



Pillars 1, 2 and 3a explained once, properly — and the five decisions that are hard to reverse.

Five chapters · ten minutes

· All figures valid in 2026

· English edition

Dear reader,

Most people in Switzerland pay into three pension pillars for forty years without ever seeing them on one page. Not because they are careless – because nobody shows them. The documents arrive once a year, in a language that seems designed to be filed rather than read.

In more than twenty years in Swiss finance – at UBS, in insurance and in real estate – I have seen the same pattern again and again. The expensive mistakes are rarely made out of greed or carelessness. They happen because a decision with a deadline arrived before the information did.

This guide is the overview I would like every client to have before our first conversation: five chapters, ten minutes, every term explained. The figures are those valid in 2026, checked against the federal and cantonal sources listed at the end.

If one question is still open after reading, that is exactly what the free 30-minute call is for.

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CONTENTS

01	The three pillars on one page	03
02	How to read your pension certificate	05
03	Pillar 3a: limits, tax effect, withdrawal	07
04	Five decisions that are hard to reverse	09
05	Arriving in and leaving Switzerland: a checklist	11
→	Your free 30-minute call	13
§	Sources and important information	14

CHAPTER 01

The three pillars on one page

Switzerland's retirement system rests on three pillars. Each has its own logic, its own limits and its own deadlines. Seen together, they answer one question: how much of today's income will still be there at 65?

1

AHV / AVS

State pension

Covers basic needs. Financed by everyone who works, pay-as-you-go: today's contributions pay today's pensions.

CONTRIBUTION

10.6% of salary, half paid by the employer (AHV/IV/EO)

PENSION 2026

CHF 1'260 to 2'520 a month, plus a 13th pension each December from 2026

FULL PENSION

needs 44 contribution years – each missing year costs about 1/44 ($\approx 2.3\%$) for life

2

BVG / LPP

Occupational pension fund

Together with pillar 1, meant to maintain your accustomed standard of living. Funded: your own savings grow in your account.

COMPULSORY

for employees earning more than CHF 22'680 a year

LEGAL MINIMUM

insures the part of the salary between CHF 26'460 and 90'720; savings credits 7–18% by age

AT 65

savings become a pension (6.8% a year on the mandatory part) or capital

3a

Pillar 3a

Private, tax-privileged

Voluntary savings that close the gap. Every franc paid in is deducted from taxable income.

CAP 2026

CHF 7'258 with a pension fund; 20% of net earned income, max. CHF 36'288, without

ACCESS

from 5 years before the AHV reference age, or earlier for specific reasons

NEW

missed years from 2025 can be bought in later – up to 10 years back

!

Reference age

65 for men and women. Women born 1961 to 1963 move there in steps of three months. AHV can be drawn flexibly between 63 and 70 – earlier with a lifelong reduction, later with a supplement.

!

