Syngenta Pension Fund
Switzerland

When and how to start planning for your retirement

syngenta

A well-planned retirement

Retirement means different things to different people. But whatever kind of future you're looking forward to, and regardless of your current stage of life, it's important to understand the options that can help you to plan the retirement that best suits you.

Planning your retirement is a long-term project. This brochure sets out the steps to take in different stages of your life (before 50, between 50 – 60 and 60 upwards), so you can stay in control and arrange your best possible pension.

How the Swiss Social Security system works: a reminder

The Swiss Social Security system is designed to provide financial security for your retirement, for your survivors, and in the case of disability. It consists of three pillars: state, company, and private pension. Pillar 1 and Pillar 2 are both mandatory. Pillar 3 is voluntary.

1st Pillar: Swiss State Pension (AHV)

The 1st pillar of the social security system in Switzerland, the AHV, is designed to provide for a basic material existence.

Retirement benefits in the first pillar (AHV) are financed on a pay-as-you-go basis. Current pensions are financed with current contributions.

How is your state retirement pension (AHV pension) calculated?

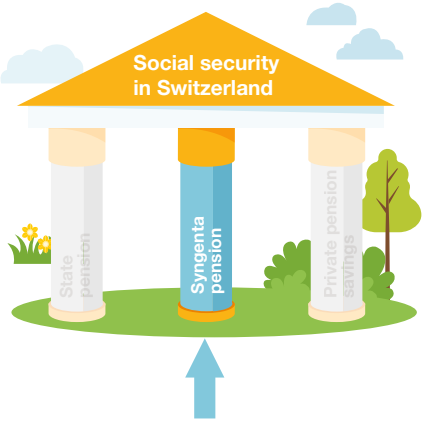
The amount of your pension depends on:

- How many years you have been making contributions
- The earnings on which contributions were paid
- Any credits for time spent raising children or caring for relatives

A full pension is paid if you have contributed for 44 years on an average salary of about CHF 86,000 p.a. This provides a maximum individual pension of CHF 28,680 per annum (as at 2022). Even if you have paid contributions on a higher average salary, this remains the maximum pension. If you have fewer years of contributions, the pension will be pro-rated.

The statutory retirement age in the first pillar (AHV) is 65 for men. In the coming years, the statutory age for women will be increased from 64 to 65.

2nd Pillar:
Company Pension



Together with the benefits from AHV, the aim of the company pension is to help maintain an accustomed standard of living.

Your company pension is managed by the Syngenta Pension Fund, which operates on a funded basis. In other words, the contributions paid by the employees and the employer are accumulated as retirement savings. These savings are invested by the pension fund in capital markets and the returns achieved make a considerable contribution to your later pension. For many people, the retirement savings accumulated in their company pension represent their most important retirement savings pot.

When you retire, you can decide whether you want to take the retirement savings wholly or in part as a lump sum or as a lifelong pension.

How is my retirement pension (annuity) calculated?

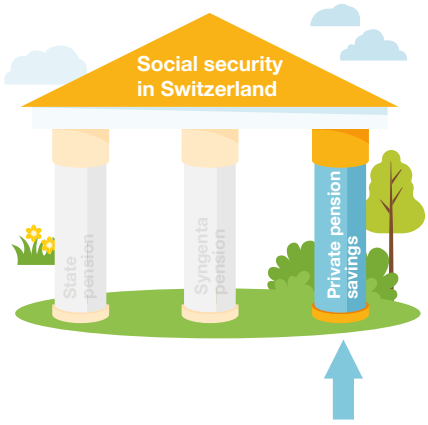
To calculate the size of your pension, the retirement savings at retirement are multiplied by the conversion rate applicable at the time, based on your age and year of birth:

– Your retirement savings x conversion rate = your retirement pension

So, the larger the retirement savings and the later the effective retirement date, the higher your pension.

The statutory retirement age in the Syngenta Pension Fund is 65 years for for both women and men. Early retirement is possible from age 60 onwards.

3rd Pillar:
Private Pension Savings



Private pension savings are designed to supplement pillars 1 and 2 (state and company pensions) in order to cover your additional individual needs.

If your income is subject to AHV, you can pay up to CHF 6,883 (as at 2022) into pillar 3a accounts per year. Contributions into a restricted pillar 3a plan are fully voluntary and can be deducted from the taxable income if you are living in Switzerland. They allow you to accumulate personal savings in order to increase your retirement benefits. Pillar 3a retirement saving and investment vehicles are offered by Swiss banks and insurance companies.

It is possible to make an early withdrawal from your 3a accounts five years before the statutory retirement age.

Individual savings – known as pillar 3b – enjoy no additional tax privileges and are freely available at any time.

