



Changes with effect from January 1, 2025

The Board of Trustees of the AXA LPP Foundation Suisse Romande has decided to gradually adjust the conversion rate by 2029. This will reduce the increasing redistribution of assets from working insureds to retiring insureds, **thus improving generational fairness and securing sustainable pension funding.**

Five years ago, the Board of Trustees of the AXA LPP Foundation Suisse Romande took steps to secure the sustainability of the Foundation's future performance by switching from a full insurance to a semi-autonomous model. Since then, insureds have enjoyed higher interest: From 2019 to 2023, they received an average of 2.55% on their mandatory retirement savings and 3.00% on their voluntary retirement savings annually. In addition, this move has substantially reduced the redistribution from working insureds to new retirees.

Increasing redistribution from younger to older people

Despite this, increased life expectancy is causing up to CHF 20 million a year to be redistributed from working insureds to retirees within the Foundation, and the latest forecasts suggest that this will rise to more than CHF 60 million in the next ten years.

New conversion rate model – for greater fairness between the generations

Between 2025 and 2029, the Board of Trustees will therefore introduce a new comprehensive conversion rate of 5.6% for men and women retiring at age 65. This will reduce the redistribution from people who are still working to those who are retired, increase fairness among generations within the Foundation and secure a lasting and attractive level of benefits for the insureds.

Gradual adjustment over five years

The adjustment will gradually take place over a span of five years. This means insureds can plan with greater reliability, and it cushions any pension reductions, especially for people who are about to retire.

It has no effect on existing retirement pensions or lump sum withdrawals.

Further information

You can find an overview of the new conversion rate and sample calculations on the back of this flyer.



More information as well as a list of frequently asked questions and answers can be found online at: [AXA.ch/lpp-foundation-suisse-romande](https://www.axa.ch/lpp-foundation-suisse-romande)

Overview of the conversion rate adjustment

What is a conversion rate?

The conversion rate is the percentage of the retirement capital you have saved up that is converted into an annual pension when you retire. A conversion rate of 5.6% means that every CHF 100,000 saved (most people have far more than this) works out to a pension of CHF 5,600 a year.

Why is the conversion rate being changed?

In view of rising life expectancy, many people do not have enough retirement savings to fund a pension that was promised to last for the rest of their life. This creates a funding gap. So part of the investment returns must be redistributed to retirees in order to finance their lifelong pensions. This redistribution is at odds with the fundamental principle of Pillar 2, which is that everyone saves for their own retirement.

On top of this, demographic changes are causing a steady increase in the proportion of pensioners relative to working people, so the redistribution will grow over the coming years. The AXA LPP Foundation Suisse Romande will not be able to escape this trend. Adjusting the conversion rate will make a substantial reduction in redistribution possible – for greater fairness among the generations and for more sustainable pension funding.

What is the difference between a comprehensive conversion rate model and a split one?

A comprehensive conversion rate means that the same conversion rate is applied to a person's entire retirement assets (i.e. both mandatory and voluntary assets).

Split conversion rates mean that mandatory and voluntary assets are treated differently, with two different conversion rates used to calculate the annual retirement pension.

How will retirement pensions be calculated for those retiring at or before the end of 2024?

Nothing will change for anyone retiring up to the end of 2024. The previous conversion rates – 6.8% in the case of mandatory assets, and 5.5% in the case of voluntary assets for men retiring at 65 and for women retiring at 64 – will apply to them.

Sample calculation

Current conversion rates

Retirement assets: CHF 600,000
Extra-mandatory share: CHF 300,000 (50%)

Women (age 64)			
	Retirement assets	CR	Annual pension
Mandatory:	CHF 300,000	x 6.8%	= CHF 20,400
Extra-mandatory:	CHF 300,000	x 5.5%	= CHF 16,500
			CHF 36,900

Men (age 65)			
	Retirement assets	CR	Annual pension
Mandatory:	CHF 300,000	x 6.8%	= CHF 20,400
Extra-mandatory:	CHF 300,000	x 5.5%	= CHF 16,500
			CHF 36,900

How will retirement pensions be calculated for those retiring from 2029 onward?

A single, comprehensive conversion rate of 5.6% will apply to all men and women retiring at age 65 starting in 2029.

Sample calculation

Comprehensive conversion rate of 5.6%

Retirement assets: CHF 600,000
Extra-mandatory share: CHF 300,000 (50%)

Women and men (age 65)			
	Retirement assets	CR	Annual pension
Mandatory:	CHF 300,000	x 5.6%	= CHF 33,600
Extra-mandatory:	CHF 300,000		

Assumption: reference age 65/65

Provisions are in place to ensure that the statutory minimum pension (i.e. the mandatory retirement assets multiplied by the statutory minimum conversion rate of 6.8% stipulated in the Occupational Pensions Act) can be paid to all insureds at all times. In the above example, the statutory minimum pension would be CHF 20,400 (CHF 300,000 x 6.8%). If the retirement pension calculated using the comprehensive conversion rate is lower, the statutory minimum pension will be paid out.

Gradual transition between 2025 and 2029:

The following conversion rates apply to anyone retiring at age 65 in a transitional year:

Conversion rates from 2025

	2025	2026	2027	2028	2029
Conversion rate Mandatory	6.55%	6.30%	6.05%	5.80%	5.60%
Conversion rate Extra-mandatory	5.50%	5.50%	5.55%	5.55%	5.60%

The conversion rates apply to women and men aged 65.

The conversion rate of the previous year applies to anyone retiring on January 1.

Now you can also simulate your future pension in the myAXA pensions portal.



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