

# CIEPP CIRCULAR

February 2019

## To guarantee its commitments over the long term - the primary goal of the CIEPP

### Interest of 1% paid for 2018

At the end of 2018, the retirement savings capital of those insured with the CIEPP are remunerated at the rate of 1% (BVG minimum interest rate). This interest rate is attributed on the whole of the retirement savings capital of the active insured at 1st January 2019.

2018 was a gloomy year for the financial markets after the excellent results of 2017. Last year the CIEPP posted a negative performance on investments of -4,41%. Accordingly, on the basis of the elements considered, such as the investment performance achieved, fundamental performance and the level of reserves, this remuneration of 1% is adequate.

Despite renewed volatility on the markets linked to economic uncertainties, commercial tensions, the high debt levels of certain countries and the risk of slower growth, the Board of Trustees remains confident in its investment strategy focused on the long term. The Fund remains strongly capitalised and its funded status<sup>1</sup> remains high, at about 112% at the end of 2018 (as against 119,5% end 2017 and 113,4% end 2016). The CIEPP's funded status will be audited and notified definitively in the 2018 annual report published next June.

### Continued growth of the CIEPP in 2018

Year after year the CIEPP, the largest private-law foundation in French-speaking Switzerland with a total balance sheet of over 6,74 billion francs, continues to grow and increase its market share. At the end of 2018, it managed the occupational retirement plans of 9770 companies and self-employed individuals (+3%), i.e. 44 046 insured persons (+3,9%). The number of pensioners was 5772 beneficiaries (+9,7%). In 2018, the contributions billed amounted to over 377 million francs (+4,8%).

### Regulatory modifications from 2019

As indicated by post and in our magazine Bleu Horizon at the end of the year, the CIEPP has introduced several modifications to the regulations effective 1 January 2019: lowering of the conversion rate, reduction in the rating of death and disability risks for insured persons aged less than 45, additional flexibility introduced in each pension plan. Don't hesitate to contact us if you have any questions in this respect!

Further information on these regulatory modifications can be found in the appendices to the insurance certificate sent to each insured person.

Information, pension regulations, documents and forms that are useful for your administrative procedures are available on the website [www.ciepp.ch](http://www.ciepp.ch).

### Legal modifications

In September 2018, the Federal Council decided to adjust the limit amounts of benefit plans. The modification of articles 3a and 5 of the Ordinance on Occupational Old Age, Survivors' and Disability Benefit Plans (OPP 2) came into force on 1 January 2019. The coordination deduction increased from 24'675 to 24'885 francs. The entry threshold for mandatory insurance (minimum annual salary), which corresponds to three quarters of the maximum AVS retirement pension, was increased to 21'330 francs. The maximum tax deduction authorised in the context of the tied private pension plan (pillar 3a) was also increased. These modifications of the reference amounts in pension insurance are effected in parallel to the increase of the minimum AVS retirement pension on 1 January 2019.

Continued overleaf

Furthermore the Federal Council has endorsed the adjustment of mandatory pensions (minimum LPP) for disabled and survivors that started in 2015 by 1,5% from 1 January 2019. The Board of Trustees of the CIEPP has decided to apply this indexing to the whole of the pension and not just to the minimum LPP part as required by the law.

## Insurance certificate and interest rate 2019

The certificate issued and sent in parallel to this circular indicates the status of the retirement account as at 31 December 2018 after payment of 1% interest, as well as the estimated benefits calculated on the basis of an interest rate of 1%.

For the year 2019, the Board of Trustees of the CIEPP has set the interest rate at 1% (identical rate to the minimum LPP rate). The rate effectively assigned to the retirement accounts of active insured persons in the Fund at 1 January 2020 will be definitively fixed in January 2020, on the basis of the results recorded by the CIEPP for the year 2019.

Following the decision of the Board of Trustees concerning the progressive reduction of the conversion rate, the insurance certificates issued include the new rates.

## New composition of the Board of Trustee

In 2018, four new members joined the Board of Trustees of the CIEPP. The Board is now composed of Aldo Ferrari, chairman; Luc Abbé-Decarroux, vice-chairman; Bruna Campanello (new member), Isabelle Rickli, Marie-Françoise Udry, Nuno Dias (new member), Michel Rossier (new member), Olivier Sandoz, Pascal Schwab (new member) and Robert Zoells.

## Contact

For any information and update of your data, the administration department at our headquarters or in our agencies are at your disposal.

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### Glossary

<sup>1</sup>Funded status: the funded status status makes it possible to calculate the level of funding of all the Fund's obligations at a given moment. It is equal to the ratio between the net assets of the institution and its obligations towards insured persons and pensioners at a given date.

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#### Agencies

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**CIEPP**

Caisse Inter-Entreprises  
de Prévoyance Professionnelle

ZKBV - Zwischenbetriebliche Kasse für Berufliche Vorsorge  
CIPP - Cassa Interaziendale di Previdenza Professionale