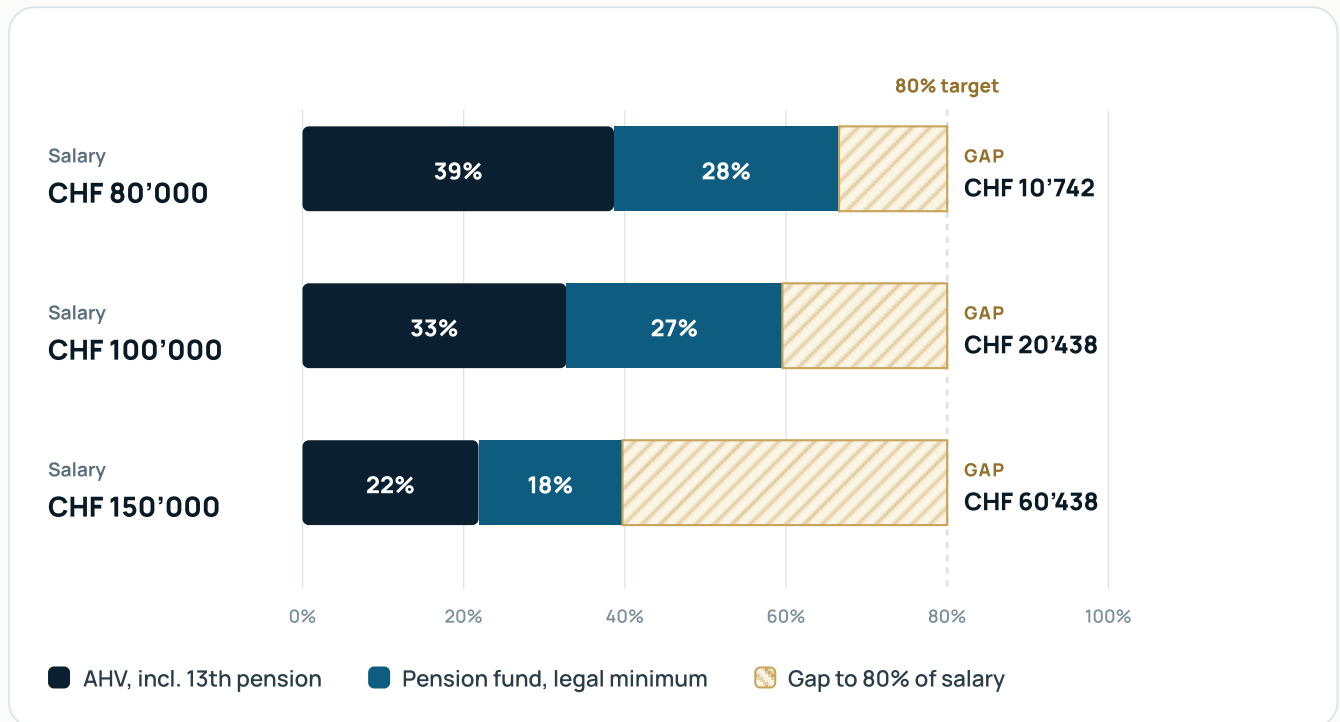
Couples

The two AHV pensions of a married couple are capped together at 150% of the maximum pension – CHF 3'780 a month in 2026.

WHAT PILLARS 1 AND 2 PAY AT 65

The higher the salary, the wider the gap

A common rule of thumb: in retirement you need about 80% of your last income to keep your standard of living. Pillars 1 and 2 together are designed to deliver around 60% – and only up to a certain salary. Above CHF 90'720, neither the AHV pension nor the legal pension-fund minimum grows any further. The chart shows what that means for three salaries.



Model, 2026 values, in today's francs: single person, full AHV contribution years, average lifetime income equal to today's salary (BSV/OFAS scale 44, 13 pensions a year). Pension fund at the legal minimum from age 25 to 64: coordinated salary × savings credits 7/10/15/18%, 1.25% interest, conversion rate 6.8%. Many pension funds insure more than the minimum – your certificate shows your real figures.

44

contribution years for a full AHV pension – gaps can only be paid back for the last five years

1.25%

minimum interest on mandatory pension-fund savings in 2026

6.8%

legal conversion rate on the mandatory part – CHF 6'800 a year per CHF 100'000 saved

THREE WAYS TO CLOSE THE GAP

CHAPTER 03

Pillar 3a

Up to CHF 7'258 a year, deducted from taxable income.

CHAPTER 02

Pension-fund buy-ins

Deductible, and they raise your pension directly – if you have buy-in potential.

Free assets

Savings, investments, property: flexible and accessible at any time, but without a tax deduction.

CHAPTER 02

How to read your pension certificate

Your pension fund sends it every year – usually in the first months. Six lines on it tell you almost everything that matters. Here they are, on a simplified example.

Pension certificate 2026

Example pension fund · valid from 1 January 2026

ILLUSTRATIVE EXAMPLE

1	Annual salary	100'000	Insured salary	73'540
2	Retirement savings today	182'400	of which BVG minimum	141'900
3	Projected capital at 65	512'000	Projected pension at 65 / year	30'720
4	Conversion rate at 65	6.00%	Assumed interest	1.50%
5	Disability pension / year	29'400	Spouse's pension / year	17'640
6	Maximum possible buy-in	96'300	Vested benefit today	182'400

All amounts in CHF. Fictitious figures for illustration only.

1 Insured salary

Your salary minus the coordination deduction. Savings credits are calculated on this figure, not on your full salary. Check whether it is far below your real salary – part-time work and several jobs are a classic cause.

3 Projection at 65

An estimate that assumes you stay in the fund until 65 at today's salary and with the interest shown. It is not a promise.

