



What is a voluntary contribution?

You can fill any gaps in your pension by making voluntary contributions to your pension fund. You can make these contributions until you reach the maximum benefit amount allowed under your specific pension plan.

If you are entitled to make a voluntary contribution, this is mentioned on your pension statement under “Other information.” The amount shown is the maximum amount you can pay into your occupational pension to increase your retirement benefits.

When should I make a voluntary contribution?

We suggest you make a voluntary contribution:

- if you started working after age 25;
- if you stopped working for a few years (e.g., because you were in training, taking care of young children, unemployed, or living abroad);
- if you have moved to Switzerland from another country;
- if your employment level (i.e., the number of hours you work per week) or salary has increased;
- if you get divorced;
- if you plan to retire early.

Why should I make voluntary contributions?

The main goal is to maximize your pension benefits, and especially your retirement savings, so you can retire with peace of mind.

Making voluntary contributions is also a smart idea for tax reasons. If you use your personal funds to make a voluntary contribution, you can deduct it from your taxable income for the year in which the contribution is made. Depending on your financial situation, your tax savings could be considerable. It could also be a good idea to spread out your voluntary contributions over several years to lower your tax bill for a longer period.

Voluntary contributions and their accrued interest increase your retirement savings. Throughout the time that you are paying into your pension fund, your occupational pension assets are exempt from wealth tax, income tax, and withholding tax. When your benefits are paid out, they are taxed separately from other income – and at a preferential rate if you choose to receive a lump-sum payment. If you choose to receive a regular pension, you will have to declare it on your tax return each year along with your other income.

⇒ Please note: the portion of your retirement savings that came from a voluntary contribution, including accrued interest, cannot be paid out as a lump-sum benefit during the three years following your contribution. If you must nevertheless receive your full retirement savings as a lump-sum payment during those three years, the tax authorities may consider the contribution to be not tax deductible, even retroactively.

Are there legal restrictions on voluntary contributions?

- If you withdrew some of your pension assets early as part of Switzerland’s home ownership encouragement initiative, you will have to pay back that amount, either in a single payment or in installments of at least CHF 10,000, before making any voluntary contributions.
- If you are arriving in Switzerland from another country and have never been a member of a Swiss pension fund, your annual voluntary contributions cannot exceed 20% percent of your insured salary (indicated on your pension statement) for your first five years of membership in a Swiss pension fund.

How do I make a voluntary contribution?

AVENA must receive your voluntary contribution payment before the last business day of the year if you want it to count for that tax year. Your contribution will be paid into your individual pension account on the same day we receive it.

The date on which we receive your payment determines the tax year in which your contribution can be deducted.

Therefore, it is important to start the process early enough to ensure that we receive your payment before the end of the year in which you want to claim the tax deduction.

Before making your payment, you must fill out the “Request to make a voluntary contribution” form, which you can get from your AVENA relationship manager. If you answer “no” to all the questions on that form, you can immediately make a payment, up to the amount of the gap in your pension. If you answer “yes” to any of the questions, you will have to contact your relationship manager to find out your maximum voluntary contribution before making your payment. After the payment is made, please send us your duly completed and signed form. Once we receive your payment, we will send you the tax statement that you will need to fill out your tax return.

Documents

You can find more information about voluntary contributions in Articles 51–53 of our Pension Fund Regulations, which are available in the « Documents », section of our website.



Contact

Please do not hesitate to contact our specialists if you require any further information.



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