

Pensions for the self-employed

AHV, pension fund, large pillar 3a and risk cover once no employer is contributing.

IN BRIEF

As an employee, you are insured through AHV, an occupational pension fund (BVG) and accident insurance, and your employer contributes. With a sole proprietorship, most of this falls away: only AHV/IV/EO (old-age, disability and income compensation insurance) remains mandatory, and you pay the contributions alone. Pension fund, daily sickness benefits and risk insurance are optional. Anyone who founds a GmbH or AG and draws a salary is employed by their own company and remains insured on a mandatory basis.

PILLAR 1: AHV/IV/EO

- Register with the compensation office of your canton or trade association. It decides whether you are recognised as self-employed.
- Contribution rate 2025: 10% of income (AHV 8.1%, IV 1.4%, EO 0.5%) from CHF 60,500. Between CHF 10,100 and CHF 60,500 a sliding scale applies. Minimum contribution CHF 530 a year, plus administrative costs of the compensation office.
- You pay provisional contributions on your estimated income. The final assessment follows the tax assessment, often one to two years later. Back payments carry interest, so it pays to set money aside.
- The self-employed are not insured against unemployment. EO maternity and paternity allowances are available to them as well.

PILLAR 2: OPTIONAL PENSION FUND

- You can join voluntarily: the pension fund of your professional association, the pension fund of your employees or the Substitute Occupational Benefit Institution (Stiftung Auffangeinrichtung BVG).
- Advantages: pensions for disability and death, buy-ins are deductible from taxable income, a pension in retirement is possible.
- With a pension fund, only the small pillar 3a applies to you: up to CHF 7,258 a year (2025).
- When you move from employment to self-employment, you can withdraw your vested benefits in cash (Art. 5 FZG); married persons need their spouse's written consent. The money is then no longer protected for retirement and shares the risk of the business.

LARGE PILLAR 3A

- Without a pension fund you may pay in up to 20% of your earned income, up to CHF 36,288 a year (2025), deductible from taxable income.
- The income of each year is decisive. Amounts paid in excess are refunded.
- Open several accounts so you can stagger withdrawals later.
- A large pillar 3a balance can reduce how much you may buy into a pension fund later (Art. 60a BVV 2).

RISK COVER

- **Illness:** without daily sickness benefit insurance, income stops during a longer illness. Match the waiting period to your reserves.
- **Accident:** health insurance covers treatment costs but pays no daily allowance. The self-employed can take out voluntary cover under the Accident Insurance Act (UVG).
- **Disability:** the IV pension is at most CHF 2,520 a month in 2025. Without a pension fund, pillar 2 is missing entirely. A disability income pension closes the gap.
- **Death:** with a family, cohabiting partner or business loans, consider term life insurance. Cohabiting partners receive no survivors' pension from AHV.

AN ORDER THAT WORKS

- 1 Secure your income against illness, accident and disability and review death risks.
- 2 Build reserves separately for the business and the household, including provisions for tax and AHV.
- 3 Then save for retirement with tax relief: large pillar 3a or a pension fund with buy-ins.

PILLAR 3A OR PENSION FUND

The large pillar 3a is simple and flexible but does not cover any risks. A pension fund insures disability and death at the same time and allows buy-ins. Which solution fits depends on income, family and age. With fluctuating income, pillar 3a is often the more flexible choice, provided the risks are insured separately.

HOW WE CAN HELP

In the advanced package, we record your situation and set out in a written report what your pension set-up as a self-employed person can look like: liquidity, pillar 3a, pension fund and insurance. We work for a fee, without commissions.

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