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## INFORMATION

### Transfer of occupational benefit savings balances after 1 June 2007 / Enquiry to clarify whether a compulsory social insurance requirement exists in the United Kingdom

#### Introductory remarks

As part of the agreement on the freedom of movement of persons, Switzerland has adopted EU law. In this connection, the LOB Guarantee Fund has been designated as the liaison office for occupational benefit matters (see Art 56, para. 1, letter g LOB). In that capacity, it makes contact in international transactions on behalf of insurance providers and insured persons with foreign agencies or with occupational benefit schemes in Switzerland.

The principal impact of EU law on occupational benefits relates to cash payment on departure for an EU or EFTA Member State. Under EU law, a refund of contributions when compulsory insurance is no longer needed in a particular country is not permitted if the person concerned is still required to have insurance cover in another Member State of the EU or EFTA. The liability for compulsory pension, disability and survivors' benefit insurance is determined by the law of the particular country.

On the basis of that principle, the possibility of cash payment of savings balances from compulsory occupational benefit schemes under Art. 5 in conjunction with Art. 25f of the Federal Law of 17 December 1993 on vested benefits in occupational pension, survivors' and disability benefit schemes (vested benefits law) has been limited. That limitation entered into force on 1 June 2007.

This provision **does not apply** to persons who are able to draw their retirement benefits after giving up active employment (on reaching ordinary pensionable age or after taking early retirement) according to the regulation of their particular benefit scheme. Nor does it apply to occupational benefit savings balances which exceed the statutory minimum sums (known as non-compulsory savings balances).

The possibility of making an early drawing for home ownership purposes is not affected by the new provisions. The occupational benefit scheme regulation and Swiss law continue to apply.

#### Procedure on leaving Switzerland

- If you are planning to leave Switzerland permanently or to definitively cease your employment activity in Switzerland and wish to draw your occupational savings balance in cash, you must notify your occupational benefit scheme in good time. The benefit scheme will ascertain whether the statutory requirements for cash payment are met.
- If you are planning to leave for the United Kingdom or already live in the United Kingdom, you will require, to enable your occupational benefit scheme to make the cash payment, confirmation to the effect that you do not need to have compulsory pension, disability and survivors' insurance in the United Kingdom.

- To obtain such confirmation you may (as also may your benefit scheme) submit an enquiry using a form sent to the LOB Guarantee Fund to determine whether a compulsory social insurance requirement exists in the United Kingdom in your case. The form must be completed in full, signed by the insured person and sent to the following address with the requisite attachments:

**LOB Guarantee Fund, Business Office, Postfach 1023, CH-3000 Bern 14**

- The LOB Guarantee Fund will check your documents and forward your enquiry to HM Revenue & Customs. At the same time, a check will be made to ascertain whether other occupational benefit savings balances have been notified for you to the 2<sup>nd</sup> Pillar Central Office. With reference to a key date (120 days after de-registration from the appropriate agency in Switzerland or after the cessation of gainful employment), HM Revenue & Customs will then ascertain whether you are required to have pension, disability and survivors' insurance.
- HM Revenue & Customs will confirm on the form whether you have pension insurance in the United Kingdom and will return the form to the LOB Guarantee Fund. The LOB Guarantee Fund will inform you and your benefit scheme in writing of the outcome of the verification.
- If you are **not subject to a compulsory pension insurance requirement** in the United Kingdom, your benefit scheme may pay out your vested benefits in cash, provided that all the requirements for cash payment are satisfied. **Your benefit scheme is responsible for checking the requirements for cash payment. If you have any questions on this matter, please contact your benefit scheme directly.**
- If you have **compulsory pension insurance** in the United Kingdom, cash payment of your vested benefits will **not** be possible for the time being. In that case, you must notify your benefit scheme of the address to which your vested benefit is to be transferred. You may open a vested benefit account at a bank in Switzerland or set up a vested benefits policy with an insurance company. If you fail to inform your benefit scheme of the address to which your savings balance is to be transferred, on the expiry of a period stipulated by law, the vested benefits will be transferred to the Cushioning Scheme Foundation, Administration of Vested Benefits Accounts, in Zurich. Your savings balance held with that foundation will bear interest.
- As soon as you reach normal pensionable age, you may draw your occupational benefits savings balance (with interest and compound interest) in cash. In this connection all the necessary documents must be sent to the account-keeping scheme.
- To enable the account-keeping scheme to maintain contact with you, you must inform it of any address changes.

If you have any questions, please contact the account-keeping scheme directly. The Liaison Office in Switzerland may also be able to help you (LOB Guarantee Fund, Business Office, Postfach 1023, CH-3000 Bern 14, Tel. +41 31 380 79 71; Fax +41 31 380 79 76; Email: [info@verbindungsstelle.ch](mailto:info@verbindungsstelle.ch); further information at [www.verbindungsstelle.ch](http://www.verbindungsstelle.ch)).

LOB GUARANTEE FUND  
Business Office