

BVG for employers

Obligations, types of solution and what to look for when choosing an occupational pension fund for your company.

IN BRIEF

As soon as you employ someone earning more than CHF 22,680 a year (entry threshold 2025), your company must join a registered pension institution under the BVG (Swiss occupational pensions act). In a GmbH or AG this also applies to your own salary. The choice ties you in for years: switching requires the agreement of your staff, and the terms directly affect payroll costs and your employees' retirement capital.

YOUR OBLIGATIONS

- Join a registered pension institution (Art. 11 BVG). Employers who fail to do so are affiliated compulsorily and retroactively with the Substitute Occupational Benefit Institution.
- Employees above the entry threshold are insured: for death and disability from 1 January after their 17th birthday, for retirement savings from 1 January after their 24th birthday. Fixed-term contracts of up to three months are exempt.
- You pay at least half of the contributions (Art. 66 BVG), deduct the employees' share from their salary and transfer everything to the pension institution.
- You report new hires, leavers and salary changes to the pension institution.
- The pension plan is managed jointly: the pension committee has equal numbers of employer and employee representatives.
- Changing pension institution is only possible with the agreement of your staff (Art. 11 para. 3^{bis} BVG).

BVG KEY FIGURES 2025

Entry threshold (annual salary)	CHF 22,680
Coordination deduction	CHF 26,460
Upper limit	CHF 90,720
Coordinated salary, minimum	CHF 3,780
Coordinated salary, maximum	CHF 64,260
BVG minimum interest rate	1.25%
Conversion rate, mandatory part	6.8%
Retirement credit age 25 to 34	7%
Retirement credit age 35 to 44	10%
Retirement credit age 45 to 54	15%
Retirement credit 55 to reference age	18%

Retirement credits as a percentage of the coordinated salary, statutory minimums under the BVG. Many pension plans insure more, for example with a lower coordination deduction or higher savings contributions.

Types of solution

FULL INSURANCE

A life insurer bears all risks, including investment risk, and guarantees the balances. There is no underfunding and therefore no restructuring contributions. The guarantees come at a cost, however, and interest is usually lower. Fewer providers offer this today than in the past.

SEMI-AUTONOMOUS COLLECTIVE FOUNDATION

The foundation invests the pension assets itself; the risks of death and disability are fully or partly reinsured with an insurer. Good investment years benefit the insured through higher interest. In the event of underfunding, restructuring measures are possible.

AUTONOMOUS COLLECTIVE OR JOINT INSTITUTION

The institution bears all risks itself. How secure that is depends on its size, funding ratio and reserves. Small companies can access such solutions through industry or association schemes.

ADDITIONAL SOLUTIONS

A company's own pension fund only makes sense for larger companies. For higher salaries there are management plans. In 1e plans, the insured choose their own investment strategy; they are possible for salary portions above CHF 136,080 (2025).

SELECTION CRITERIA

- Funding ratio and fluctuation reserves
- Interest paid on retirement capital in recent years compared with the minimum rate
- Conversion rate on the extra-mandatory part
- Administrative costs per insured person and risk premiums
- Ratio of active members to pensioners
- Plan choice: coordination deduction, insured salary, several savings plans, buy-ins
- Benefits for cohabiting partners and options for lump-sum withdrawal
- Terms on termination: notice periods, what happens to pensioners, partial liquidation
- Administration: online portal, a fixed contact person, processing times

WHY CHOOSE INDEPENDENTLY

Many companies find their pension fund through a broker or insurance adviser. They are often paid a commission by the pension institution, which flows back to the company and the insured through administrative costs. This is permitted, but it creates an incentive in favour of the providers that pay more.

Offers can only be compared if they are based on the same pension plan. So decide first what should be insured, and only then ask for quotes.

HOW WE CAN HELP

In the BVG analysis, we review your company's existing solution and its settings and work out the right solution. You receive a final report with an action plan. For a plan change or a tender among several providers, we support you afterwards, billed by the hour. We work exclusively for a fee and accept no commissions.

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General information, not individual advice. Figures based on the BVG and BVV 2, as of 2025. No liability is accepted for the information.