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DAISIE

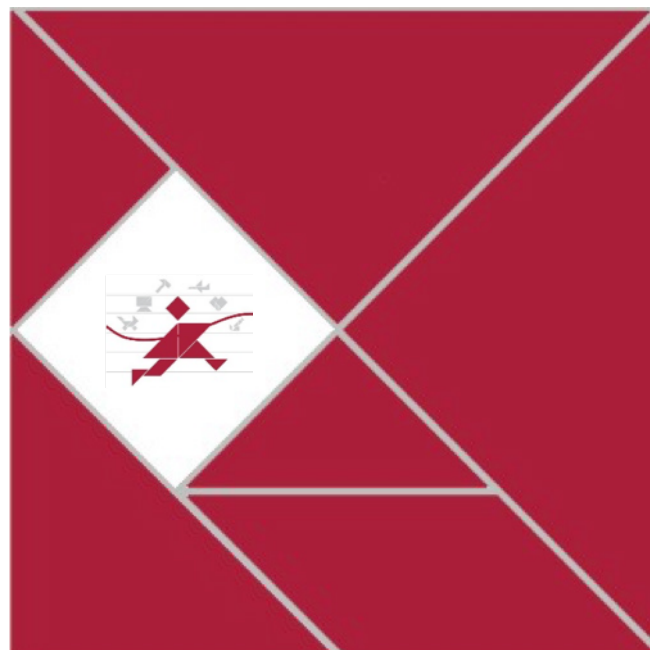
COUNTRY REPORT: SWITZERLAND

NICKY LE FEUVRE

RESEARCH PAPER

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Abstract

The DAISIE project explores the gendered impacts of policies and practices aimed at extending working life (EWL) in five contrasting national settings (the Czech Republic, Ireland, Sweden, Switzerland and the UK), using a mixed methods research design inspired by insights from life-course and gender studies. The project addresses two significant and timely issues: labour market participation in later life and the influence of labour market and family trajectories on the experiences of older workers in different national and occupational contexts.

This report explores the issue of extending working life in the Swiss context. It begins by mapping the employment patterns of older workers (50+), insisting on the differences in employment histories, working conditions and the transition to employment that are associated with the normative expectations of the dominant “modified male breadwinner” Swiss gender model. The report then goes on to present the three-tier Swiss pension regime and to analyse the consequences of recent – or proposed – policy reforms to this system. It insists on the huge pension gender gap in the Swiss context and analyses the consequences of this gap for the experiences of older workers from different social backgrounds.

The report concludes by summing up the important features of the EWL debate in Switzerland from a gender perspective and identifying gaps in the current state of research on this topic.

Keywords

Ageing | Discrimination | Employment | Extending working life | Gender | Pensions | Retirement | Working conditions | Switzerland

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dial Dynamics of Inequality
Across the Lifecourse:
structures and process

1. Introduction

As most other OECD member countries, Switzerland is currently facing an increase in the number of those aged over the statutory retirement age as a share of the whole population. The employment rate of older workers (50+) is relatively high by European standards, and has recently increased further, notably for [married] women. Beyond full-retirement age, there is a sharp drop in employment rates: only 18% of the over-65 years-olds are in gainful employment. This is nevertheless one of the highest employment rates of older workers in the European context. However, those working beyond retirement age are more likely to be on fixed-term contracts, to be working on a very part-time basis and/or to be self-employed than those in the pre-retirement age groups.

In 1972, a so-called “three-tier pension system” (including a basic pension, an occupational pension scheme and tax rebates on individual pension savings) was inscribed in the Swiss Federal constitution (see Annex 1a). This system has been regularly revised since that date and several further reform attempts have failed to convince a majority of Swiss voters (see Annex 1b). Switzerland thus remains one of the few OECD countries to still have different official retirement ages for men and women. The full retirement age currently stands at 65 years for men and 64 years for women.¹ This is not a mandatory labour market exit threshold, but simply the age at which persons automatically start to receive their basic (OASI) pension payments.

It is legally possible to combine a pension with income from employment or self-employment². Some job contracts do include an age-related contract termination clause, which prevents their incumbents continuing to work beyond a pre-defined cut-off point. This is, for example, the case for academics in most cantonal-funded higher education institutions, whose employment contracts are automatically terminated when they reach full retirement age. Requests can only be made to extend the employment relationship for a maximum of 11 months beyond this age, irrespective of the academics’ accumulated occupational pension entitlements.

Likewise, there are age-related employment measures in a number of labour market policies, either at the Federal level or in sector-specific collective agreements. Thus, it is usually the case that older workers qualify for extended paid holiday rights (e.g. six rather than five weeks in the public sector, beyond 60 years). On the other hand, beyond a certain age threshold, older workers whose employment contracts are terminated (lay-offs) are entitled to less

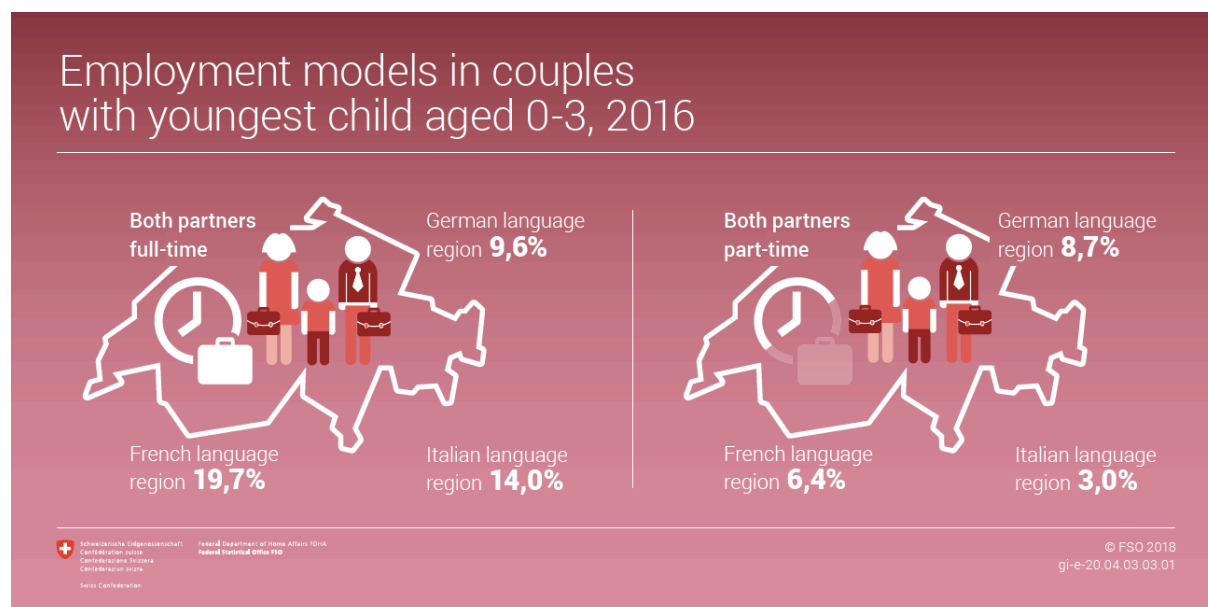
compensation than their younger colleagues (economic prejudice is calculated on the basis of the potential number of years in gainful employment remaining with the company), but they qualify for extended periods of unemployment benefit and support measures (see below).

Recent public debate and media coverage of extending working life (EWL) issues have focussed on the financial viability of the first two tiers of the Swiss pension system, but also on the complexity and opacity of the existing occupational pension scheme, which is managed by a plethora of pension funds, each with its' own rules and regulations (Lenz & Staechelin, 2018). Thus, within nationally defined limits, each individual pension fund can define the financial penalties associated with early retirement.

The advantages awarded to those who continue to work (and make pension contributions) beyond the full retirement age also depend to a large extent on the rules and regulations of each occupational pension fund. Most pension funds allow contributors to receive a pension before reaching the official retirement age (usually at 58) and to continue making pension contributions up to five years beyond the legal retirement age. However, in certain circumstances, it is possible to withdraw at least part of the accrued savings as a lump sum well before reaching retirement age. These circumstances include: property investment (acquisition of real estate), setting up a private business, definitively leaving Switzerland for a non-EU or EFTA destination country, or proof of limited retirement savings (Lenz & Staechelin, 2018).

Understanding the implications of the EWL debate in Switzerland requires an analysis of the Swiss “gender regime”, which has been described as “neo-maternalistic” (Giraud & Lucas 2009), and which is close to a “modified male breadwinner” model (Crompton 1999). This is reflected in very high levels of labour market withdrawal on the part of mothers of small children, and in an exceptionally small number of dual career couples (i.e. both partners working full-time), when there are young children in the household (see below).

Figure 1.1: Employment models in couples with a youngest child ages 0-3 years, Switzerland, 2016



OFS (2018) On-line statistics

Due to the discontinuous and part-time participation of married women in paid employment over the generations currently receiving retirement benefits, the gender pension gap is particularly high in the Swiss context (see below). In 1997, the 10th revision of the Federal Pension Law enabled the “splitting” of accrued pension funds between spouses in the event of divorce. This rule was confirmed in the 2000 Divorce Law, which states that any pension funds accrued during the period of marriage should be split equally between the ex-spouses. It is nevertheless difficult to document the extent to which this rule is applied in practice, particularly on the part of women who are eager for their divorce to go through as quickly as possible.

This country report is divided into two main parts. First, we present descriptive data on the employment patterns of older workers in the Swiss context, paying particular attention to any gender differences in labour market exit practices. In a second part, we present the Swiss pension system, before going on to analyse the gender pension gap and to describe the most important pension and extended working life (EWL) policy initiatives that have taken place in Switzerland over the past decades, as well as the academic research, public debates and media

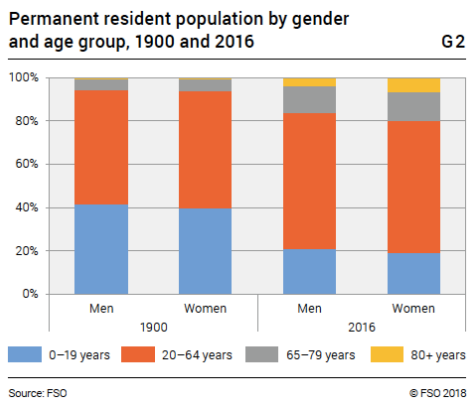
coverage they have inspired. We also provide a selection of references to data sources and/or research papers that address the gender and health dimensions of EWL in the Swiss context.

1.1. Employment Patterns of Older Workers in Switzerland

In comparison to other OECD countries, Switzerland is characterized by relatively high employment rates for the 50+ age groups, but with a rapid decline in labour market participation beyond the full retirement ages. Thus, the Swiss employment rates for 55 to 65-year-olds is one of the highest in Europe, second only to Iceland and Sweden (see Annex 2), although less than a quarter of these older workers are still in the labour market, even on a very part-time basis, beyond the age of 64-65 years.

According to Swiss Labour Force survey data, the labour market participation rates of 55 to 64-year-olds increased from 70.5% to 75.8% between 2010 and 2015 (Avenir Suisse, 2016).

