

Zurich, 29 March 2021

Swiss Life further adjusts conversion rates for occupational provisions

Occupational provisions are facing major challenges due to the low interest rate environment, increasing life expectancy and the ongoing backlog of reforms. In order to address these realities, Swiss Life is further adjusting conversion rates for full insurance from 2022. This way, Swiss Life is gradually reducing the non-systematic redistribution from active insured persons to pensioners and ensuring that it can deliver on its second pillar value proposition in the long term. Existing pensions will remain unchanged.

As a major provider of occupational pension solutions, Swiss Life ensures that it can provide long-term full insurance, which continues to be in strong demand by SMEs. “The guarantees that we provide through full insurance for Swiss SMEs are of fundamental macroeconomic significance,” says Hans-Jakob Stahel, Head of Corporate Clients. “Swiss Life will be further adjusting the conversion rates for full insurance from 1 January 2022 in line with the prevailing economic, demographic and regulatory framework conditions in order to safeguard its value proposition in the future, taking into account the interests of all insured persons.” The applicable minimum benefits as prescribed by law and in accordance with the BVG will be complied with at all times. Existing pensions will remain unchanged.

Lowering the statutory conversion rate remains imperative and urgent

The long-term stabilisation of occupational provisions has been on the political agenda for some time now. The current Federal Council dispatch on BVG reform envisages a lowering of the statutory minimum conversion rate to six percent – an adjustment which is urgent and imperative. Additional steps are required on the part of providers: an adjustment of conversion rates has become unavoidable for all pension funds as life expectancy is increasing and retirement pensions are therefore having to last for longer. This demographic reality is being exacerbated by the persistently low interest rate environment. Taken in combination, these factors are leading to a steady increase in the non-systematic redistribution from active insured persons to pensioners. By adjusting its conversion rates, Swiss Life is substantially reducing unwanted cross-financing in the future.

Full-range offering in the second pillar remains a strategic cornerstone of Swiss Life

The upholding of a full-range offering in the second pillar with full insurance, semi-autonomous and risk reinsurance solutions, as well as services for pension funds, is and will remain one of the strategic cornerstones of Swiss Life. Hans-Jakob Stahel: “We are committed to making this comprehensive offering accessible to our customers in the future as well. Despite adjusting the conversion rates, we will continue to offer attractive, secure and competitive conditions and retirement benefits by market comparison.”

The conversion rates for full insurance at a glance

	Rates for the mandatory portion of retirement savings			Rates for the supplementary portion of retirement savings		
	2021	2022	From 2023	2021	2022	From 2023
Women Age 64	6.80%	6.50%	6.20%	5.00%	4.76%	4.54%
Men Age 65	6.80%	6.50%	6.20%	4.95%	4.71%	4.49%

The other conversion rates applicable in the case of different retirement ages can be found under the following link: www.swisslife.ch/protect

Information

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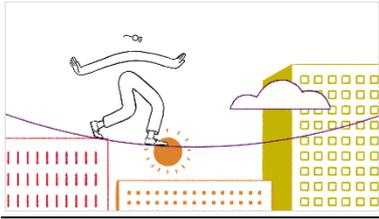
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Swiss Life

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[Swiss Life corporate film](#)

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