GASTROSOCIAL

Cash payment of the pension fund assets

on moving to an EU or EFTA country

The most significant effect of EU law on the employee benefits insurance concerns the restrictions on the cash payment of pension fund assets when an insured moves to an EU or EFTA country. Under EU law, contributions may not be reimbursed if the insured will still be subject to compulsory insurance coverage in another EU member country.

Based on this principle, the options for the cash payment of employee benefits were restricted in the Agreement on the Free Movement of Persons. These rules entered into force on 1 June 2007 (for Bulgaria and Romania on 1 June 2009). They were also adopted for the EFTA countries.

When can the pension fund assets be paid out?

- If you left Switzerland before 1 June 2007.
- If you are not subject to compulsory state insurance for retirement, disability and survivors' benefits at your new place of residence.
- If the payment concerns extra-mandatory insurance assets (see example).

What happens to the assets if they cannot be paid out in cash?

If a cash payment is not possible, the assets remain in a blocked account in Switzerland (vested benefits account). These assets are paid out when the insured reaches the regular retirement age (reference age according to AHVG) or at the earliest 5 years before the regular retirement age.

Can I request the transfer of my assets to a foreign pension fund?

No, the assets with a Swiss pension fund cannot be transferred to a pension fund in another country.

Can I still withdraw my assets to finance residential property?

Yes, you can still withdraw your pension fund assets held in a vested benefits account to finance owner-occupied residential property.

What must I do to withdraw my pension fund assets in cash?

Fill in the form provided and return it to the GastroSocial Pension Fund. The form is available at gastrosocial.ch. Upon receipt of your application we will send you the forms required for reviewing your social insurance obligations abroad.

What does «extra-mandatory insurance» mean?

The cash payment restrictions only apply to the mandatory portion of your pension fund assets. Your pension fund assets consist of a «statutory mandatory portion» and an «extra-mandatory portion».

Example:	**Pension fund assets, balance on 31.12.**	**CHF**	**100'000.–**	
	of which BVG share	CHF	70'000.–	mandatory portion
	remainder	CHF	30'000.–	extra-mandatory portion

As the restrictions of the Agreement on the Free Movement of Persons do not apply to the extra-mandatory assets of CHF 30'000.–, this amount can still be withdrawn in cash.

EU and EFTA countries

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden.

This information sheet provides an overview of the applicable provisions. Individual cases are assessed exclusively in accordance with the regulations and the provisions of the law.

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