Table 1: Demographic evolution of the permanent resident population, by sex and age group, Switzerland, 1990-2016

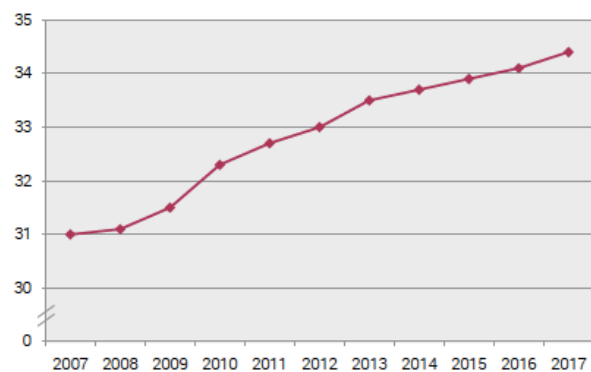


OFS (2018a), p. 3.

Table 2: Number of 65+ year-olds per 100 economically active persons (aged 20-64 years), Switzerland, 2007-2017

**Number of persons aged 65 and older
per 100 economically active persons aged 20–64 years**

Permanent resident population concept, 2007–2017



Source: FSO – Swiss Labour Force Survey (SLFS)

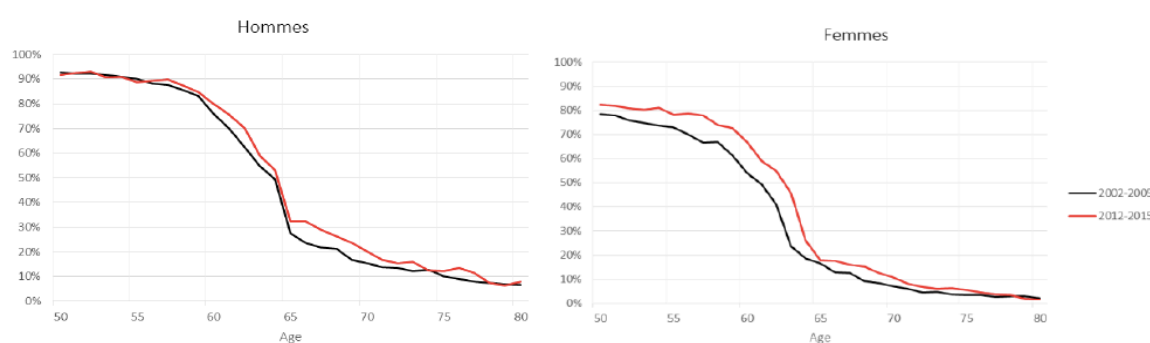
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OFS (2018b), p. 21.

The recent increase in the employment rates of Swiss 55-65-year-olds is principally due to changes in the employment patterns of older women. Their employment rate increased from 56% in 2004 to 67% in 2014, whereas the employment rate of their male counterparts remained relatively stable (at round 80%) over the same period.

On the basis of analysis of a previous change to the full retirement age for women, it would seem that labour market exit practices are strongly determined by legislative changes in the Swiss context. For example, the 1997 basic (OASI) pension reform increased the full retirement age for women in two steps: from 62 to 63 years, then from 63 to 64 years. It imposed a differential penalty for early retirement / pension claiming (at 62 years), of minus 3.4% for women born between January 1st 1939 and December 31st 1947, and of minus 6.4% for women born after January 1st 1948. The authors of a recent econometric study found that increasing the full retirement age by 1 year in 1997 delayed labour market exit by about 6-7 months and pension claiming by about 7-8 months. Only 20% of the older workers concerned decided to take early retirement, even when the financial penalties for doing so were relatively low (Lalivie et al 2017). The authors of this study conclude that the “default rule” whereby people automatically receive their retirement pension on reaching the full retirement age, irrespective of their employment status at that time, plays an important role in translating changes to the full retirement age into actual practice.

Graph I.1: Evolution of employment rates by age and gender, 2002-2005 and 2012-2015, Switzerland



Source: SECO (2016) p. 9.

Table 3: Evolution of the employment rates of 55 to 65-year-olds, by sex, 2004-2014, Switzerland

	2004	2014	% Increase 2004 > 2014
Men	79	82	+3.0
Women	56	67.4	+11.4

Source: OECD (2014)

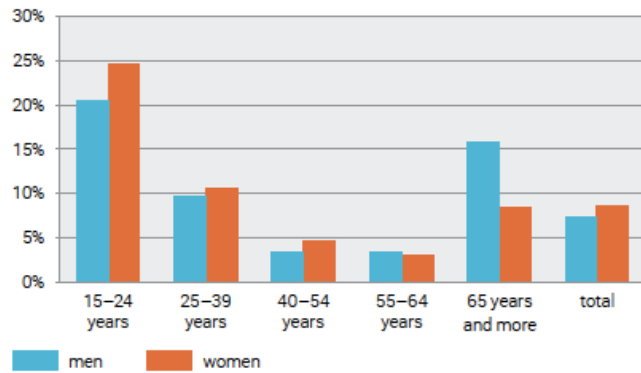
Despite this overall convergence in gendered working patterns in later life, the labour market participation patterns of older men and women continue to vary considerably: notably because only 31.5% of women aged 55-64 work full-time, compared to 82% of their male counterparts (OCDE, 2014).

1.2. The employment conditions of older workers

The Swiss labour market is weakly regulated, but has been relatively sheltered from the effects of the post-2008 economic crisis. The protection offered against redundancy by permanent contracts is, for example, much lower than in neighbouring countries such as France. The proportion of fixed-term employment contracts remains relatively modest, particularly for workers aged 40-65 years. However, beyond the official retirement ages, the proportion of fixed-term contracts increases significantly, particularly for men (15%). It is difficult to know whether this is through choice (i.e. older employees wanting to commit themselves to working

for a finite period of time only) or whether it reflects a reticence on the part of employers to offer them open-ended contracts.

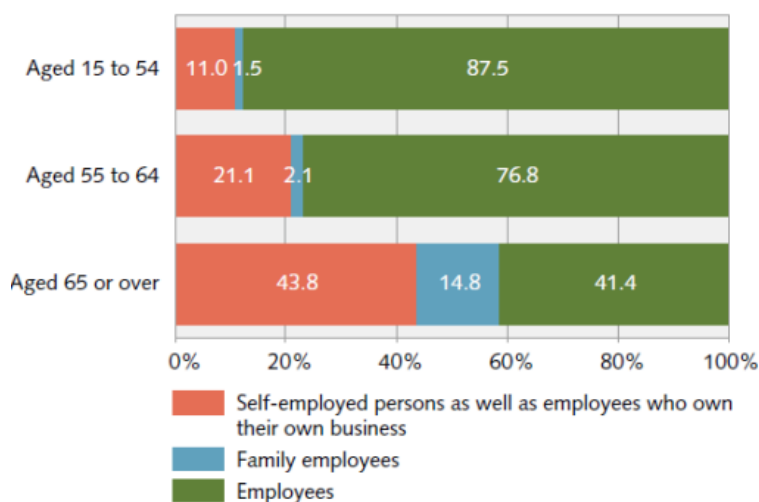
Graph I.2: Percentage of employees (excl. apprentices) with a fixed-term contract, by sex and age, 2017, Switzerland



Source: OFS (2018b), p. 17.

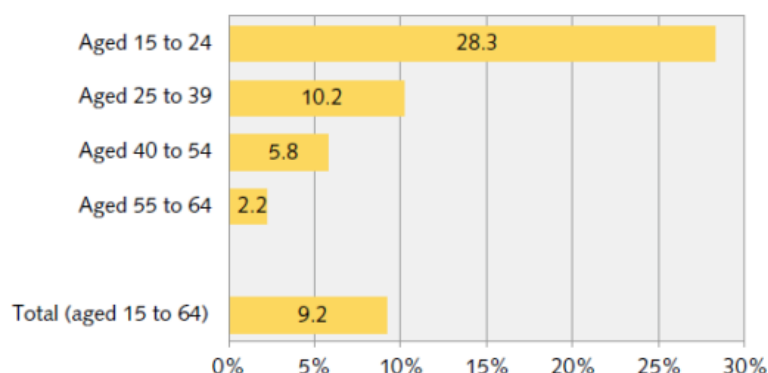
These figures would suggest that, once they have retired, older workers either move to a new job, or change employment status. Unfortunately, the available statistics don't enable us to test this hypothesis, since they only cover individuals who haven't yet reached the official retirement age. However, they confirm the relative stability of the employment conditions of older workers in the Swiss context. In the 10 years before they reach statutory retirement age, only 2.2% of older workers had changed jobs in the previous 12 months.

Graph I.3: Employment status of working population according to age, 2010, Switzerland



Source: OFS (2012), p. 3.

Graph I.4: Share of the working population who had changed jobs in the previous 12 months, by age group, 2008-2009, Switzerland.



Source: OFS (2012), p. 5.

Older workers are also much more likely to be working in a self-employed capacity than the younger generations. They are also more frequently employed as “family collaborators”, a status that is particularly common in small businesses and in the agricultural sector. It may be that some older workers adopt this status in order to assist younger family members who have taken over the family enterprise or farm.

The share of older workers in the working population varies quite considerably by economic sector and occupation. In a couple of tertiary sector occupations (e.g. banking and finance) the share of 55 to 64-year-olds has traditionally been low, but actually fell even further after the 2008 recession, when there were a series of redundancies, sometimes associated with early retirement schemes. In most other sectors, the share of older workers has increased quite significantly over the past 10 years, often reflecting labour shortages in a number of highly qualified occupations (e.g. teaching, health and social services), where Switzerland is heavily dependent on migrant workers from neighbouring or more distant countries.

In the health and social services sectors, for example, the rate of early retirement is almost five times lower than in the banking & finance sector.

Although it doesn't appear in these graphs, there is probably a gender dimension to this disparity. In the highly feminized health and social services sector, it is unlikely that older workers would have accumulated sufficient years of service, working full-time and in relatively

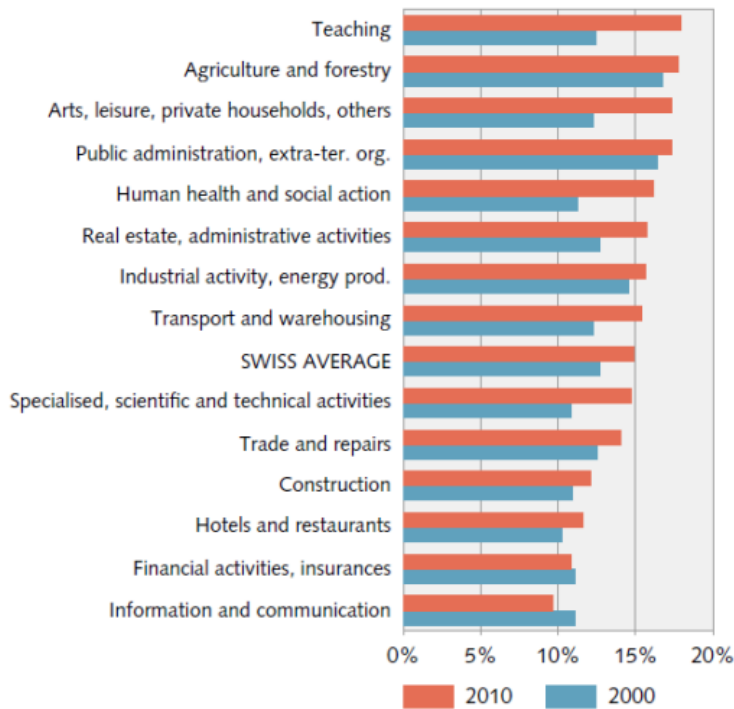
well-paid positions, with generous occupational pension funds, to be able to afford to retire before qualifying for the basic state pension. Increasingly in Switzerland, early retirement is reserved for male managers with upwardly mobile career trajectories, whilst male manual workers and female employees tend to work until the official retirement age, or to pass through a period of sick leave or disability benefit before being able to retire (Rosende & Schoeni, 2012).

