

## Unemployment information sheet

Unemployment can happen to anyone. It can be triggered by external factors or incurred voluntarily. Persons are deemed unemployed who are not in an employment relationship and seeking a part-time or full-time occupation. Persons who leave their employment without seeking a new job – e.g. those giving up their work at least temporarily to care for their children and family or to study – do not count as unemployed. Unemployment or voluntarily giving up work can entail gaps in pension provision.

### Unemployment – what this means for your pension provision

#### Registered with RAV or ALV

If you register yourself with your regional employment centre (RAV) or unemployment insurance (ALV) as unemployed, you are insured against the consequences of disability or death. This insurance protection is provided by the Substitute Occupational Benefit Institution (chaeis.net). Application for admittance is submitted automatically through unemployment insurance.

However, the Substitute Occupational Benefit Institution only insures the OPA minimum. You may find yourself significantly worse insured than with your previous employer. You and the unemployment insurance fund each pay half the contributions for risk provisioning. Your share is directly deducted from your daily allowance.

Retirement provisioning (savings contribution) is not envisaged with this solution.

#### Not registered with RAV or ALV

If you do not register with unemployment insurance when becoming unemployed, you will have no pension cover.

When leaving your previous pension fund without a new job, you will only have continued risk protection for another 30 days.

### Job loss shortly before retirement

According to the Pension Regulations of PKG Pension Fund, you cannot retire before your 58th year of age at the earliest. If you lose your job at this age, your pension situation will be complex. In this case we recommend you to seek an assessment and advice from a pension specialist and to consult the “Unemployment and retirement” information sheet of Beobachter magazine.

### Prior to the start of unemployment

Start looking for new jobs during the notice period and retain all the applications. You can already register with the RAV for employment services during the notice period.

Should you have any questions, please contact the RAV, an unemployment insurance fund or a legal information office. They will be pleased to assist you.

Please take note in this connection of the unemployment insurance brochure entitled Unemployment – gui-

delines for insured persons that you can retrieve from *arbeit.swiss*.

This brochure provides you with an overview of all procedures, obligations, entitlements and sources of information in the event of unemployment or impending unemployment.

### Insurance protection

As long as you receive unemployment benefits from unemployment insurance (ALV) in accordance with the Unemployment Insurance Act (UIA), you are protected by mandatory insurance cover in occupational benefits for unemployed persons against the risks of death and disability. The precondition for this is that the daily allowance exceeds the specified minimum wage for one day.

The contributions for these benefits are halved between you and the unemployment insurance fund.

However, pension cover only amounts to the statutory minimum benefits and only applies to the risks of death and disability. Further insurance benefits must be covered through private provision.

## Unemployment benefits

The entitlement to unemployment benefits depends on the following preconditions:

**Unemployed:** You must be fully or partially unemployed. You are only deemed unemployed once you have registered personally with the office responsible for you (depending on your canton of residence your municipality or the responsible RAV).

**Loss or work/wages:** You must supply proof of a minimum loss of two working days and lost wages.

**Residence in Switzerland:** You must live in Switzerland (non-Swiss nationals must hold a valid permanent or temporary residence permit). If you live abroad and have been working in Switzerland (cross-border commuters), you will normally receive your unemployment benefits in your country of residence in accordance with the provisions applicable there.

**Contribution period:** You must supply proof of a contribution period of at least 12 months within the last two years (qualifying contribution period) prior to initial registration. Further information concerning insufficient contribution periods and what can also be counted towards the contribution period can be found in the brochure entitled Unemployment – guidelines for insured persons retrievable from *arbeit.swiss*.

**Employable:** You must be employable; in other words, you must be prepared, able and entitled to take on reasonable employment and take part in integration measures.

**Control requirements:** You must personally attend the information day and advisory and review meetings according to the requirements of the RAV.

### How many daily allowances can I claim?

The ALV envisages a maximum entitlement period of two years (qualifying period for receipt of benefits). The key date for the start of the qualifying period is the first day on which you meet all the eligibility requirements. The number of daily allowances depends on your age, contribution period, any disability pension that is drawn and on whether you have a maintenance obligation towards children.

| Contribution period in months | Age/maintenance obligation              | Number of daily allowances |
|-------------------------------|---|----------------------------|
| 12 to 24                      | Up to 25 without maintenance obligation | 200                        |
| 12 to <18                     | 25+ or with maintenance obligation      | 260 <sup>1)</sup>          |
| 18 to 24                      | 25+ or with maintenance obligation      | 400 <sup>1)</sup>          |
| 22 to 24                      | 55+                                     | 520 <sup>1)</sup>          |
| 22 to 24                      | 25+ or with maintenance obligation      | 520 <sup>1) 2)</sup>       |
| Exempt from contributions     |   | 90                         |

<sup>1)</sup> These insurance categories are eligible for an additional 120 daily allowances if you have become unemployed within the last four years before reaching the OASI retirement age.

