



Changes with effect from January 1, 2025

The Board of Trustees of Columna Collective Foundation Group Invest has decided to **gradually adjust the conversion rate from 2025 to 2027**. In this way, it is reducing the redistribution from people who are still working to those who have retired, ensuring **fair, attractive and sustainable benefit levels for insureds**. At the same time, the Foundation is introducing a new, two-tier pension calculation method that always benefits the insureds.

The Board of Trustees of Columna Collective Foundation Group Invest is committed to providing attractive, fair and sustainable Pillar 2 benefits. From 2019 to 2023 insureds were paid an average interest rate of 1.83% for the mandatory portion and 2.67% for the voluntary portion of their retirement assets, which is considerably higher than the minimum rate. Our Foundation is also very sound, both financially and structurally, and has a healthy age and risk structure.

Increasing redistribution from younger to older people

Despite this, increased life expectancy is causing assets of more than CHF 20 million to be redistributed within the Foundation from people who are still working to those who have retired, and this amount is forecast to increase to more than CHF 50 million in the next five years.

Gradual adjustment of conversion rate – for greater generational fairness

The Board of Trustees wants to put this right and will thus gradually adjust the conversion rates between 2025 and 2027 to 6.0% for mandatory assets and 5.3% for voluntary assets. In this way, it can significantly reduce the redistribution and enhance generational fairness within the Foundation.

New calculation model

At the same time, the Foundation is introducing a new, two-tier pension calculation method that always benefits the insureds, especially those with lower voluntary retirement assets.

Gradual adjustment over three years

The conversion rate will be adjusted in stages over the course of three years, allowing insureds to plan with greater reliability, and it cushions any pension reductions, especially for people who are about to retire.

Attractive, fair and sustainable level of benefits for insureds

By adjusting the conversion rate, the Foundation significantly reduces the increasing redistribution from people who are still working to those who have retired, ensuring fair, attractive and sustainable benefit levels for insureds.

Columna Collective Foundation Group Invest continues to use different investment strategies for mandatory and voluntary assets. The two different investment strategies form the basis of the interest model that the Foundation also uses. Based on this approach, voluntary retirement assets will tend to pay higher interest. Thus, expanding your plan or buying in will pay off in the future too, boosting your pension later, even if the amounts involved are small.

Further information

You can find an overview of the new conversion rate and sample calculations on the back of this flyer. You can simulate your future pension in the myAXA pensions portal.

The adjustment to the conversion rate has no effect on existing retirement pensions or lump-sum withdrawals.



Additional information and answers to frequently asked questions can be found online at [AXA.ch/columna-collective-foundation](https://www.axa.ch/columna-collective-foundation)

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. For retirement capital of CHF 100,000, a conversion rate of 5.6% results in an annual pension of CHF 5,600.

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 current conversion rates – 6.8% in the case of mandatory assets and 5.5% for men retiring at age 65 or 5.365% for women at retiring at age 64 in the case of voluntary assets – will continue to apply to them.

Sample calculation

Current conversion rates

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

Gender (age)	Retirement assets	CR	Annual pension
Women (age 64)	Mandatory: CHF 300,000	x 6.8%	= CHF 20,400
	Extra-mandatory: CHF 300,000	x 5.365%	= CHF 16,095
			CHF 36,495
Men (age 65)	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 pensions be calculated for those retiring from 2025 onward?

The following conversion rates apply to men and women retiring at age 65 from 2025 onwards. At the same time, the Foundation is introducing a new, two-tier calculation method that always benefits the insureds.

Conversion rates from 2025

	Conversion rate	2025	2026	2027
Pension calculation 1	Mandatory	6.55%	6.30%	6.00%
	Extra-mandatory	5.45%	5.40%	5.30%
Pension calculation 2	Mandatory	6.80%	6.80%	6.80%
	Extra-mandatory	5.45%	5.40%	5.30%
	Adjustment factor Extra-mandatory	80%	70%	50%

The conversion rates apply to women and men aged 65.

New calculation method benefits insureds

Calculation 1 is based on the target conversion rates of 6.0% for mandatory assets and 5.3% for voluntary assets.

Calculation 2 uses the statutory minimum conversion rate of 6.8% for the mandatory part and also uses what is known as an adjustment factor for the voluntary part for the benefit of the insureds. This means that in every case the legally prescribed minimum benefits will be met or exceeded.

Sample calculation 1

Person with CHF 300,000 in mandatory savings and CHF 300,000 in voluntary savings retiring in 2027

Pension calculation 1			
	Retirement assets	CR	Annual pension
Mandatory:	CHF 300,000	x 6.0%	= CHF 18,000
Extra-mandatory:	CHF 300,000	x 5.3%	= CHF 15,900
			CHF 33,900
Pension calculation 2			
	Retirement assets	CR	Annual pension
Mandatory:	CHF 300,000	x 6.8%	= CHF 20,400
Extra-mandatory:	CHF 300,000	x 2.65%	= CHF 7,950
			CHF 28,350

6.8% = OPA minimum conversion rate
2.65% = 5.3% x adjustment factor of 50%

Insureds are always paid out the higher amount as an annual pension. That means this person will receive a pension of CHF 33,900 a year.

Depending on how much the mandatory and voluntary parts of the retirement savings amount to, one of the pension calculations will be higher. Insureds are always paid out the higher amount as an annual pension. This means insureds with lower voluntary savings can also benefit from higher pensions. Since every franc they have saved serves to build their pension, even smaller buy-ins pay off.

Sample calculation 2

Person with CHF 300,000 in mandatory savings and CHF 75,000 in voluntary savings retiring in 2027

Pension calculation 1			
	Retirement assets	CR	Annual pension
Mandatory:	CHF 300,000	x 6.0%	= CHF 18,000
Extra-mandatory:	CHF 75,000	x 5.3%	= CHF 3,975
			CHF 21,975
Pension calculation 2			
	Retirement assets	CR	Annual pension
Mandatory:	CHF 300,000	x 6.8%	= CHF 20,400
Extra-mandatory:	CHF 75,000	x 2.65%	= CHF 1,988
			CHF 22,388

6.8% = OPA minimum conversion rate
2.65% = 5.3% x adjustment factor of 50%

Insureds are always paid out the higher amount as an annual pension. That means this person will receive a pension of CHF 22,388 a year.



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