1.3. Unemployment and Non-Employment

Older workers are less likely to experience redundancy or unemployment than their younger counterparts, although the relative protection offered to them on the Swiss labour market is sensitive to the overall economic climate. However, if they do lose their jobs, older workers find it harder to return to the labour market than younger job-seekers (SECO, 2016). This “age penalty” is recognized in the social protection system: older workers (55+) are entitled to longer periods of unemployment benefit (*allocation chômage*) and are a priority target for some so-called “active employment” policies.

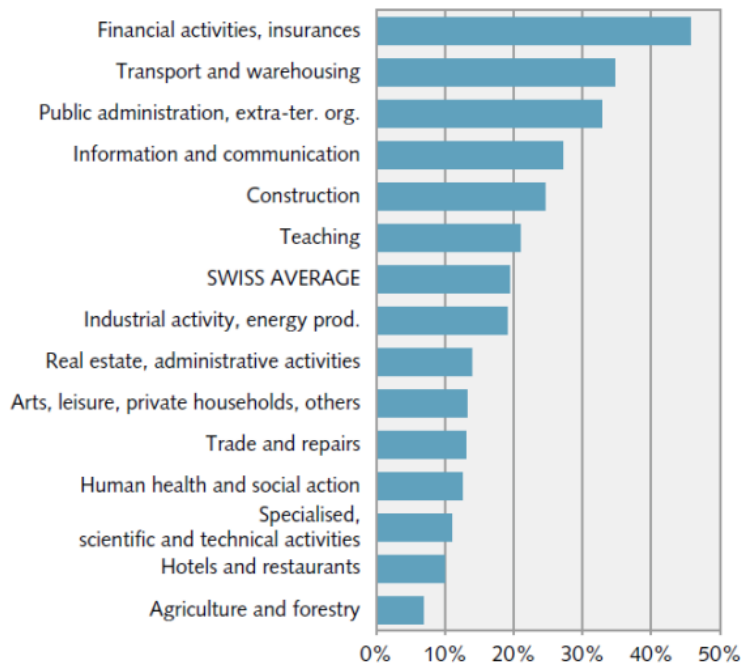
Thus, over 55-year-olds are less likely than middle-aged unemployed persons to lose their unemployment benefit rights. When they do, they are entitled to income support benefit (*aide sociale*). In 2014, only 2.7% of the 55 to 64-year-olds were on income support benefit, as against 3.3% of 45 to 54-year-olds. However, there has been a slight increase in the precarity of older workers over the past decade. In 2005, 1.9% of 55 to 64-year-olds were on income support benefit, compared to 2.9 % of 45 to 54-year-olds (SECO, 2016). This is mainly due to an extension of the duration of income support benefit for the 55 to 64-year olds, which increased from 17 months in 2009, to 21 months in 2014. Over the same period, the duration of income support for 45 to 55-year-olds remained stable, at 12 months. These figures confirm that older workers generally enjoy quite stable and secure employment conditions in the Swiss context. However, they are particularly vulnerable to any interruption to their employment contracts and experience greater difficulties in returning to the labour market once they have lost a job after the age of 50 years (SECO, 2016).

Graph I.5: Share of 55 to 64-year-olds among the working population, by economic sector, 2012, Switzerland



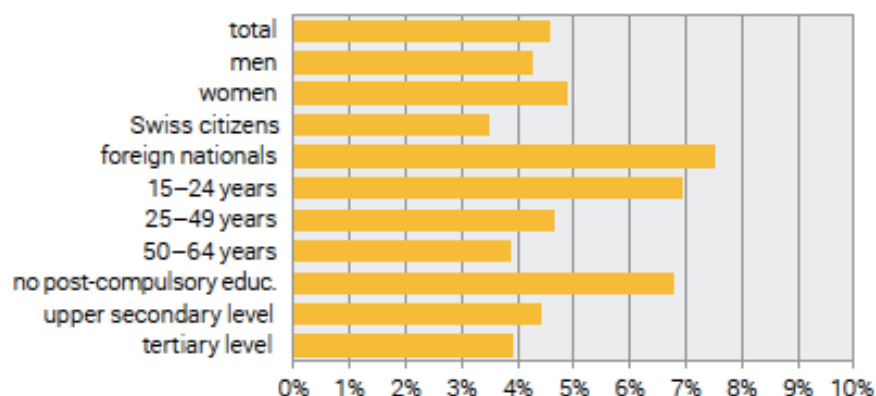
Source: OFS (2012), p. 4.

Graph I.6: Early retirement rates, by economic sector, Switzerland, 2012



Source: OFS (2012), p. 5.

Graph I.7: Unemployment rate (ILO definition) by sex, nationality, age, education level, Switzerland, 2017



Source: OFS (2018b), p. 14.

It is difficult to find information about the “gender bias” in registration with the employment offices in Switzerland (*Office regional de placement – ORP*). However, national data suggest that non-employed women are statistically less likely to register themselves as formally unemployed than their male counterparts. Federal statistics suggest that only 39.5% of women who could be considered as unemployed on the basis of the ILO definition are formally registered with an ORP, as against 52.6% of their male counterparts (cited in Le Feuvre, Rosende, Schoeni, & Kuehni, 2014).

In 2015, about a quarter of 55 to 64-year olds were considered to be non-employed, i.e. not working and not actively seeking employment. This rate is much higher for older women (32%) than for their male counterparts (18%). Likewise, the reasons given for non-employment status vary significantly by gender. Ten times more women than men cite “Personal reasons / family obligations”, whereas more men than women had taken early retirement.

Almost 30% of the older non-employed are not working for health reasons; two-thirds of them are recognized as permanently invalid, and the rest were on sick-leave and were recognized as rest as temporarily unable to work. More non-employed men than women are recognized as permanently invalid.

Only a small share (3%) of the non-employed cite lack of employment opportunities as the main reason for their not working, but women are three times more numerous than men to mention this reason.

If we now compare the evolution of the reasons given for non-employment over the past decade, some interesting results emerge. Firstly, Graph I.8 enables us to visualize the numerical drop in non-employment amongst older persons between 2005 and 2015: the reduction has been of about 10% for men, but 17% for women. For both sexes, the share of “early or on-time retirement” as the main reason for non-employment at ages 55-64 fell significantly between 2005 and 2015.

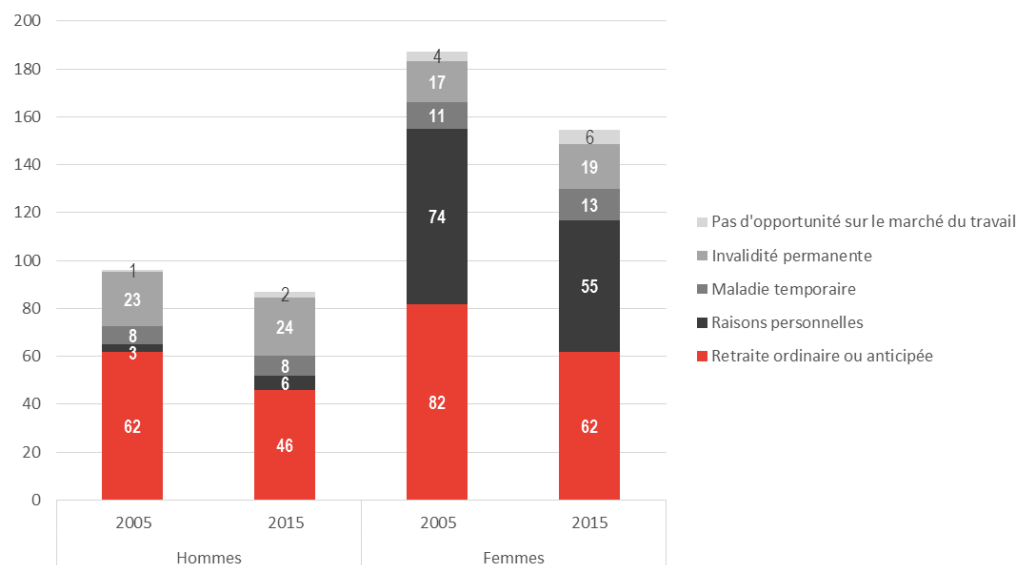
Table 4: Reasons stated for not working by 55 to 64-year-olds not in employment, Switzerland, 2015 (in thousands)

Reasons for non-employment	Men	Women	Total	Share
Personal reasons / family duties obligations	5 900	54 900	60 800	25%
Early retirement	39 600	33 300	72 900	30%
On-time retirement	6 400	28 600	35 000	14%
Permanent invalidity	24 400	18 700	43 000	18%
Poor health, temporary invalidity	8 400	13 100	21 500	9%
Lack of employment opportunities	2 100	6 000	8 100	3%
Total	86 800	154 500	241 300	100%

Source: SECO (2016), p. 11.

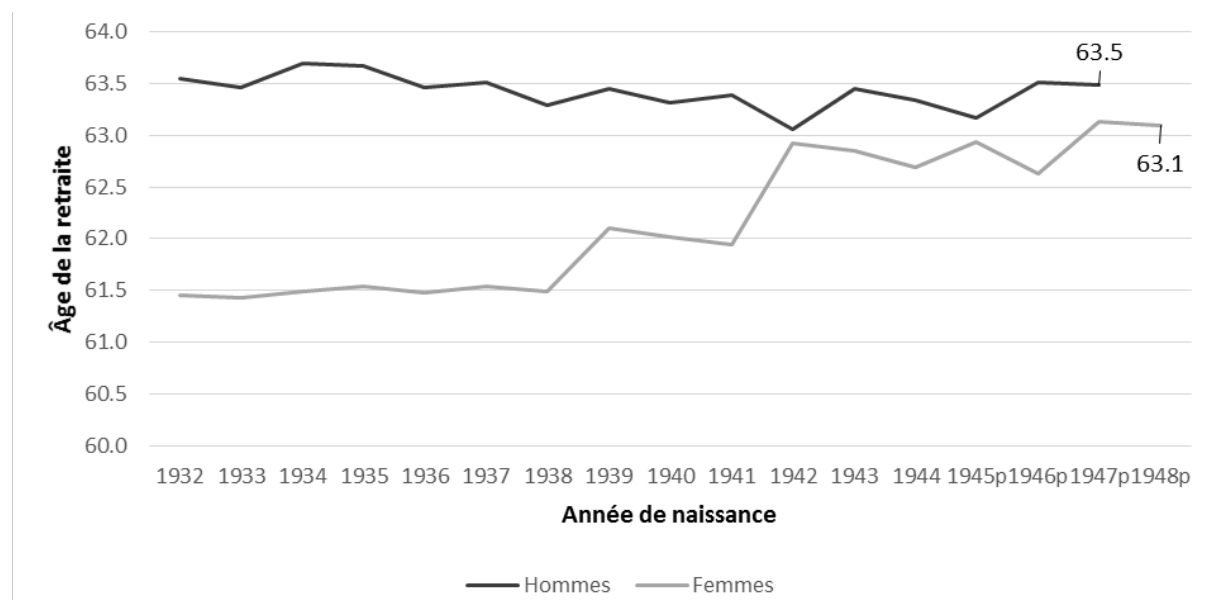
The number of women citing “personal reasons / family duties” as the main reason for not working has also fallen dramatically (from 74 000 in 2005, to 55 000 in 2015), whereas the number of men mentioning this reason has doubled over the same period, albeit from a very low base (3 000 in 2005, to 6 000 in 2015). Overall, the number of women who declare that they are involuntarily non-employed (due to poor health, invalidity or difficulties in finding a job) has increased over the past 10 years, but has remained relatively stable for men.

