Blog

# Improve your pension provision with 3a retirement

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Do you know what Swiss people are most worried about? According to the Credit Suisse 2018 Worry Barometer, it's their pension provision. Surprised? I'm not.

Following the failure of the two "Reform der Altersvorsorge 2020" referendum proposals on retirement benefits, politicians need to come up with solutions that will find majority acceptance. To an extent, these are in the next reform package. Proposals in the AHV 21 reform include raising the retirement age for women to 65 and increasing VAT. Whether the next step will be to raise the retirement age to 67 across the board is still unclear.

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Head of Product Management and Managing Director of the 3a and VB Retirement Foundations at our head office in Basel. The column reflects the personal opinion of the author.

But either way, the best thing you can do is take responsibility for your pension provision yourself with pillar 3a. This offers both considerable tax savings and much more potential too.

Admittedly, the days of retirement capital earning 3% or more in pillar 3a are gone. Depending on the institution, interest rates are currently between 0 and 0.40%. Even so, there is an opportunity for much better returns. Would you like to know how that works?

## «Simply go to **cic.ch/vorsorgesparen** and learn how you can optimise your retirement assets.»

It's simple: invest your pillar 3a capital, or at least some of it, in retirement funds. Over the last 10 years, if you had invested in the Bank CIC retirement funds and held an average equity weighting of 45%, you would have earned 49% more than in a traditional 3a account with Bank CIC. All the more astonishing that the latest figures show that only one person in four uses 3a retirement funds to build up capital.

One reason might be that clients are confused by the jungle of countless funds of this type. That's why we have created our new platform cic.ch/vorsorgesparen to help.

Which fund is the right one for you? Which one matches your risk appetite and investment horizon? We use these and other questions to support you in taking your decisions. Take my word for it: you will find the perfect fund for your retirement savings - that's a promise. It's definitely worth trying.

**My Pillar 3a tips**

1. Enjoy the annual tax deduction and pay into the 3a account even when you're still young.
2. Benefit from a full year of preferential interest by paying in to the 3a account at the start of the year.
3. If you have several 3a accounts you can reduce the tax progression later by making withdrawals in stages.
4. If your investment horizon is four years or more, invest in securities and increase your return prospects.
5. Achieve optimum diversification by investing in stages.
6. As a general rule of thumb: the longer the investment horizon, the higher your equity exposure should be – taking into consideration your personal risk appetite.

**My insider tip: Bank CIC will waive the flat fee for the first three months!***

* Applies to initial fund subscriptions