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# Leaflet Early-Retirement Model ERM – Working Time Reduction or Preliminary Retirement

## 1. Significance of the early-retirement model ERM for employer and employee

The ERM offers the opportunity to reduce the working time or to choose preliminary retirement. Employees, who are subject to the ERM, can make use of these options and receive a bridge pension from the ERM foundation. Employer and employee need to be pay contributions to the ERM foundation. Additional to the bridge pension the recipients are entitled to receive benefits from the occupational provision BVG. These benefits are paid by the ERM foundation.

## 2. Annual wage and BVG entry threshold

- If the reduced annual wage reaches the BVG entry threshold, the insured person remains subject to BVG obligation. See section 2.1.
- If the reduced annual wage sinks under the BVG entry threshold, there is no BVG obligation anymore. See section 2.2.
- In both cases, administrative costs are incurred.

### 2.1 Annual wage from BVG entry threshold

- The reduced annual wage still reaches the BVG entry threshold. The insured person remains subject to BVG obligation. Both the savings as also the risk insurance are mandatorily continued on the basis of the reduced wage.

*In order for the adjustment to be made, the company submit us: a mutation report with the reduced annual wage, the new employment level and the remark "ERM".*

- The ERM foundation transfers Asga the additional savings contributions for the occupational pension, which are integrated as a one-time deposit into the insurance of the respective person.
- The company then receives the new insurance documents.

*The pension certificate in the personal envelope needs to be forwarded to the insured person.*

### 2.2 Continuation of savings insurance with an annual wage below the BVG entry threshold

- The annual wage from the remaining employment level sinks below the BVG entry threshold. So there is no BVG obligation anymore.
- The company informs us about the termination of the insurance.
- From that time on the insurance is terminated via the company.

The insured person can choose a preliminary retirement or a reliable form for upkeeping the insurance protection. Without record of the insured person the termination benefit is transferred at the earliest six months from the reporting date of the termination to the BVG Substitute Pension Plan Foundation.

However, Asga offers its insured persons in cooperation with the ERM foundation to start a savings insurance to accumulate the pension benefits directly after leaving and to continue the same until the age of ordinary retirement.

*For this a registration by ERM foundation is required. Please contact the responsible ERM foundation to check the requirements.*

- After registration by the ERM foundation the insured person receives the pension certificate from Asga.

▾ *Please pay particular attention to the following page.*

## 3. Credits and benefits

The future retirement credits, which are annually transferred by the ERM foundation, are not yet included in the anticipated capital benefits on ordinary retirement, which are listed on the pension certificate. The capital benefits increase in each case after the annual transfer of savings credits by the ERM foundation.

- With reaching the ordinary retirement age an entitlement for retirement benefits results.
- In case of inability to work – contrary to the provisions of the regulations – disability benefits (exemption from contributions and invalidity pensions) are not included.
- If the insured person dies before reaching the ordinary retirement age, the survivors are entitled to benefits pursuant to Art. 22, and Art. 24 of the pension fund regulations.

**Please contact the responsible bodies for questions about benefits of the ERM foundation:**

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*▸ We are gladly available at your disposal for any questions you might have: P +41 71 228 52 52, info@asga.ch*