Graph I.8: Reasons given by non-employed men and women aged 55-64 years for not working or actively looking for work, Switzerland, 2005-2015 (in thousands)



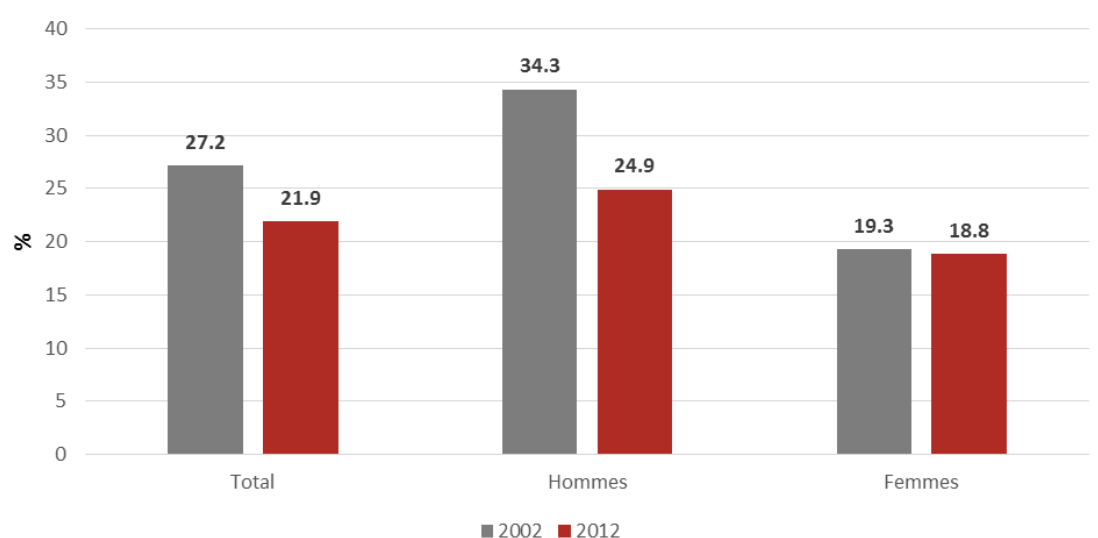
Source: SECO (2016), p. 11.

Graph I.9: Average (self-declared) retirement age by year of birth and sex, Switzerland, 2015



Source: SECO (2016), p. 9.

Graph I.10: Evolution of people declaring early retirement (60-64 years for men, 58-62 years for women in 2002, 59-63 years for women in 2012), Switzerland, 2002-2012



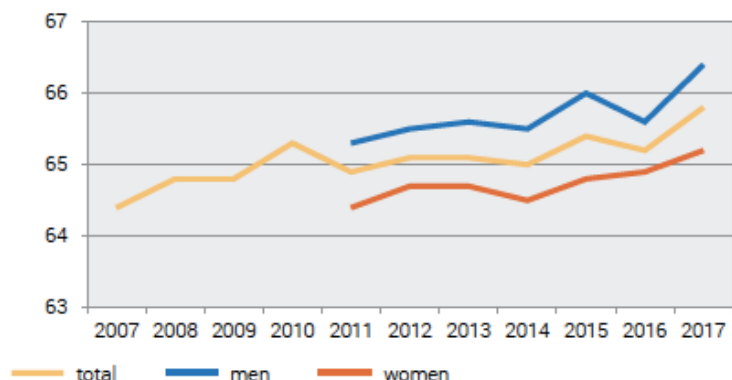
Source: SECO (2016), p. 9.

1.4. Employment to Retirement Transitions in the Swiss Context

As already mentioned, the Swiss context is characterized by a relatively high employment rate for older workers (50+), but with a steep drop-off curve beyond the full retirement ages, which are different for men and women. Between 2010 and 2015, the employment rate for the over-65s increased from 9.3% to 11.8% (Avenir Suisse, 2016).

As indicated in Graph I.11, there has been a progressive convergence of the actual retirement ages of men and women in Switzerland. As in most other European countries, there has been a steady increase in the average age of labour market exit, from just over 64 years to almost 66 years.

Graph I.11: Evolution of average age of labour market exit (persons aged 58-75 years), by sex, Switzerland, 2007-2017

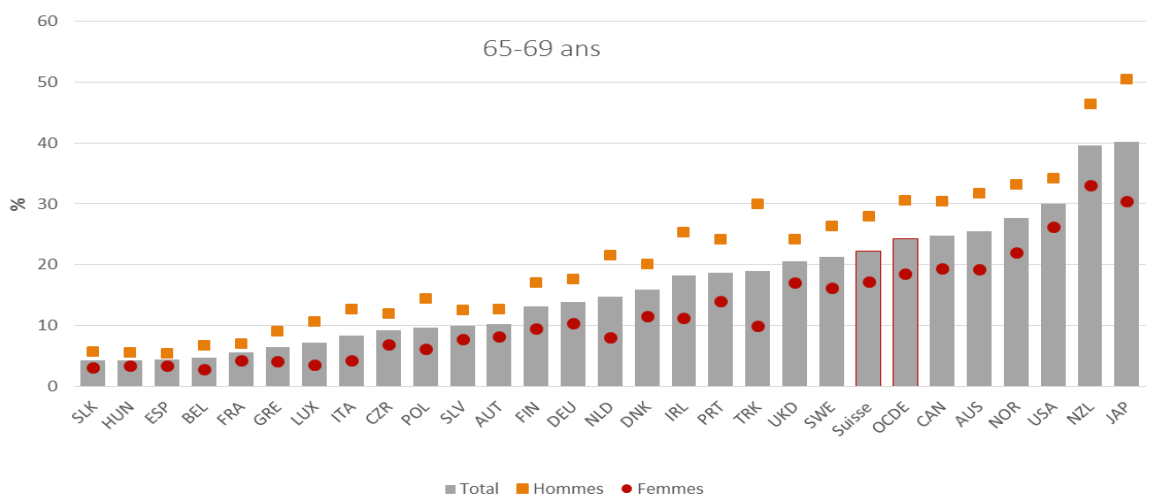


Source: OFS (2018b), p. 20.

1.5. Working Beyond Official Retirement Age in the Swiss Context

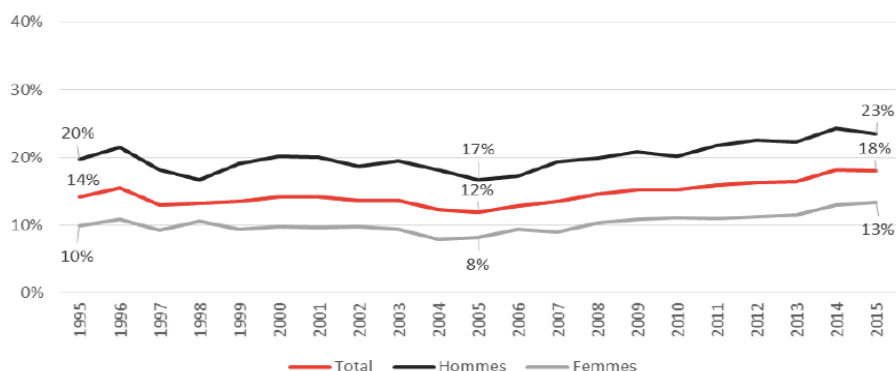
After a steady decrease throughout the 1990s, the employment rate of post-retirement age men and women has risen in Switzerland over the past 10 years. At 22%, the employment rate of Swiss 65 to 69-year-olds remains just below the OECD average of 24%. This is nevertheless one of the highest employment rates of this age category in the European context, second only to Norway.

Graph I.12: Comparison of employment rates of 65 to 69-year-olds, by sex, selection of OECD countries, 2014



Source: OECD (2014) online statistics

Graph I.13: Evolution of employment rates of the 65 to 74-year-olds, Switzerland, 1995-2015

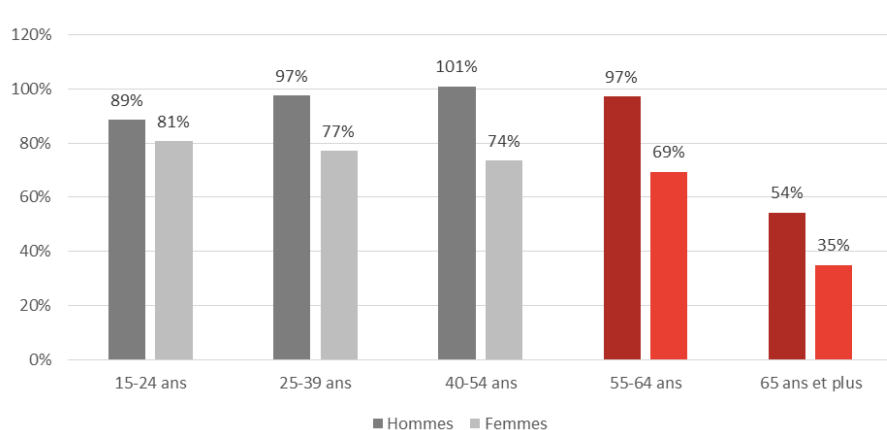


Source: SECO (2016), p. 12.

Between 2010 and 2015, the volume of work carried out by the over 64s increased by 25%, which is equivalent to 16000 full-time jobs. In 2015, the employment rate for the 64-74 age group had reached 18%.

In the Swiss context, the vast majority of post-retirement age workers are employed on a part-time basis, frequently at less than a 50% employment rate. Whilst part-time work is widespread for women of all ages in Switzerland, this employment pattern is also adopted by those men who remain in employment beyond the official retirement age. Thus, the average working time for men drops from 97% of a full-time position at 55-64 years to 54% beyond 65 years. The equivalent decrease for women is from 69% to just 35% beyond 64 years.

