons Luzern
Pensionskasse SBB
Pensionskasse Schaffhausen
Pensionskasse Schweizer Zucker
Pensionskasse Schweizerischer Anwaltsverband
Pensionskasse Sefar AG
Pensionskasse SHP
Pensionskasse SIB
Pensionskasse Siegfried
Pensionskasse Sika
Pensionskasse SPS und Jelmoli
Pensionskasse SRG SSR
Pensionskasse Stadt Luzern
Pensionskasse Stadt Zürich (PKZH)
Pensionskasse Swiss Dairy Food AG
Pensionskasse Swiss Re
Pensionskasse Syna
Pensionskasse Syngenta
Pensionskasse Thurgau
Pensionskasse Transgourmet Schweiz AG
Pensionskasse Unilever Schweiz
Pensionskasse Uri
Pensionskasse Vigier
Pensionskasse von Krankenversicherungs-Organisationen
Pensionskasse WWZ
Pensionskasse der Rhätischen Bahn
Personalfürsorgestiftung der Ausgleichskasse Handel Schweiz
Personalfürsorgestiftung der Lang Unternehmungen
Personalfürsorgestiftung der Larag AG
Personalfürsorgestiftung der Oswald Nahrungsmittel GmbH
Personalfürsorgestiftung der REHAU Unternehmungen
Personal-Stiftung der Leder Locher AG
Personalstiftung der OERTLI Werkzeuge AG
Personalstiftung der Rothschild Bank AG
Personalstiftung der Schweizerischen Rettungsflugwacht (Rega)
Personalstiftung Transporta
Personalversicherung der NCR Schweiz
Personalversicherungskasse der Evang.-ref. Kirche BS
Personalversicherungskasse Obwalden
Personalvorsorge Swissport
Personalvorsorgeeinrichtung der PAGO AG
Personalvorsorge-Einrichtung Ford
Personalvorsorgekasse der Stadt Bern
Personalvorsorgestiftung BELIMO Automation AG
Personalvorsorgestiftung der Accenture Schweiz
Personalvorsorgestiftung der adval tech Holding AG
Personalvorsorgestiftung der Albers Gruppe
Personalvorsorgestiftung der Arthur Frey AG
Personalvorsorgestiftung der Ärzte und Tierärzte PAT-BVG
Personalvorsorgestiftung der Baer AG
Personalvorsorgestiftung der BearingPoint Switzerland AG
Personalvorsorgestiftung der Büchi Labortechnik AG
Personalvorsorgestiftung der Burgergemeinde Bern
Personalvorsorgestiftung der Cargologic AG
Personalvorsorgestiftung der CSL Behring AG
Personalvorsorgestiftung der Feldschlösschen-Getränkegruppe
Personalvorsorgestiftung der Festo AG
Personalvorsorgestiftung der Gemeinde Zollikon
Personalvorsorgestiftung der Graubündner Kantonalbank
Personalvorsorgestiftung der Haecky Gruppe
Personalvorsorgestiftung der Hans Rychiger AG
Personalvorsorgestiftung der Heizmann AG
Personalvorsorgestiftung der Helsana Versicherungen AG
Personalvorsorgestiftung der HELVETAS Swiss Intercooperation
Personalvorsorgestiftung der Hogg Robinson Switzerland Ltd.
Personalvorsorgestiftung der Jungfraubahnen
Personalvorsorgestiftung der Kalaidos Bildungsgruppe Schweiz
Personalvorsorgestiftung der LGT Gruppe (Schweiz)
Personalvorsorgestiftung der Liechtensteinischen Landesbank
Personalvorsorgestiftung der Pfizer AG
Personalvorsorgestiftung der Planzer Transport AG
Personalvorsorgestiftung der Ringele AG

Personalvorsorgestiftung der Rivella AG
Personalvorsorgestiftung der SCHURTER AG
Personalvorsorgestiftung der SCOR Schweiz
Personalvorsorgestiftung der Sigma-Aldrich-Gruppe
Personalvorsorgestiftung der SV Group
Personalvorsorgestiftung der Tectus AG
Personalvorsorgestiftung der Wander AG
Personalvorsorgestiftung des Schweizerischen Bauernverbandes
Personalvorsorgestiftung edifondo
Personalvorsorgestiftung für die Angestellten der Allianz Suisse
Personalvorsorgestiftung für die Angestellten der Generalagenturen der Allianz Suisse
Personalvorsorgestiftung Matterhorn Gotthard Bahn
Personalvorsorgestiftung Müller Martini Zofingen
Personalvorsorgestiftung RESPIRA
Personalvorsorgestiftung Stoll Giroflex
Personalvorsorgestiftung Visana
Philip Morris en Suisse Caisse de Pensions
PK Keramik Laufen
PKG Pensionskasse
Previs Vorsorge
prévoyance.ne Caisse de pensions de la fonction publique du canton de Neuchâtel
Profelia Fondation de prévoyance
Profond Vorsorgeeinrichtung
PROMEA Pensionskasse
PROSPERITA Stiftung für die berufliche Vorsorge
Revor Sammelstiftung
Rivora Sammelstiftung
RMF Vorsorgestiftung
Rothschild Bank-Stiftung
Sammelstiftung Vita
Schindler Pensionskasse
SFS Pensionskasse
Sonova Pensionskasse
Spida Personalvorsorgestiftung
St. Galler Pensionskasse
Städtische Pensionskasse Thun
Stiftung Abendrot
Stiftung Auffangeinrichtung BVG
Stiftung für das Personal der Notz Unternehmungen
Stiftung für die Zusatzvorsorge der Angestellten der Allianz Suisse
Stiftung Gerber
Sulzer Vorsorgeeinrichtung
Suprema
Swica Personalvorsorgestiftung
SWISS Vorsorgestiftung für das Bodenpersonal
SWISS Vorsorgestiftung für das Kabinenpersonal
Swisscanto Flex Sammelstiftung der Kantonalbanken
Swisscanto Sammelstiftung der Kantonalbanken
Swisscanto Supra Sammelstiftung der Kantonalbanken
TRANSPARENTA Sammelstiftung für berufliche Vorsorge
Trigona Sammelstiftung für berufliche Vorsorge
Valora Pensionskasse (VPK)
Versicherungseinrichtung des Flugpersonals der SWISSAIR
Vorsorge der BDO AG, Zürich
VORSORGE in globo M
VORSORGE RUAG
Vorsorgeeinrichtung der St. Galler Kantonalbank
Vorsorgeeinrichtung der STUTZ-Gruppe
Vorsorgeeinrichtung der Suva
Vorsorgeeinrichtung WinGDplus
Vorsorgestiftung der Basler Versicherung AG
Vorsorgestiftung der Camille Bauer AG
Vorsorgestiftung der Habasit AG
Vorsorgestiftung der PanGas
Vorsorge-Stiftung der Theatergenossenschaft Basel
Vorsorgestiftung der Verbände der Maschinenindustrie
Vorsorgestiftung des Spitalzentrums Biel
Vorsorgestiftung Ospelt Gruppe
Vorsorgestiftung SMP
Vorsorgestiftung Swiss Life Personal
Vorsorgestiftung Swiss Life Personal Zusatzversicherung
Vorsorgestiftung VSAO
VSAO – ASMAC Stiftung für Selbständigerwerbende
Zuger Pensionskasse
Zusatzkasse der Orior Gruppe
Zusatzpensionskasse der Dätwyler Gruppe

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