5 Risk benefits

What is paid if you become disabled or die before retirement. Compare them with your family's real needs – this is where the most painful gaps hide.

2 Savings today

What you have accumulated. The BVG minimum part earns at least the legal minimum interest and is converted at 6.8%; the rest follows the fund's own rules.

4 Conversion rate

Here 6.0% on all savings: CHF 100'000 becomes CHF 6'000 a year for life. Funds may apply lower rates to the part above the legal minimum.

6 Buy-in potential

How much you could pay in voluntarily. Buy-ins are deductible from taxable income and raise your future benefits – rules on the next page.

BUY-INS

Paying into your pension fund voluntarily

A buy-in fills gaps in your pension-fund savings — after a career break, a move to Switzerland or a salary increase. It is one of the few levers that lowers your taxes now and raises your pension later. Four rules decide whether it is a good idea.

1 Deductible

Voluntary buy-ins are deducted in full from taxable income in the year you pay them.

2 Three-year lock

Benefits resulting from a buy-in may not be withdrawn as capital for three years. Withdraw earlier and the tax deduction can be reversed.

3 Home-ownership withdrawals first

If you withdrew pension money for a home, it generally has to be repaid before new buy-ins are possible.

4 Arrived from abroad

If you were never insured in a Swiss pension fund, buy-ins are limited to 20% of the insured salary a year for your first five years (BVV 2, Art. 60b).

FIVE QUESTIONS FOR YOUR CERTIFICATE

- ☐ Is my insured salary close to my real salary?
- ☐ Would the disability and spouse's pensions be enough for my family?
- ☐ What does the fund pay at 65 — and what if I retire at 63?
- ☐ Do I have buy-in potential, and would a buy-in pay off in my tax bracket?
- ☐ Do I have vested benefits from former jobs that are not in this fund?

LOST TRACK OF AN OLD PENSION FUND?

Vested benefits from former employers are never lost. The Central Office 2nd Pillar (Zentralstelle 2. Säule / Centrale du 2e pilier) helps you find them, free of charge.

sfbvg.ch

CHAPTER 03

Pillar 3a: limits, tax effect, withdrawal

Pillar 3a is the simplest tax saving most people in Switzerland have. What decides its value is less the product than three things: paying in every year, how you invest it, and how you take it out.

EMPLOYED, WITH A PENSION FUND

CHF 7'258

maximum per year in 2026

SELF-EMPLOYED, WITHOUT A PENSION FUND

CHF 36'288

20% of net earned income, at most this amount

TAX SAVED BY A FULL CONTRIBUTION

CHF 7'258 paid in, by marginal tax rate (federal, cantonal and communal combined)

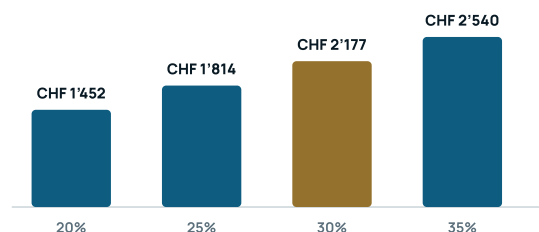


Illustration. Your marginal rate depends on income, canton, commune and family situation.

THREE HABITS THAT MAKE THE DIFFERENCE

1. Pay in every year, before 31 December.

The deduction applies to the year of payment. Missed years can only partly be made up — see next page.

2. Decide how it is invested.

A 3a account and a 3a solution invested in securities can lead to very different results over 20 years — with different risks.

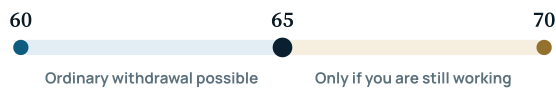
3. Use several accounts.

A 3a account can usually only be withdrawn in full. Several accounts let you spread withdrawals over several years.

WITHDRAWAL

When and how pillar 3a comes out

Ordinary withdrawal: from five years before the AHV reference age. If you keep working, you may continue until five years after it.



Earlier, for five reasons:

- Buying or building your own home, or repaying its mortgage
- Starting a self-employed activity
- Leaving Switzerland for good
- Buying into your pension fund
- Receiving a full disability pension

HOW THE WITHDRAWAL IS TAXED

The capital is taxed once, separately from your other income and at a reduced rate. But all capital withdrawals in the same year – pillar 3a, pension fund, and those of your spouse – are added together, and the rate rises with the total.