Graph I.14: Average working time (expressed as % of a full-time job), by age group and sex, Switzerland, 2015



Source : SECO (2016), p. 13.

2. Retirement Policies & Pension Schemes in the Swiss Context

According to the Federal Constitution (RS 101, art.111 et 113³), the Swiss social security system is based on a three-tier pension regime, organized since 1972 around three “pillars”:

- **1st Pillar (AVS):** Old-age and survivors insurance scheme (OASI - obligatory contributions after the age of 20 years), associated with a survivor’s (widows / widowers) allowance and an invalidity insurance scheme. Introduced in 1948, in its current form since about 1960⁴;
- **2nd Pillar (LLP):** Occupational pension scheme (obligatory for those in employment and earning more than 21 150 CHF a year). Introduced in 1972, in its current form since about 1985;
- **3rd Pillar (PPS):** Individual private pension scheme (voluntary).

This model was the object of heated debate in the Swiss Parliament in the early 1960s, but was finally adopted almost a decade later. The universal pension system (OASI) was introduced in 1948, but the occupational pension (LLP) scheme was only adopted in the early 1970s and was generalised after the mid-1980s. Tax rebates are also available for savings paid into private pension schemes.

The Swiss system thus rests on a combination of universal and contributions-based pension rights, which are more or less sensitive to demographic and economic factors. The 1st pillar is highly sensitive to demographic evolutions, whereas the 2nd and 3rd pillars are more dependent on the overall economic climate and particularly on interest rates (Höpflinger, 2014).

2.1. The Old-Age, Survivors & Invalidity Insurance Scheme (OASI)

Contributing to the old-age, survivors and invalidity insurance scheme (OASI, or AVS in French) is obligatory for everyone living or working in Switzerland, including employees and the self-employed, beyond the age of 20 years. It aims to cover the basic daily needs of retirees, widow-er-s and the disabled.

When it was first introduced, in 1948, men and women qualified for a basic pension at the age of 65 years. The retirement age of men has never been changed since, but it was reduced

to 63 years for women in 1957, and then to 62 years in 1964 (6th AVS Revision), before being gradually increased again.

Contributions to the 1st pillar are made on a pay-as-you-earn basis. Employers cover at least 50% of the OASI (AVS) contributions of their staff. These are calculated on the basis of what is called a “coordinated salary”, which is the part of the annual salary between 24 675 CHF⁵ (earnings threshold below which no contributions are required) and 84 600 CHF (earnings ceiling beyond which no additional contributions are requested).

Contributions, which are tax deductible, are calculated as a percentage of the employee’s salary and vary by age group: from 7% for 25 to 34-year-olds, up to 18% for 55 to 65-year-olds, with an average rate of about 10.1%. This explains why it is generally believed that “older workers cost more to employ” (see Rosende & Schoeni, 2014) in the Swiss context, something which may fuel ageist attitudes amongst employers.

So-called “supplementary plans” can cover an additional part of the salary, beyond the coordinated salary. Different combined contribution rates may apply under supplementary plans, according to the canton, employment sector or enterprise-level agreements (Lenz & Staehelin, 2018).

The (relatively modest) pensions received through the 1st pillar depend both on the number of years spent in employment and on the salary of the recipient over the whole of his or her working life. Years spent out of employment for childcare or other family care duties are taken into consideration when calculating the number of years of service, but obviously reduce the average annual salary, as does any period of part-time employment.

The Federal government defines a minimum « conversion rate » for calculating the monthly returns on accumulated pension contributions (currently 6.8% for those who qualify for the OASI). The pension is calculated on the basis of the average annual salary earned between the age of 20 and the official retirement age:

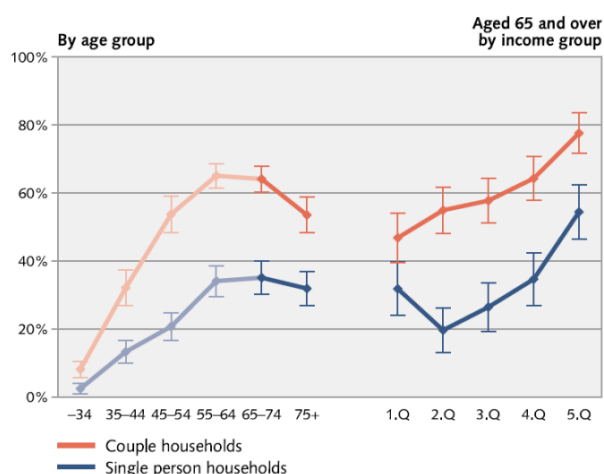
- Those with average annual earnings below 14 100 CHF who have contributed for the maximum number of years (i.e. 45 for men, 44 for women) can expect to receive a monthly pension of 1175 CHF;
- Those with average annual earnings above 84 600 CHF who have contributed for the maximum number of years can expect to receive a monthly pension of 2350 CHF.

The Federal Law limits the highest possible OASI pension to no more than twice the minimum amount. It is possible to receive a basic state pension before reaching official retirement age, but there are financial penalties associated with early pension requests.

Should the accrued pension rights be insufficient to cover the daily living expenses of an individual, they can be supplemented by a so-called complementary, top-up allowance (*préstations complémentaires*), which is means-tested. This top-up allowance is usually only paid to individuals who have no personal savings or real estate, although there are cantonal variations on this point (Höpflinger, 2014).

Given the role of lump-sum pension payments in access to real estate, it is important to provide some information about home ownership in the Swiss context. For various reasons, including high property costs and a tax system that is relatively unfavourable to outright home ownership, but favourable to mortgage repayments, the rate of home ownership is generally lower than in neighbouring countries, particularly for older generations and for single-person households. Of course, home ownership is correlated with household income levels, with almost 80% of home-owners amongst households in the highest income quartile, as compared to just 50% in the lowest income groups.

Graph II.1: Share of home-ownership, solo & couple households, by age groups and income quartile, 2012, Switzerland



Source: OFS (2012), p. 13.

2.2. The Occupational Pension Scheme (LLP)

The stated aim of the 2nd pillar occupational pension scheme, consolidated in 1985, is to enable retirees to “maintain the same standard of living as during their working lives”, by accumulating contributions to a recognized pension fund that can later be claimed in the form of a monthly payment (until death), a lump-sum capital payment, or a combination of the two.

Until the mid-1980s, occupational pension schemes were reserved for certain categories of workers, usually in the public sector or in management and professional jobs in private-sector companies. François Höpflinger has calculated that, at the end of the 1960s, only 50% of people working in Switzerland were covered by an occupational scheme: two-thirds of male workers and a quarter of female workers (Höpflinger, 2014).

Currently, anyone earning more than 21 150 CHF a year is obliged to contribute to an occupational pension scheme.⁶ The contribution rate varies according to the pension fund, but employers are obliged to match the contributions of their employees, which are also tax deductible. Anyone earning below this sum can decide to make a voluntary contribution to an occupational pension fund, but without the matching employers’ contribution. A 2003 revision of the occupational pension scheme increased the rights of part-timers, by changing the entry threshold.

In order to adapt to the increase in life expectancy, the base conversion rate - used to calculate the monthly returns on accumulated pension savings – has been progressively reduced over time, from 7.2% in 2005, to 6.8% in 2014. According to François Höpflinger, the accumulated pension savings held in occupational pension funds amounted to 605 billion Swiss Francs (CHF) in 2007. Following the 2008 recession, some pension funds reduced their conversion rates, leading to public protests and even legal action against such decisions (Höpflinger, 2014).

In principle, assets must be held in a pension fund structured as a foundation or a public entity with legal personality governed by Swiss law. There are three types of pension funds, which must be a separate legal entity from the employing entity and which are placed under the surveillance of the Federal supervisory authority:

- **Company pension funds** are set up by a private company or public authority to manage the occupational pension funds of its’ own employees;

- **Shared pension funds** are set up by a several companies who agree to manage the occupational pension funds of their employees jointly;
- **Collective pension funds** are generally set up by dedicated insurance companies and to whom the employees of a wide range of companies are affiliated (Lenz & Staehlin, 2018)

All the pension funds are run by Boards, who are responsible for the investment strategy of the assets and for ensuring that there are sufficient reserves to cover the payments to affiliated retirees. Some legal requirements limit the types of investment boards can make (e.g. no more than 5% of the pension fund's assets can be invested in the shares of a single company). Since they are separate entities, the insolvency of a company shouldn't affect the assets of company-based pension funds. However, should a pension fund become insolvent for any reason, a national 'security fund' (jointly funded by all recognized pension funds in the country) guarantees the benefits of the pension fund based on a maximum insured salary of 126 900 CHF (corresponding to one-and-a-half times the maximum insured salary under the Occupational Benefits Act). The supervisory authority may take specific measures, including entrusting the management of a pension fund's assets to a public authority or cancelling the decisions of a pension fund's Board members (Lenz & Staehelin, 2018).

In theory, accrued occupational pension rights are 'portable'. When a worker changes employer, the savings s/he has accrued with a given pension fund are automatically transferred to the pension fund of the new company. The employees' benefit rights are then re-calculated according to the regulations of the new pension fund (Lenz & Staehelin, 2018). Although this system guarantees the financial stability of the Swiss occupational pension scheme, it also makes it quite difficult for older workers to know exactly what they are entitled to under the rules of a particular pension fund, which are subject to revision. Also, the penalties associated with early retirement or the benefits offered to workers who delay drawing their pension vary from one pension fund to another, making it likely that different household members may face different rules and regulations at any given time.

2.3. Individual Private Pension Schemes

The third tier of the Swiss pension scheme is based on voluntary contributions by individuals to private pension schemes. This 3rd pillar is actually divided into two distinct mechanisms, offering different levels of tax benefits:

- **3a pillar:** contributions are eligible for tax deductions up to a ceiling which was set in 2017 at 6768 CHF for people affiliated to an occupational pension scheme and 33840 CHF for those who aren't contributing to an occupational pension (often the self-employed). Tax reductions are based on the fact that these contributions are « tied ». The sums placed in the pension fund can only be recuperated under quite strict conditions. On retirement, the capital invested in a private pension fund isn't subject to income or wealth tax.
- **3b pillar:** there is no ceiling on individual contributions to these so-called « free » (i.e. not tied) private pension schemes, but the tax benefits are not as generous as under the 3a schemes.

Table 5: Share of salaried and self-employed who contribute to the different pillars of the Swiss pension system, 2008⁷

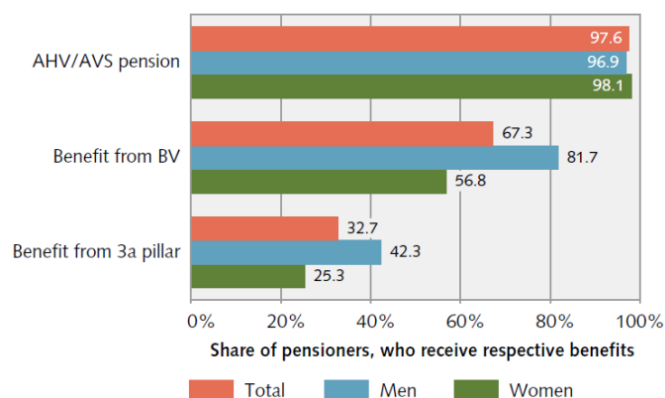
	Employed			Self-employed		
	Total	Men	Women	Total	Men	Women
Pillars 1, 2 & 3a	57.7	64.9	48.9	29.4	34.2	[19.7]
Pillars 1 & 2	26.9	27.6	26.1	11.6	12.1	[10.5]
Pillar 1 only	9.3	4.0	15.6	29.2	23.9	39.8
Pillars 1 & 3a	6.2	3.5	8.5	29.9	29.8	30.1

Source: OFS (2012), p. 6.

