

# Retirement pension and conversion rates 2020–2024 of the Helvetia LOB Invest Group Foundation.

Applies to insured persons who were insured via the Foundation as of 31.12.2019.

Swiss pension funds have been facing major challenges for many years: low interest rates, rising life expectancy and the resulting longer duration of pension entitlement are just a few of these. The statutory pension conversion rate has not been in line with the demographic situation for some time. The excessively high pension promises result in a massive redistribution of active insured persons pensioners. The situation is being accentuated by the baby-boomer generation which is entering retirement. This will endanger the financial security of the Swiss pension system either in the shorter or the longer term.

A number of pension funds have thus taken the initiative to act and have lowered the regulatory pension entitlements. In order to ensure financial stability for the Helvetia LOB Invest Group Foundation over the long term, the Board of Foundation is also taking this step. The solution continues to foresee different conversion rates for mandatory and extra-mandatory old-age savings until 2022. It enables us to lower the conversion rates **gradually over a period of several years**. The consequences for insured persons who will shortly be retiring are thus mitigated.

## Conversion rates of the Helvetia LOB Invest Group Foundation as of 2020

The conversion rates of the Helvetia LOB Invest Group Foundation at the regular retirement age of 64 (women) and 65 (men) are:

Year	Conversion rates for mandatory old-age savings		Conversion rates for extra-mandatory old-age savings		Conversion rates for a comparison with LOB minimum benefits
	Man	Woman	Man	Woman	
2020	6.60%	6.60%	5.80%	5.80%	6.80%
2021	6.30%	6.30%	5.80%	5.80%	6.80%
2022	6.00%	6.00%	5.80%	5.80%	6.80%
2023	5.80%	5.80%	5.80%	5.80%	6.80%
2024	5.60%	5.60%	5.60%	5.60%	6.80%

The Helvetia LOB Invest Group Foundation traditionally uses a split conversion rate to calculate the retirement pension. The mandatory portion of the old-age savings is converted into a pension at a higher conversion rate than the extra-mandatory portion. A uniform conversion rate will be used for the entire old-age savings as of 2023. The entitlement to the statutory minimum benefits in accordance with LOB remains guaranteed at all times. The conversion rate is not relevant for capital withdrawals.

### Sample calculation for a retirement pension

#### Man, retirement in 2021 at age 65

Retirement pension from mandatory old-age savings	CHF 300,000 x 6.30%	CHF 18,900
Retirement pension from extra-mandatory old-age savings	CHF 200,000 x 5.80%	CHF 11,600
<b>Total retirement pension Helvetia LOB Invest Group Foundation</b>		<b>CHF 30,500</b>
Retirement pension in accordance with statutory minimum benefits	CHF 300,000 x 6.80%	CHF 20,400

The higher of the two pensions will be paid out.

# Conversion rates for the Helvetia LOB Invest Group Foundation 2020–2024.

Applies to insured persons who were insured via the Foundation as of 31.12.2019.

- 1) Conversion rate for the mandatory old-age savings
- 2) Conversion rate for the extra-mandatory old-age savings

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## 2020

Age	Man		Woman	
	1)	2)	1)	2)
58	5.55%	4.75%	5.70%	4.90%
59	5.70%	4.90%	5.85%	5.05%
60	5.85%	5.05%	6.00%	5.20%
61	6.00%	5.20%	6.15%	5.35%
62	6.15%	5.35%	6.30%	5.50%
63	6.30%	5.50%	6.45%	5.65%
64	6.45%	5.65%	6.60%	5.80%
65	6.60%	5.80%	6.75%	5.95%
66	6.75%	5.95%	6.90%	6.10%
67	6.90%	6.10%	7.05%	6.25%
68	7.05%	6.25%	7.20%	6.40%
69	7.20%	6.40%	7.35%	6.55%
70	7.35%	6.55%	7.50%	6.70%

## 2021

Age	Man		Woman	
	1)	2)	1)	2)
58	5.25%	4.75%	5.40%	4.90%
59	5.40%	4.90%	5.55%	5.05%
60	5.55%	5.05%	5.70%	5.20%
61	5.70%	5.20%	5.85%	5.35%
62	5.85%	5.35%	6.00%	5.50%
63	6.00%	5.50%	6.15%	5.65%
64	6.15%	5.65%	6.30%	5.80%
65	6.30%	5.80%	6.45%	5.95%
66	6.45%	5.95%	6.60%	6.10%
67	6.60%	6.10%	6.75%	6.25%
68	6.75%	6.25%	6.90%	6.40%
69	6.90%	6.40%	7.05%	6.55%
70	7.05%	6.55%	7.20%	6.70%

## 2022

Age	Man		Woman	
	1)	2)	1)	2)
58	4.95%	4.75%	5.10%	4.90%
59	5.10%	4.90%	5.25%	5.05%
60	5.25%	5.05%	5.40%	5.20%
61	5.40%	5.20%	5.55%	5.35%
62	5.55%	5.35%	5.70%	5.50%
63	5.70%	5.50%	5.85%	5.65%
64	5.85%	5.65%	6.00%	5.80%
65	6.00%	5.80%	6.15%	5.95%
66	6.15%	5.95%	6.30%	6.10%
67	6.30%	6.10%	6.45%	6.25%
68	6.45%	6.25%	6.60%	6.40%
69	6.60%	6.40%	6.75%	6.55%
70	6.75%	6.55%	6.90%	6.70%

## 2023

Age	Man		Woman	
	1)	2)	1)	2)
58	4.75%	4.75%	4.90%	4.90%
59	4.90%	4.90%	5.05%	5.05%
60	5.05%	5.05%	5.20%	5.20%
61	5.20%	5.20%	5.35%	5.35%
62	5.35%	5.35%	5.50%	5.50%
63	5.50%	5.50%	5.65%	5.65%
64	5.65%	5.65%	5.80%	5.80%
65	5.80%	5.80%	5.95%	5.95%
66	5.95%	5.95%	6.10%	6.10%
67	6.10%	6.10%	6.25%	6.25%
68	6.25%	6.25%	6.40%	6.40%
69	6.40%	6.40%	6.55%	6.55%
70	6.55%	6.55%	6.70%	6.70%

## 2024

Age	Man		Woman	
	1)	2)	1)	2)
58	4.55%	4.55%	4.70%	4.70%
59	4.70%	4.70%	4.85%	4.85%
60	4.85%	4.85%	5.00%	5.00%
61	5.00%	5.00%	5.15%	5.15%
62	5.15%	5.15%	5.30%	5.30%
63	5.30%	5.30%	5.45%	5.45%
64	5.45%	5.45%	5.60%	5.60%
65	5.60%	5.60%	5.75%	5.75%
66	5.75%	5.75%	5.90%	5.90%
67	5.90%	5.90%	6.05%	6.05%
68	6.05%	6.05%	6.20%	6.20%
69	6.20%	6.20%	6.35%	6.35%
70	6.35%	6.35%	6.50%	6.50%

For retirements as of 1 January the conversion rate valid on 31 December of the previous year applies. This information is subject to adjustment due to changes in the law.

### Helvetia Insurance

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