ONE ACCOUNT, ONE YEAR



everything in one year:
higher rate

FOUR ACCOUNTS, FOUR YEARS



spread out: lower rate each
year

Staggering keeps each year's total – and therefore the rate – lower. The effect depends on canton and amount.

NEW SINCE 2025

Buying back missed 3a years

Years in which you paid in less than the maximum can now be made up retroactively – but only for gaps from 2025 onwards, so the first buy-ins are possible from 2026. The rules (BVV 3, Art. 7a):

- up to ten years back
- one buy-in per year, at most CHF 7'258
- only if the full regular amount was paid in that year
- AHV-liable income in Switzerland in the year of the gap and of the buy-in
- deductible from taxable income

THE LONG VIEW

25

years of maximum
contributions

CHF 181'450

paid in

≈ CHF 54'400

less income tax over the period, at a 30% marginal
rate

Simplified: the 2026 cap and a constant 30% marginal rate, before any interest or investment return. The withdrawal is taxed separately, at a reduced rate.

CHAPTER 04

Five decisions that are hard to reverse

Most financial decisions can be corrected next year. These five cannot – or only at a high price. They have one thing in common: they come with a deadline, and the deadline often arrives before anyone has explained the options.

1 Capital or annuity at retirement

HARD TO REVERSE

WHEN IT IS DECIDED

Up to 3 years before retirement – the deadline is in your fund's regulations.

The annuity is paid for life and taxed as income every year. The capital is taxed once at a reduced rate, but must last as long as you do. At least a quarter of the mandatory savings can be taken as capital; for married people, the spouse must agree in writing. Once paid out, the choice cannot be undone.

LOOK AT FIRST

Life expectancy, other income, tax in your canton, what your heirs should receive.

2 Using pension money for a home

HARD TO REVERSE

WHEN IT IS DECIDED

When you buy – at least CHF 20'000, at most every five years.

An advance from the pension fund lowers your retirement pension and often your disability and death cover too. It is taxed when withdrawn, needs your spouse's consent, and must be repaid before you can make new buy-ins. After 50, the amount is limited.

LOOK AT FIRST

Pledging instead of withdrawing; the effect on your risk cover; the tax on withdrawal.

3 Mortgage term and type

HARD TO REVERSE

WHEN IT IS DECIDED

At purchase and at every renewal – often decided in a few days.

A 10-year fixed rate is a 10-year commitment: leave early because you sell, move or refinance, and the lender can charge a prepayment penalty. Lenders usually require 20% equity, at least half of it not from the pension fund, and repayment of the second mortgage within 15 years or by retirement.

LOOK AT FIRST

Your plans for the next 10 years; mixing terms; comparing several lenders, not just your bank.

4 Leaving Switzerland with your pension assets

HARD TO REVERSE

WHEN IT IS DECIDED

Before you leave – the paperwork has to be filed with your pension fund.

Moving outside the EU/EFTA, you can usually take your pension-fund savings in cash. Moving to an EU/EFTA country where you are compulsorily insured, the mandatory part stays in Switzerland until retirement; only the part above the minimum can be paid out. Payments abroad are subject to a withholding tax whose rate depends on the canton where the paying institution is based; under some tax treaties it can be reclaimed.

LOOK AT FIRST

Where your vested benefits are held; the timing of 3a and pension-fund withdrawals; the tax treaty with your new country.

5 Leaving gaps in your AHV record

HARD TO REVERSE

WHEN IT IS DECIDED

Each year – contributions can only be paid back for the last five years.

Every missing contribution year reduces your AHV pension by about 2.3% – for life. Years abroad, studies without contributions or a non-working spouse are typical causes. Moving outside the EU/EFTA, you can join voluntary AHV insurance if you were insured for five consecutive years before – but only within one year of leaving.

LOOK AT FIRST

Your individual account statement – order it free of charge from your compensation office.

CHAPTER 05

Arriving in and leaving Switzerland

Two moments, the same pattern: a handful of deadlines that cost money when missed, and decisions that are hard to undo. Tick them off as you go.