The objective of the individual pension system is to compensate for any lack of coverage resulting from the first and second pillars and to allow retirees to maintain their standard of living. Anticipated withdrawal of funds is subject to financial penalties that vary according to the type of insurance contract. As indicated in Table 5, just under 60% (57.7%) of salaried workers in Switzerland are currently contributing to all three tiers of the pension system, whereas this is the case for under 30% (29.4%) of the self-employed.

Within each of these employment categories, men generally have a more diversified pension cover than their female counterparts. Even though Swiss women are relatively less likely than men to be self-employed, the share of self-employed women making no contributions beyond the basic pension scheme (39.8%) is particularly noteworthy.

Graph II.2: Source of pensions paid to women (65-69 years) and men (65-70 years), 2008, Switzerland

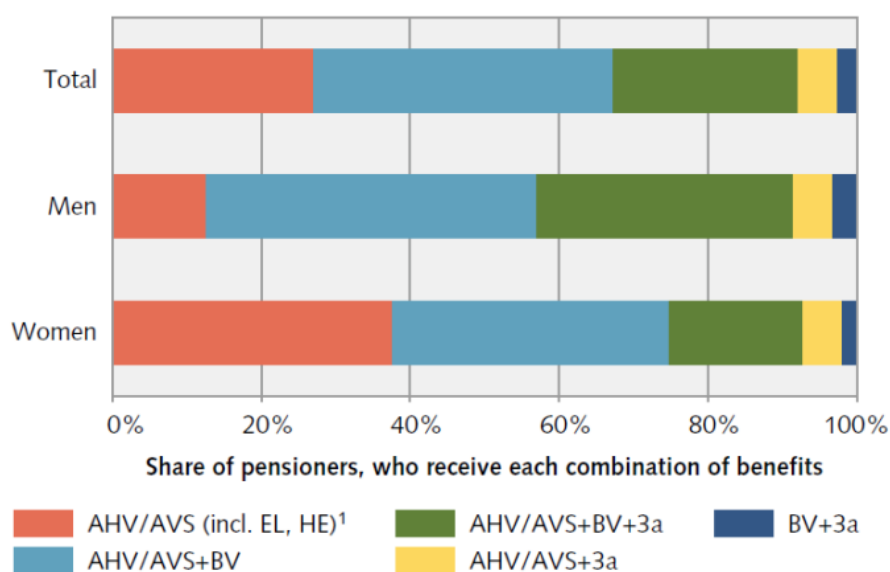


Source: OFS (2012), p. 8.

Given the (modified) male breadwinner model of gender relations that was widespread in the Swiss context in the second half of the 20th century, the accumulated pension rights of today's male and female retirees are very unequal. Since the AVS is universal, almost all older people are eligible for at least some basic pension payment. About two-thirds of older people are now covered by an occupational pension scheme, but this proportion is much higher for men (81.7%) than for women (56.8%). Likewise, men are much more likely to have contracted a private pension scheme (42.3%), in comparison to their female counterparts (25.3%).

As we shall see in more detail below, women are not only less likely to have contributed to a 2nd or 3rd pillar pension scheme throughout their working lives, they are also eligible for much lower monthly pension payments (or lump sum capital returns) than their male counterparts, notably due to discontinuous employment histories and to extended periods spent in part-time jobs. Therefore, the basic AVS pension represents a much larger share of women's total pension payments than it does of male retirees.

Graph II.3: Combined sources of pensions paid to women (65-69 years) and men (65-70 years), 2008, Switzerland



¹ Including supplementary benefits (EL) and Helplessness allowance (HE)

Source: OFS (2012) *DEMOS Newsletter n°2*, p. 8.

2.4. The Gender Pension Gap in Switzerland

When the basic (OASI) pension scheme was first introduced (1947), married women were covered solely by their husbands' pension contributions. The so-called "married couple's pension" was paid as soon as the husband reached the age of 65 and his wife the age of 60. This was increased to 63 years in 1957 then reduced again to 62 years in 1964. In 1995, the "couple's pension" system was abandoned and married women became entitled to their own basic pensions, although the household income remained an important reference point for calculating the pension rights of married couples. The 1995 reform states that the combined basic (OASI) pensions of the members of a married couple can't exceed 150% of the maximum AVS allocation. This reform also set the legal age for female retirement at 64 years (Perriard, 2017).

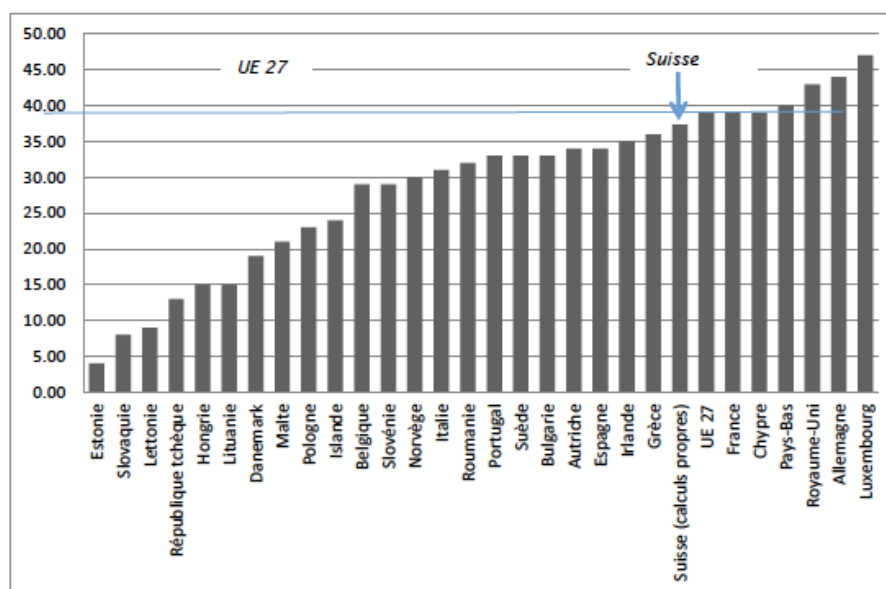
In 2016, under a mandate from the Federal Office of Gender Equality, the Federal Office of Social Security (OFAS) carried out a detailed study of the gender pension gap (GPG) for the generations born between 1937 and 1948 and whose working lives had covered the period 1957-2002 (for the older age group) and 1967 and 2012 (for the younger age group).

The study found that the gender pension gap in Switzerland is one of the largest of all OECD countries. For these generations, women’s pension entitlements are 37% lower than those of their male counterparts (i.e. almost 20 000 CHF / year).

The size of the GPG varies considerably according to the type of pension under consideration. If we look at the three pillars individually, we see that the gender pension gap (GPG) is only 3% for the basic state pension, whereas it amounts to 63% under the occupational scheme and 54% as far as private pension entitlements are concerned (OFAS, 2016, p. 60).

As the OFAS report states, the overall GPG currently stands at 37%, notably because the basic pension represents only a minor share of the pension entitlements of Swiss retirees. It is also important to note that, for the generations covered by this study, it used to be possible for women to retrieve their occupational pension savings (2nd pillar) as a lump sum payment on marriage. As a result, their occupational pension savings on reaching retirement age will probably not include the years worked prior to marriage, but they will nevertheless have benefitted from the money saved at an earlier point in time.

Graph II.4: The Swiss Gender Pension Gap in Comparative Perspective, 2013



Source: Bettio et al, (2015), cited in OFAS (2016), p. 71.

The GPG is low for the basic pension notably because the years women spent raising a family or caring for family members are considered when calculating their overall years of contribution. Likewise, pension-splitting arrangements following divorce tend to reduce the

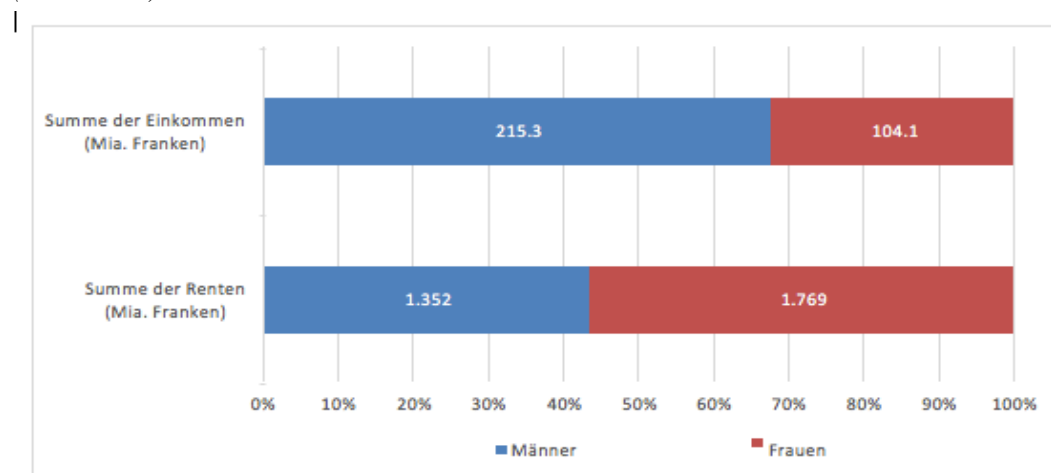
inequalities between the pension entitlements of men and women, despite their very different employment histories. The basic pension scheme is therefore highly redistributive. As shown below, women's contributions represent 33% of the AVS pension fund, but they receive 57 % of the pension payments (as against 43% for men, whose contributions represent two-thirds of the fund).

In contrast, women are severely penalized for their discontinuous and part-time employment histories under the occupational pension scheme, which accounts for the largest share of pension income for this generation of Swiss retirees. The authors of the OFAS study thus calculated that, in the 20 years preceding their retirement, Swiss women had worked on average 154 months (out of a potential 240), as compared to 204 months for men: a difference of 64% to 84% (OFAS, 2016). This gender gap in employment histories would be even larger could the proportion of women working part-time be calculated with the available data.

For the generations under consideration in the OFAS study, it is estimated that women earned approximately 35% of male income, and this figure falls as low as 25% for married women (Perriard, 2017: 212-215). It is important to note that the Swiss fiscal system is still very unfavourable to households where both partners work full-time (dual career couples), notably because public-sector childcare costs are high (the most expensive in the world, relative to purchasing power, according to Monika Bütler, 2006) and means-tested. Any additional income gained through mothers increasing their working hours thus risks being entirely eaten up by the combined shift of the household to a higher income tax band and the increase in child-care costs (Bütler, 2006).

