

## INFORMATION SHEET

# Retirement pension bridging subsidy

In this information sheet, you will learn about who is entitled to a bridging subsidy, how the subsidy is calculated and financed, and the impact it has later on your retirement pension.

- What is a bridging subsidy?** The bridging subsidy is a BVK pension benefit. It helps insured persons who retire early (early retirement or early release due to age) and who would like to replace some of the missing AHV retirement pension. The bridging subsidy is a sort of replacement income that is paid by BVK when the insured person reaches the normal AHV retirement age.
- Who is entitled to a bridging subsidy?** The following people are entitled to a bridging subsidy in the event of early retirement or early release due to age:
- insured persons employed by the cantonal administration
  - employees of affiliated employers that have not excluded the bridging subsidy benefit in their affiliation agreement.
- When is the bridging subsidy paid out?** The bridging subsidy is paid until the employee reaches the normal AHV retirement age. For men, the maximum claim period is from ages 60 to 65, for women, the maximum claim period is from ages 60 to 64. The claim period for the bridging subsidy cannot be freely selected. In the event of early release due to age, the bridging subsidy may be drawn before age 60 (see the «Early release due to age» information sheet).
- Entitlement to the bridging subsidy lapses when the insured person reaches the normal AHV retirement age. The insured person will then be entitled to AHV benefits. These must be requested from the appropriate compensation office.
- How is the bridging subsidy compensated?** The bridging subsidy is 75% of the maximum basic AHV retirement pension applicable upon retirement. For 2015, this is CHF 28,200. The maximum BVK bridging subsidy is thus CHF 21,150 (75% of CHF 28,200).
- For insured persons who are married or living in a registered partnership the bridging subsidy increases by 30% to a maximum of CHF 27,495, provided the supplement for married couples or registered partners is not expressly waived. This supplement is also paid if the spouse or registered partner still works or already draws a pension him or herself.
- For insured persons who work part-time, the bridging subsidy is reduced according to the level of employment. The level of employment upon retirement is authoritative.

**Example 1:****Unmarried male insured****Retirement at age 60**

Level of employment	100%
Bridging subsidy	CHF 21,150
Claim period	5 years
<b>Total bridging subsidy</b>	<b>CHF 105,750</b>

**Example 2:****Unmarried male insured****Retirement at age 60**

Level of employment	50%
Maximum bridging subsidy	CHF 10,575
Claim period	5 years
<b>Total bridging subsidy</b>	<b>CHF 52,875</b>

**How is the bridging subsidy financed?**

The bridging subsidy is financed 40% by the insured person and 60% by the employer.

The insured person pays his or her contribution through a **lifelong reduction of the BVK retirement pension** from the time they reach the normal AHV retirement age. The annual reduction is 2.3% of the total bridging subsidy that is drawn. The interest accrued during the claim period and future interest on the subsidies (40% of the subsidy) are amortised with this reduction.

**Example:****Annual bridging subsidy****CHF 21,150**

Total drawn in five years	CHF 105,750
Bridging subsidies	
Insured person's financial contribution in the form of a lifelong annual reduction of the retirement pension after reaching age 65 (2.3% of CHF 105,750)	CHF 2,432
Monthly employer contribution to the bridging subsidy (CHF 105,750: 5 = CHF 21,150; CHF 21,150 x 60% = CHF 12,690; CHF 12,690: 12 = CHF 1,057.50)	CHF 1,057.50

**Will the bridging subsidy be reduced if I withdraw a portion of my savings capital as a lump sum?**

Yes. In general, every insured person has the option of withdrawing some or all of his or her savings capital as a lump sum upon retirement. A lump-sum withdrawal will result in a **proportionate reduction of the bridging subsidy**.

For example, if you withdraw 50% of your savings capital as a lump sum when you retire, this will result in a 50% reduction of the bridging subsidy.

**When and how can I request a bridging subsidy?**

The request for a bridging subsidy must be submitted to BVK in **writing** before retirement. An application form can be found on our website under «Downloads».

We recommend that you request the bridging subsidy **no later than two months before retirement**. This will ensure that the bridging subsidy is paid in a timely manner together with the BVK retirement pension.

**Please note:**

Applications that are submitted late will be rejected.

**Legal notice**

This information sheet is intended to provide a brief overview of the topic. No claims may be derived from it. Only the pension fund regulations and the relevant statutes are legally binding.