The employment/retirement timeline

Know your options and prepare for a happy retirement

Whether retirement is still a long way off or within foreseeable reach, it is always good to be prepared. To help you make the most of this next chapter in your life's journey, we have put together some key information you should consider.

Your age: 45 46 47 48 49 50 51 52

Not yet 50? It still pays to be well-informed

Planning for later life may not be top of your list at the moment but it's worth thinking about the many years of happy retirement that hopefully lay ahead, and how you can make the most of them.

Go to page 6 to find out what you can do now.

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Age 50-60? Now's the time to take a serious look at your options

It is a good idea to start thinking about your retirement and laying some of the groundwork.

Go to page 8 to find out what your options are.

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60 upwards? Retire early or keep on working?

You are now at an age where retirement could become a reality. You can consider retiring early or choose to continue working and build up more funds.

Go to page 10 to decide what is right for you.

Page 10

What to consider before you turn 50

The sooner you plan, the better your retirement

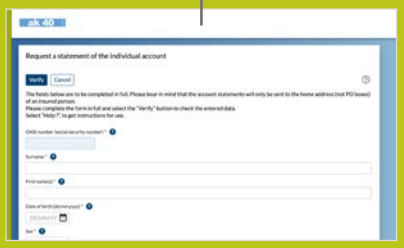
In order to enjoy the retirement that you really want, it's important to take a little time to understand the options you have and how to get the best from them.

Here are four action points for you to consider:

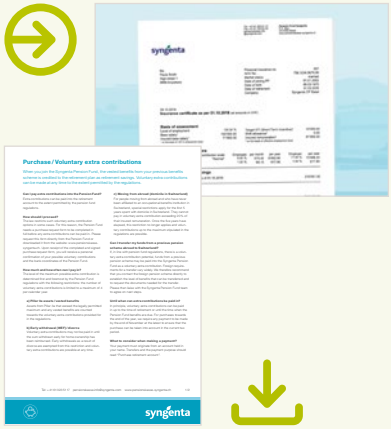
1st Pillar:
Swiss state pension (AHV)

1 Request your individual AHV account statement

To keep track of your AHV contributions and understand your likely state pension, request your personal account statement from the AHV office responsible for your employer: **www.ak40.ch**



2nd Pillar: Syngenta Pension Fund



2 Check and understand your certificate of insurance

Your monthly insurance certificate is available at any time on the Syngenta Pension Fund web portal. The simulations of retirement benefits at age 65 should give you a good understanding of what you can expect. Find additional information about your certificate of insurance **here**.

Consider supplementing your pension

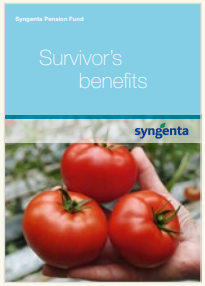
Is your current income considerably higher than you anticipate in retirement? If so, you still have time to supplement your pension:

- You can change your contribution scale (once a year on 1st July)
- You can make voluntary extra contributions. These are designed to improve your pension cover by, for example, closing any gaps which may have arisen due to missing contribution years, divorce, etc. Whether and how much extra you wish to pay into the pension fund depends on your personal circumstances.

  In principle, voluntary extra contributions are considered tax deductible if your domicile is in Switzerland.

  Find additional information about making voluntary extra contributions into your pension fund **here**.

Please note that voluntary extra contributions are subject to a blocking period of three years during which capital cannot be withdrawn from your pension fund. Pension annuities are not subject to the blocking period. But if you are thinking about taking some of your retirement savings as a lump sum, you are strongly recommended to stop making voluntary extra contributions three years before retirement. That applies whether you are taking early retirement (at your own wish or the company's) or retiring at statutory age of 65.



3 Check the pension benefits for surviving family members

If applicable, complete the "Agreement on domestic partner's pension" form to ensure your domestic partner's eligibility to partner's pension and make sure you return it to the pension fund team before your retirement. You may also wish to make changes to the group of beneficiaries for the lump sum on death (possible to a certain extent) by notifying the pension fund in writing. You can find additional information and the forms **here**.

3rd Pillar: Private pension savings

4 Consider making regular private savings in pillar 3a plans

Income from the AHV and your pension fund (pillars 1 and 2) will not, generally, be enough to maintain your current standard of living in retirement. For those living in Switzerland, pillar 3a is a way of boosting your retirement savings and is typically a way of reducing the tax burden.

What to consider at age 50-60

What will life be like when you retire?

It is time to get a clear idea of what your life will look like in retirement. Retirement is now close enough to be able to get a more accurate picture of your financial situation and clarify your personal goals. At the same time, you still have a certain amount of flexibility should you need to modify your plans. Whatever happens in this phase will be decisive for your quality of life and your situation in retirement. If you want to retire early or take partial retirement, you need to start planning now.