The GPG varies significantly by marital status: it is 10% higher than the average for married persons (47%) and is 10% lower than the average for divorced and widowed persons (27%). There is virtually no GPG for single (never married) persons. In addition, parental status also counts. The GPG amounts to 41% amongst parents, but is limited to 17% for persons without children (OFAS, 2016, p. 63).

Graph II.5: Women's and Men's share of AVS (1st pillar) contributions and pension payments (in billions), Switzerland, 2013



Source: OFAS (2016), p. 60

Table 8: The Gender Pensions Gap in Switzerland, 2012

Source of pension entitlement	Gender pension gap (in real terms CHF)	Gender pension gap (women's pension benefit as a % of men's)
1 st Pillar Basic Pension (OASI – AVS)	606.00	2.7%
2 nd Pillar Occupational Pension (LLP)	18 674.00	63.0%
3 rd Pillar Private Pension	813.00	54.4%
Overall difference in annual pension ⁸	19 585.00	37.1%

Source: OFAS (2016), p. 61.

Table 9: Gender Pension Gap by source of pension entitlement, Switzerland, 2012

Source of pension entitlement	Annual Pension Income			%	Amount
	Average Women	Average Men	Gender Gap		
1 st Pillar Basic Pension (OASI – AVS)	21 663	22 269	606	2.7%	4 277
2 nd Pillar Occupational Pension (LLP)	10 948	29 622	18 674	63.0%	4 140
• As a pension	8 959	24 417	15 457	63.3%	4 207
• As a lump-sum	2 000	5 125	3 124	61.0%	4 183
3 rd Pillar Private Pension (capital)	681	1 494	813	54.4%	3 942
Overall difference in annual pension	33 169	52 755	19 585	37.1%	3 855

Source: OFAS (2016), p. 94.

Table 10: Gender Pension Gap by type of pension and age group, Switzerland, 2012 (N = 4277).

Age group	Gender Pension Gap		
	OASI	LLP	Private
64/65 – 66 years	8.2%	60.6%	57.0%
67 – 69 years	3.7%	64.2%	50.4%
70 – 72 years	0.2%	62.0%	50.7%
73 – 75 years	-1.8%	65.4%	66.4%
Total	2.7%	63.0%	54.4%

Source: OFAS (2016), p. 100.

Table 11: Gender Pension Gap by type of pension and marital status, Switzerland, 2012

Marital Status	Gender Pension Gap		
	OASI	LLP	Private
Single / never married	-2.2%	0.9%	46.4%
Married / civil partnership	8.0%	74.8%	59.5%
Divorced / separated	4.8%	49.3%	38.9%
Widowed	2.1%	50.8%	53.6%
Total	2.7%	63.0%	54.4%

Source: OFAS (2016), p. 104.

2.5. Pension Reforms, EWL Policies & Public Debates

Pension reforms have a chequered history in the Swiss context (see Annex 1). From a gender perspective, there are a number of important changes to mention. Thus, at the outset of the basic pension scheme, the full retirement age for men and women was set at 65 years. However, throughout the 1950s, women’s full pension age was progressively reduced (down to 62 years in 1964), before gradually being increased again (up to 64 years) in 1997.

In fact, this account of female retirement policies is somewhat misleading, since - up until 1997 – the majority of women in Switzerland had no personal retirement pension rights at all. Married women were covered by the “spouse allowance” that was added to their husband’s pension, which was paid to men aged 65+ as soon as their wives reached the age of 60 years. So effectively, married women qualified (indirectly) for a pension at age 60, whereas single and divorced women were obliged to work until age 64 to qualify for a full basic pension.

The 1997 legislation put a stop to this differential treatment of older women according to their marital status, by introducing individual pension rights for all women, irrespective of their family circumstances and employment status. In parallel, a widower's pension allowance was also introduced, whereas men previously had no entitlement to the accumulated pension rights of their deceased spouse, contrary to female widows and orphans.

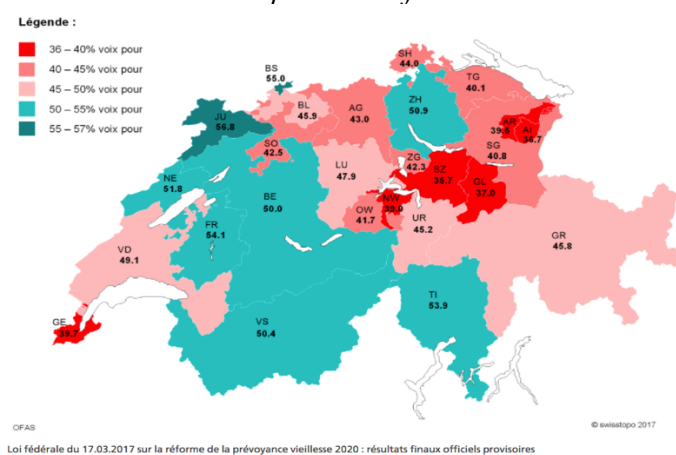
Since 2004, three distinct attempts to align the male and female full retirement ages at 65 years have been rejected by Swiss voters. The most recent and perhaps most spectacular rejection of a comprehensive pension reform plan that was predicated on an explicit gender equality rhetoric came with the rejection of a wide-ranging reform proposed by the socialist Minister of Social Affairs, Alain Berset, in September 2017 (see OFAS 2017). Presented as a long-term solution to the financial equilibrium of the OASI and LLP pension schemes, whilst reducing the underlying Swiss gender pension gap, the so-called *Prevision 2020* reform submitted to voters on September 24th 2017 included the following measures:

- a progressive increase in the retirement age for women from 64 to 65;
- an increase of 0.6% to the basic VAT rate
- an increase in employer and employee contribution rates to occupational pension plans;
- a lowering of the income threshold for access to occupational pension schemes (from 21 000 CHF to 14 000);
- a reduction in the pension conversion rate, from 6.8% to 6.0% of assets;
- a progressive phasing out of widow's pensions, except for households with dependent children;
- an increase in the minimum early retirement age from 58 to 62;
- the introduction of a flexible retirement scheme, between ages 62 to 70;
- a modest increase (70 CHF) in the monthly state retirement pension.

Despite a very comprehensive media campaign in favour of the reform, that insisted particularly on the advantages it would bring to future generations of older women⁹, the proposal was defeated in the September 2017 referendum. The map below shows the regions that were favourable or opposed to the proposed reform. Opposition came from several sides of the political spectrum. Right-wing parties and employers' organisations were opposed to the

planned (modest) increase in the basic VAT rate and in the employers' contributions to occupational pension schemes. Despite initial support from the Socialist Party, reformist trade unions and most of the municipal or cantonal Gender Equality Offices, several demonstrations organised by left-wing and feminist organisations took place against the reform. These groups argued that the solution to the gender pension gap should be found through fighting the gender pay gap and improving the career prospects of women across the life-course, notably through the improved provision of affordable childcare services, rather than through a 1-year increase in women's full retirement age.

Graph II.6: Geographical spread of the results of the September 24th 2017 referendum on the Prevision 2020 Swiss pension reform



Source: Swiss Confederation. Red & pink = majority opposed to the reform. Turquoise & green = majority in favour of the reform.

Since this was the third unsuccessful attempt in a row to increase the retirement age of women to 65 years, this is obviously a question that goes to the heart of the Swiss gender regime. However, despite this defeat, observers believe that most of the measures will probably be introduced through parliamentary reform processes.

Given the high profile of any attempt to reform the Swiss pension system, it is interesting to note that there has been relatively less public debate, academic research or media coverage of other EWL issues, particularly from a health or gender perspective.

However, one of the 21 research proposals selected under a national priority thematic programme (PNR60) funded by the Swiss national science foundation (SNSF) in 2010 - 2014¹⁰

specifically addressed these issues. Using a mixed-methods research design, the EGALISE (Equality for Seniors in Employment)¹¹ project studied the experiences of older workers (50+) in three different employment sectors (health, retail, transport). The authors found a clear mismatch between the EWL policies promoted at the Federal level and the practices adopted by most employers, who were still externalising the problems raised by older workers (via early retirement schemes or forced part-time options). Not only were these measures implemented without any consideration for gender equality issues (despite some quite innovative equal opportunity policies aimed at younger groups of women within the same company), they also failed to address the challenges to the health and well-being of older workers, and their families (Le Feuvre et al 2014).

The authors of this study concluded that older female workers are currently faced with partially contradictory expectations. They are supposed to compensate for the absence of alternative care services for their family members (particularly grandchildren and dependant elderly parents), whilst also having to increase their investment in formal employment during their later years, in order to compensate for their discontinuous and part-time previous work histories. Thus, contrary to the progressive reduction in working time that the older workers aspired to at the end of their working lives (notably to protect their health), some women were actually having to increase their working hours beyond 55 years, in order to reduce the risk of poverty in later life.

Several other academic contributions to the EWL debate are worth mentioning. These include a special issue of the *Swiss Journal of Sociology*, including articles on pension reforms (Knüsel et al 2015), older migrants on the Swiss labour market (Kaeser and Zuffrey, 2015), well-being at the transition to retirement (Wernli et al 2015) and the attitudes of Swiss retirees to the “active ageing” rhetoric (Repetti 2015).

In the light of these research findings, there has been some renewed attention to the work-life balance issues facing older workers in the Swiss context. Thus, one of the main Swiss trade union federations (Travail Suisse) has launched an ambitious information campaign for older workers with care commitments, with the explicit aim of encouraging older workers to remain in employment and to benefit from the available support services, whilst avoiding the financial penalties associated with early labour market exits. After consultation with a wide

range of social partners, including the EGALISE research team, a comprehensive and practical on-line information platform is now available in the three national languages.¹²

Likewise, the professional magazine of Human Resource Managers (*HR Today*) has published a number of articles and special issues focussed on different aspects of EWL issues, including on-the-job training, ergonomic adaptations to work stations, work-life balance issues for older workers and measures to combat age discrimination. However, the high level of self-employment among post-retirement age older workers in Switzerland would seem to suggest that the tendency for companies to “externalise the aging workforce challenge” continues to a certain extent (Le Feuvre et al 2013).

Lastly, the monthly magazine *La vie économique* edited by the State Secretariat of the Economy (SECO) and the Federal Department of Economics, Education & Research (DEFR) has started to publish an increasing number of articles relating to EWL issues, occasionally with a gender dimension.¹³

All these examples would seem to suggest that, beyond the pension reform question, EWL issues are slowly starting to receive more attention in the Swiss context.

3. Conclusions

This report has attempted to document and contextualize issues surrounding the EWL policies and practices in the Swiss context. It has argued that the experiences of older workers are strongly influenced by a highly conservative gender order, which encourages mothers to exit the labour market or severely reduce their working hours after the birth of a child, and to continue working solely on a part-time basis whilst their children are of school age. The effects of such discontinuous and part-time employment histories on the part of a majority of married women are particularly detrimental to their financial security in retirement. This is because the occupational pension scheme, which provides the best rate of income replacement for retirees, is particularly sensitive to any type of labour market withdrawal throughout the adult life-course. In fact, many part-time workers, most of whom are married women with children, don't reach the contribution threshold for an occupational pension, and thus lose out on their

employer's contribution to their financial security in later life. These institutional arrangements have a significant impact on the experiences of older workers in the Swiss context, particularly in a time of increasing marital instability and of labour market restructuring. These are some of the issues we will be exploring further in the DAISIE project.