<sup>2)</sup> Only applies when claiming a disability pension corresponding to a degree of disability of at least 40%.

This brief overview cannot cover all details. The legal text always takes precedence in case of doubt. Details provided are also subject to change.

You can obtain the precise details and currently applicable data from one of the implementing offices:

- the regional employment centre (RAV)
- the cantonal authority (AAM, AfA, AWA, beco, KIGA, DIHA)
- the unemployment insurance fund

### What must be borne in mind with regard to pension provision?

The following points should be taken note of in the event of an interruption of employment of more than 30 days:

#### OASI/IV

Persons without gainful employment are automatically liable for contributions as per OASI (Old Age and Survivors' Insurance), IV (Invalidity Insurance) and LEC (Loss of Earnings Compensation) after reaching the age of 20 until ordinary retirement. As long as a person without gainful employment draws unemployment benefits, pillar 1 contributions are deducted directly from this. As soon as a person without gainful employment no longer receives any unemployment benefits,

he must make contributions on the basis of his social means regardless of his employment situation. If you are married or live in a registered partnership and your spouse or registered partner is in gainful employment and makes at least double the minimum contribution, the contribution obligation is deemed to have been fulfilled. Detailed information about OA-SI/IV can be obtained from the OASI Compensation Office of your canton of residence.

### OPA

Discontinuation of the employment relationship entails departure from the pension provision of PKG Pension Fund. Should you not immediately take up new employment, you can invest the accumulated pension assets (termination benefit) in two forms:

- in a vested benefits policy of an insurance company or
- in a vested benefits account of a bank

To ensure the pension cover is retained, you will be accepted into the Substitute Occupational Benefit Institution as an unemployed person as of the date of the first daily allowance payment. As long as you receive daily allowances, you will have mandatory cover against the risks of death and disability. Half the contributions will be paid by you and half by the unemployment insurance fund. Your share will be directly deducted from your daily allowance.

As you will only be insured against the risks of death and disability, a gap will therefore arise in the accrual of retirement assets.

However, in order to prevent gaps in provision, you can also continue to pay in graduated contributions according to your age on a voluntary basis in accordance with the OPA to the Substitute Occupational Benefit Institution. As there is no employer contribution obligation, you will have to pay both the employee and employer contributions. The following requirements apply to the continued payment of retirement pension contributions:

A corresponding application must be submitted to the responsible office of the Substitute Occupational Benefit Institution (the application must be received by the Substitute Occupational Benefit Institution no later than three months after departure from mandatory insurance) and the termination benefit must be transferred to the Substitute Occupational Benefit Institution.

This solution only makes sense if you have the necessary financial means.

Should you not have any financial possibility of continuing your retirement provisioning via voluntary retirement pension contributions with the Substitute Occu-

pational Benefit Institution, you can close the “missing contribution years” pension gap at a later time by way of a private pension purchase. The new pension fund will be happy to notify you of the amount of the potential purchase sum when the time arises.

### AIA

As long as you are drawing unemployment benefits, you have mandatory cover with SUVA against accidents thanks to the AIA (Federal Act on Accident Insurance). Insurance cover ends 31 days after the end of entitlement to unemployment benefits. You have the option by taking out interim insurance of extending the insurance cover by up to 180 days. To do so, please contact the responsible implementing office at SUVA prior to the end of normal insurance protection. Further information can also be found at [suva.ch](http://suva.ch).

### Daily sickness allowance

If your previous employer had occupational daily sickness allowance insurance, insurance cover ends upon departure or when giving up employment. You can apply within 30 days as an unemployed person to transfer to an individual policy with your existing daily sickness insurance provider or take out an individual policy with a private or health insurance company.

### Health insurance provider

Attention must be paid to the scope of health insurance benefits. Without the aforementioned precautions (AIA), there will be no accident insurance during unemployment. You are therefore recommended to take out accident insurance via your health insurance provider.

### Useful information

Who can I contact if I have any questions?

If you have questions about pillar the second, you should initially contact your employer, your pension fund or your vested benefits institution.

The Verein BVG-Auskünfte (OPA Information Association – [bvgauskuenfte.ch](http://bvgauskuenfte.ch)) also offers information and free consulting by appointment in Berne, Brugg, Frauenfeld, Geneva, Lausanne, Lucerne, St. Gallen, Winterthur and Zurich

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