Arriving

- ☐ **Register with your commune** within 8 to 14 days, depending on the canton
 Bring passport, employment contract and rental agreement.
- ☐ **Take out health insurance** within 3 months
 Cover then applies retroactively from arrival – and premiums are due from that date too. Later, a surcharge can apply.
- ☐ **Check your pension-fund enrolment** from your first day of work
 Compulsory above CHF 22'680 a year. Ask your employer for the fund's regulations and your first certificate.
- ☐ **Bring foreign pension assets** first 5 years
 Voluntary buy-ins are capped at 20% of the insured salary a year; direct transfers from a foreign pension scheme are exempt if no tax deduction is claimed for them.
- ☐ **Decide on an ordinary tax return** by 31 March of the following year
 Taxed at source? From CHF 120'000 gross salary an ordinary return is compulsory. Below, you can request one – once requested, it applies for good.
- ☐ **Open pillar 3a** before 31 December
 Possible from your first year with AHV-liable income; the deduction counts for the year of payment.
- ☐ **Insure household contents and liability** when you move in
 In Vaud, insuring household contents against fire and natural hazards is compulsory. Liability insurance is optional, but most landlords ask for it.
- ☐ **Exchange your driving licence** within 12 months
 After that, a foreign licence is no longer valid in Switzerland.

Leaving

☐ **Deregister with your commune** before departure

You receive a departure confirmation — every other office will ask for it.

☐ **End health insurance** on the day you leave

Send the departure confirmation; cover ends when your Swiss residence ends.

☐ **Decide what happens to your pension fund** before your last working day

Cash payment, a vested-benefit account, or — for EU/EFTA — the mandatory part stays in Switzerland. See chapter 04.

☐ **Withdraw or keep pillar 3a** after deregistering

Leaving Switzerland for good allows withdrawal, whatever your destination. Withholding tax applies; under some treaties it can be reclaimed.

☐ **Settle your taxes** year of departure

A final return or source-tax settlement covers the period up to your departure. Some cantons ask for a tax representative.

☐ **Think about AHV** within 1 year

Your contributions stay; the pension is paid abroad later. Outside the EU/EFTA, voluntary AHV must be requested within one year.

☐ **Cancel contracts in time** check notice periods

Lease, insurance policies, phone, subscriptions. Many have three-month notice periods.

☐ **Keep a contact address** ongoing

Pension funds and vested-benefit institutions must be able to reach you for decades.

Interactive version

The same checklist, with your progress saved on your device, is on avantgarde-investment.ch under the expat calculator.



FREE · 30 MINUTES · VIDEO OR PHONE

One question left? Let's look at it together.

Thirty minutes to see clearly where your Swiss finances stand – in English, French or Portuguese.

1

You tell me where you stand

Your situation, your question, your deadline. No documents needed – a pension certificate helps if you have it.

2

I tell you what I see

What to look at first, what it is worth, and what can wait. If there is nothing to do, you will hear that too.

3

You decide the next step

A written plan, the right certified partner for your area – or nothing at all. There is no obligation.



BOOK YOUR CALL

Scan the code, or answer three short questions on avantgarde-investment.ch. I reply personally within one working day with three proposed times.

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Bring if you have them: pension certificate · pillar 3a statements · mortgage contract · last tax return

Sources and the fine print

General information, not advice

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Figures

Legal values valid on 1 January 2026, checked against the sources below. Laws and limits change; the version of this guide is stated at the bottom of this page.

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SOURCES

1. AHVG / LAVS — Federal Act on Old-Age and Survivors' Insurance (SR 831.10), incl. Art. 34ter (13th pension)
2. BSV / OFAS — pension scale 44, valid 2025 and 2026
3. BVG / LPP (SR 831.40) and BVV 2 / OPP 2 (SR 831.441.1), incl. Art. 60b; Federal Council: minimum interest rate 2026
4. BVV 3 / OPP 3 (SR 831.461.3), incl. Art. 7a (retroactive buy-ins); 2026 limits
5. FZG / LFLP — Vested Benefits Act (SR 831.42); KVG / LAMal (SR 832.10), Art. 3 and 5
6. ESTV / AFC and cantonal tax administrations — tax at source and subsequent ordinary assessment
7. Caisse cantonale vaudoise de compensation AVS; Swiss Bankers Association minimum requirements for mortgage financing



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