4. Notes

¹ The term “full retirement age” is used here in preference to “legal retirement age”, since there is no legal obligation for individuals who have reached the age at which they qualify for a full basic pension to leave the labour market, unless their job contract includes an age-related contract termination clause.

² The 9th AVS revision (1980) reintroduced the obligation of pensioners in employment beyond 65 years to continue paying pension contributions on their earnings (usually for no additional pension benefits).

³ Constitution fédérale de la Confédération suisse (Cst.), RS 101, art. 111.

⁴ For more details, see: <https://www.ahv-iv.ch/en/Social-insurances>

⁵ 1 CFH = 0,87 Euros (conversion rate January 2019).

⁶ This threshold is one of the reasons why part-time workers (and thus particularly women) tend to be excluded from occupational pension schemes.

⁷ Men aged 55-64 years, women aged 55-63 years.

⁸ Including lump sum capital payments.

⁹ See: <https://www.bsv.admin.ch/bsv/fr/home/sozialversicherungen/ahv/reformen-revisionen/altersvorsorge2020/dokumentation/medienunterlagen.html>

¹⁰ See: <http://www.pnr60.ch/fr>

¹¹ See: <http://www.pnr60.ch/fr/projets/cluster-1-travail-organisations/projet-le-feuvre>

¹² See: <http://www.info-workcare.ch/fr>

¹³ See: <https://dievolkswirtschaft.ch/fr/>

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Annex 1a. Swiss Pension Reforms, 1948 – 2017¹³

1948: Introduction of the Old Age and Survivors' Insurance Scheme (OASI) (AVS)

Entry into force of the Federal law on the old-age and survivors' insurance scheme (LAVS).

1951: 1st revision of the OASI (AVS)

Increase of the income threshold for tie-over benefits (*rentes transitoires*).

1954: 2nd revision of the OASI (AVS)

Increase of pension payments ; improvement of survivors' pensions ; exemption of over-65 year-olds engaged in lucrative activity from paying pension contributions.

1956: 3rd revision of the OASI (AVS)

Removal of the income threshold for tie-over benefits (*rentes transitoires*); abandon of regionally-specific pension benefit scales.

1957: 4th revision of the OASI (AVS)

Increase of basic pension payments ; women's retirement age reduced from 65 to 63 ; modified pension contribution scale for the self-employed.

1960: OASI (AVS) adaptation review

Modification of the partial pension system ; coordination with the Disability allowance (*allocation invalidité - AI*).

1961: 5th revision of the OASI (AVS)

Increase of pension payments; removal of reduced pension benefits for foreigners.

1964: 6th revision of the OASI (AVS)

Increase of pension payments; women's retirement age reduced from 63 to 62 years; introduction of the spouse's supplementary pension and the dependent child's allowance ; increase in Confederation's (state) contribution.

1969: 7th revision of the OASI (AVS)

Increase of pension payments; possibility to postpone drawing pension; increase of the contribution rates.

1972: Three Pillar System

Adoption of the three pillars system (Old age and survivors' insurance (OASI), Occupational Pension (OP) and Private/voluntary pension) in the Federal Constitution.

1973-1975: 8th revision of the OASI (AVS)

Increase of pension payments to guarantee subsistence level, including taking top-up allowances (*prestations complémentaires - PC*); increase of the contribution rate; reduction of the Confederation's (state) contribution.

1979-1980: 9th revision of the OASI (AVS)

Introduction of a so-called "mixed" or differential index for calculating pension benefits; increase of the Confederation's contribution and contributions by the self-employed; reintroduction of pension contributions for over 65 year-olds with a lucrative activity ; increase in pension benefits.

1985: Introduction of the occupational pension

Implementation of the Federal law on Occupational Pension Schemes (LPP).

1995: Introduction of an occupational pension holding fund (*caisse de libre passage*)

Implementation of the Federal law on the transfer of occupational pension contributions accumulated by workers who leave the labour market before reaching retirement age. Under this revision, their accumulated contributions

are transferred into a pension holding fund, until the person qualifies for a pension. Payment then takes the form of a one-off, lump-sum payment.

1995: Encouragement of home ownership

Implementation of regulations to promote access to home ownership through the occupational pension schemes (OEPL).

1997: 10th revision of the AVS

Introduction of individual pension rights for married women; pension splitting for divorced couples; bonus for years dedicated to unpaid family care activities; anticipated pension payments possible in some circumstances (with penalties) ; gradual increase in the retirement age of women from 62 to 64; introduction of a widowers' pension.

2000: Divorce Law

Implementation of revisions to the Civil Code and the LFLP provision for the splitting (sharing) of occupational pension rights in the event of divorce.

2004-2006: 1st revision of the Federal law on Occupational Pension, Old Age, Survivors' and Disability Pension Plans (LPP)

Increased transparency in pension fund management; implication of social partners in pension fund management; lowering of the access threshold; lowering of the coordination fee (paid to cover administrative costs of changing pension funds or using the holding fund) lowering of the pension conversion rate ; regular review and adjustment of the minimum interest rate on pension assets ; revision of the widowers' pension; adoption of buy-back possibilities for “missing” contributions.

2008: Modification of the Federal law (LAVS)

Replacing the old OASI (AVS) number with a 13-digit permanent Social Insurance Number; data protection measures.

2011-2012 Structural reform of the Federal law on Occupational Pension, Old Age, Survivors' and Disability Pension Plans (LPP in French)

Establishment of the Federal Supervisory Commission for Occupational Pensions and improvements to the surveillance, governance and transparency of occupational pension schemes; support measures for older workers.

2012: Partial revision of the OASI (AVS)

Measures to improve the implementation of pension reforms.

2017: Revision of divorce law

Implementation of the reform of the 2nd pillar splitting rules in the event of divorce: more equitable sharing of accumulated benefits between former spouses, especially in case of lump sum capital payments.

In addition to these reforms, several proposed revisions to the Swiss pension scheme have failed in the last fifteen years (see Annex 1b below).

Annex 1b. Failed Swiss Pension Reforms, 2004 – 2017¹³

2004: 11th revision of the OASI (AVS)

Proposed increase of women's full retirement age to 65 years; restrictions to access to widows' pensions.

Revision rejected in May 2004 by 67.9% of voters. An increase in VAT rates in order to fund the OASI (AVS) and the DI (AI) was also rejected the same day.

2010: Amendment of the Federal law on Occupational Pension, Old Age, Survivors' and Disability Pension Schemes (LPP)

Proposed decrease in the occupational pension conversion rate, without any compensation measures.

Revision rejected in March 2010 by 72.7% of voters.

2010: 11th revision of the OASI (AVS)

Proposed increase of women's full retirement age to 65 years; introduction of flexible retirement measures.

Partial revision (without increase to women's full pension age) adopted by the Federal Parliament in October 2010.

2017: 'Prevision 2020' Reform

Proposed increase of women's full retirement age to 65 years, proposed increase to OASI pension benefits, proposed lowering of the income threshold for occupational pension schemes; proposed introduction of flexible retirement measures.

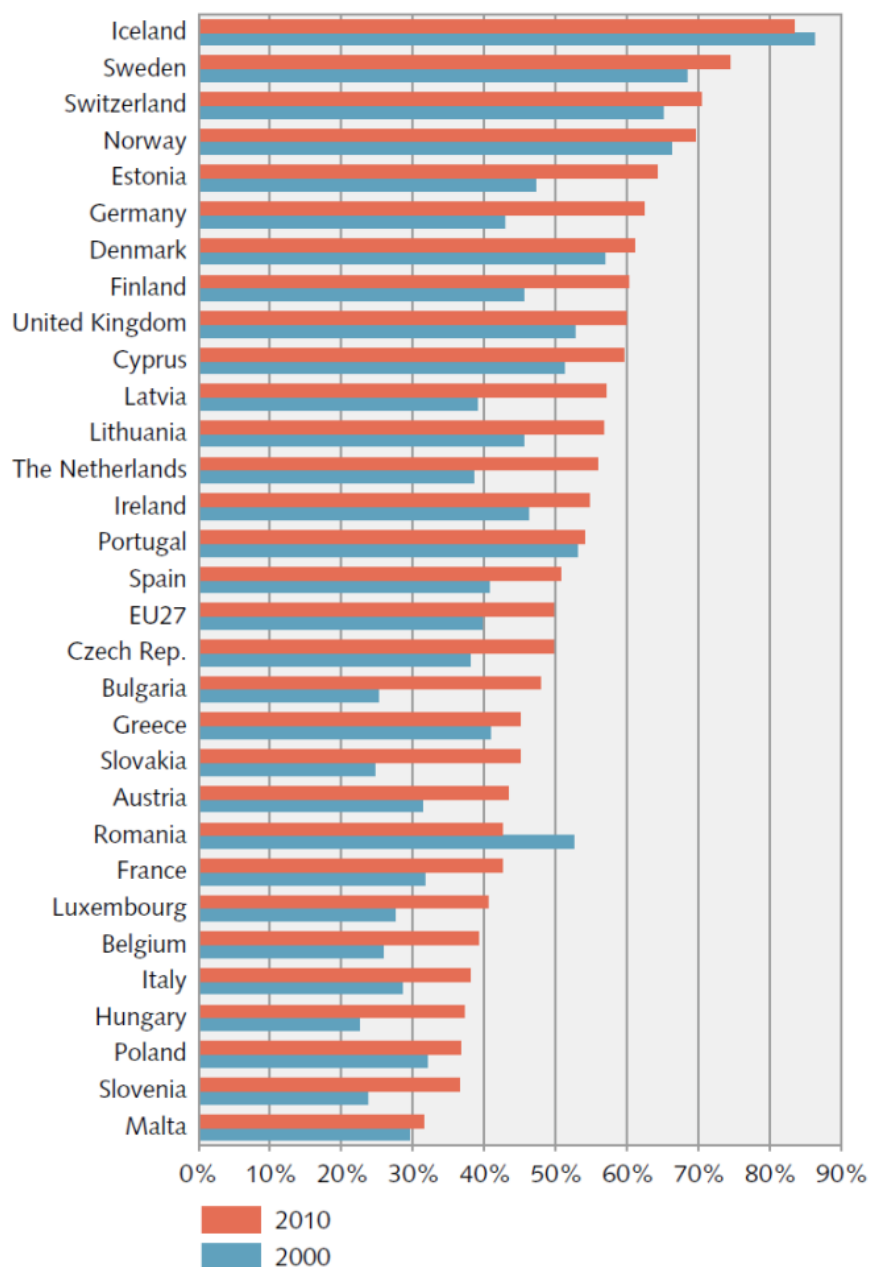
Revision rejected by 52.7% of voters on September 24th 2017

See: www.bsv.admin.ch

Annex 2. Evolution of Employment Rates of Older Workers (55-64 years), EU/AELE countries, 2000 – 2010

Activity rate of persons aged 55 to 64,
Switzerland and EU/EFTA countries, 2000/2010

G 2



Sources: SLFS, EUROSTAT

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