

## AHV 21 reform

### What this fact sheet is about

On 25 September 2022, the Swiss electorate and the cantons approved an AHV reform (AHV 21).

### When will the reform come into force?

The reform will enter into force on 1 January 2024 and will be applied from 1 January 2025.

### Reference age (previously retirement age)

The reference age for women will be aligned with that of men (65 years). It will be increased gradually by 3 months per year over 4 years with the first increase as at 1 January 2025. From 2028, the same reference age of 65 will apply for both women and men.

### Who forms part of the transitional generation?

Women who are close to retirement may find their life planning affected by the increase in the reference age. In order to mitigate the impact, compensatory measures will be provided for the transitional generation, i.e. women born between 1961 and 1969.

### What will the increase in the retirement age for women look like?

Calendar year	Year of birth	Reference age	Applies equally to the BVG!
2024	1960 and before	64 years	
2025	1961	64 years and 3 months	
2026	1962	64 years and 6 months	
2027	1963	64 years and 9 months	
2028	1964 and after	65 years	

**Example:** Women born in **November 1962** reach the reference age at 64 years and 6 months, i.e. in **May 2027**. The pension payment is due from June 2027.

### Additional funding through value added tax

The increase in VAT is unlimited in time and will start upon entry into force of the AHV 21 reform (1 January 2024). The current standard rate of 7.7% will increase to 8.1%. The special rate for accommodation and the reduced rate will increase by 0.1% to 3.8% and 2.6% respectively.

### Outlook – securing the AHV funding from 2030 onwards

The AHV 21 reform ensures the funding of the AHV in the medium term. From 2032 onwards, however, the AHV compensation fund is likely to fall below the target level of 100% of the annual expenditure. The Swiss Federal Council has therefore been instructed to submit another reform proposal to parliament by 31 December 2026 to stabilise the AHV for the period from 2030 to 2040 (both Councils have accepted the corresponding motion).

### Impact on the BVG – legal bases

The adoption of the AHV 21 reform also affects the BVG where the reference age (previously retirement age) will be adjusted in the same measure. As of 1 January 2028, the reference age pursuant to the BVG will also be 65 years for men and women.

## Compensatory measures for women

### Early retirement

Retirement early by	Reduction for annual income* ≤ CHF 58,800  (Women born 1961–1969)	Reduction for annual income* CHF 58,801–73,500  (Women born 1961–1969)	Reduction for annual income* ≥ CHF 73,501  (Women born 1961–1969)	Actuarial reduction rates (reference values)**
1 year	0%	2.5%	3.5%	4.0% (previously: 6.8%)
2 years	2%	4.5%	6.5%	7.7% (previously: 13.6%)
3 years	3%	6.5%	10.5%	(11.1%)

\* Relevant average annual income pursuant to the AHV, figures valid as of 2023

\*\* These new actuarial reduction rates, which, after the transitional period, will apply to women as well as to men, are not yet final. They will be set shortly before their introduction, in 2027 at the earliest. Until then, the current reduction rates continue to apply (6.8% for retirement 1 year early and 13.6% for retirement 2 years early).

### AHV pension supplement (1)

	New reference age	Entitlement (in % basic supplement)	Pension supplement for annual income* ≤ CHF 58,800	Pension supplement for annual income* CHF 58,801–73,500	Pension supplement for annual income* ≥ CHF 73,501
<b>Basic supplement (CHF per month)</b>			<b>160</b>	<b>100</b>	<b>50</b>
Women born in 1961	64.25	<b>25%</b>	40	25	12.5
Women born in 1962	64.50	<b>50%</b>	80	50	25
Women born in 1963	64.75	<b>75%</b>	120	75	38
Women born in 1964	65.00	<b>100%</b>	160	100	50
Women born in 1965	65.00	<b>100%</b>	160	100	50
Women born in 1966	65.00	<b>81%</b>	130	81	41
Women born in 1967	65.00	<b>63%</b>	101	63	32
Women born in 1968	65.00	<b>44%</b>	70	44	22
Women born in 1969	65.00	<b>25%</b>	40	25	12.5

\* Relevant average annual income pursuant to the AHV, figures according to pension table 2023

### AHV pension supplement (2)

The life-long pension supplement for women belonging to the transitional generation will be paid apart from the respective pension scheme. It is therefore not subject to the capping of the retirement pension of married couples and is paid out in excess of the maximum pension. An adjustment for inflation is not planned. The payment of the pension supplement will not result in a reduction in supplementary benefits.