The information below may help you to gain a better understanding of your potential income once retired.

1st Pillar:
Swiss state pension (AHV)

1 How can I get an estimate of my AHV pension?

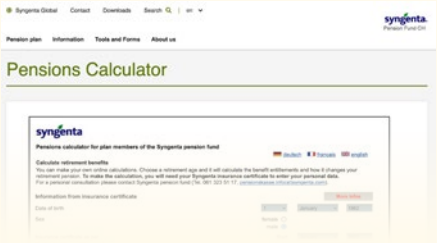
- Use the **online calculator** which provides an immediate, non-binding estimate of your personal pension.
- You can submit a written request for a pension estimate to your employer's AHV office: Ausgleichskasse Arbeitgeber Basel / Viaduktstr. 42 / 4002 Basel / **www.ak40.ch**
- You can obtain the appropriate forms **here**. Married couples are recommended to submit a joint request.

2nd Pillar: Syngenta Pension Fund

2 How can I check my expected pension fund retirement benefits?

For an indication of the retirement benefits that you can expect at age 65, refer to your certificate of insurance which is available at any time on the Syngenta Pension Fund web portal. For more **click here**.

For simulations of retirement benefits at age 60 or later, use the **online pension calculator**.



You can get more detailed information and discuss your options with your pension fund team: **pensionskasse.info@syngenta.com** or tel. + 41 61 323 51 17

3 What if I leave the pension fund before age 60?

When leaving the Syngenta Pension Fund before age 60, you will take the retirement savings with you as a portable sum. The portable sum is transferred to the pension fund of a new employer or to a vested benefits institution of your choice.

4 What if I leave the pension fund between the ages of 55 and 60 because the employer terminates my contract?

If you do not have a new employer, you can maintain cover with the Syngenta Pension Fund on a voluntary basis. All contributions will be paid by you and the insured salary can be defined once. It will then be possible for you to draw your retirement pension from age 60 onwards.

If you want to continue your insurance cover voluntarily, contact your pension fund team. Please note that this option is not applicable in case of early retirement at the request of the company.

3rd Pillar: Private pension savings

5 Considering early retirement?

Money from restricted pillar 3a plans may be withdrawn five years before the statutory retirement age at the earliest. Withdrawals are taxed at a reduced rate if you live in Switzerland. If you paid into more than one pillar 3a account, it is possible to stagger the withdrawal of the balances over several years.

What to consider at age 60 upwards

Retire early or keep on working?

You are now at an age where retirement can become a reality. If you are considering retiring early, however, you should not underestimate the financial consequences. To get a realistic picture of the future, begin clarifying your plans at an early stage.

1st Pillar:
Swiss state pension (AHV)

1 Bringing forward your AHV pension

If you retire early and need your AHV pension before statutory retirement age*, the AHV pension can be brought forward by one or two years. In this case, the pension is reduced by 6.8% (as at 2022) for each early retirement year. If you live in Switzerland, the obligation to pay contributions will continue even if the pension is brought forward, but the contributions you pay during this period will no longer count for the purpose of calculating your pension.

2 How and when to apply for your AHV pension

You need to apply for an AHV pension and we recommend you do so in good time, which is generally six months before you want to draw your AHV pension.

- As a rule, the responsible compensation office is the one which received your most recent contributions: **www.ak40.ch**.
- If you reside outside of Switzerland, you will need to apply for the AHV pension through the relevant social security office in your country of domicile. For more information **click here**.

*Statutory AHV retirement age: 65 for men; for women the retirement age will be increased from 64 to 65 in the coming years.

3 Deferring your AHV pension

If you do not need your AHV pension immediately, you can put off drawing it up to five years, which results in a higher pension. During this deferral period, the pension may be drawn at any time. A supplement to the annual retirement pension applies for each year and month of deferment and ranges from 5.2% (deferral for one year) to a maximum of 31.5% (deferral for five years) as at 2022.

More information about the flexible AHV retirement options can be found **here**.

2nd Pillar: Syngenta Pension Fund

4 Thinking about early retirement?

Syngenta Pension fund regulations allow early retirement from age 60 onwards. The existing retirement savings can then be:

- Converted into a lifelong pension;
- Paid out, in whole or in part, as a lump sum; or
- Used, if necessary, to help finance a bridging pension. The maximum possible annual bridging pension is defined by the current maximum AHV pension (as at 2022 this is CHF 28,680).

The Syngenta Pension Fund offers a variable pension model. It consists of a guaranteed basic retirement pension and a variable retirement pension (target pension/target pension Plus). The variable pension is determined annually in December for the coming year based on the funding ratio of the Syngenta Pension Fund applicable at the end of the year.

Watch this video for an overview.

5 Thinking about reducing your working hours or taking semi-retirement?

If your employer agrees, the following options are available:

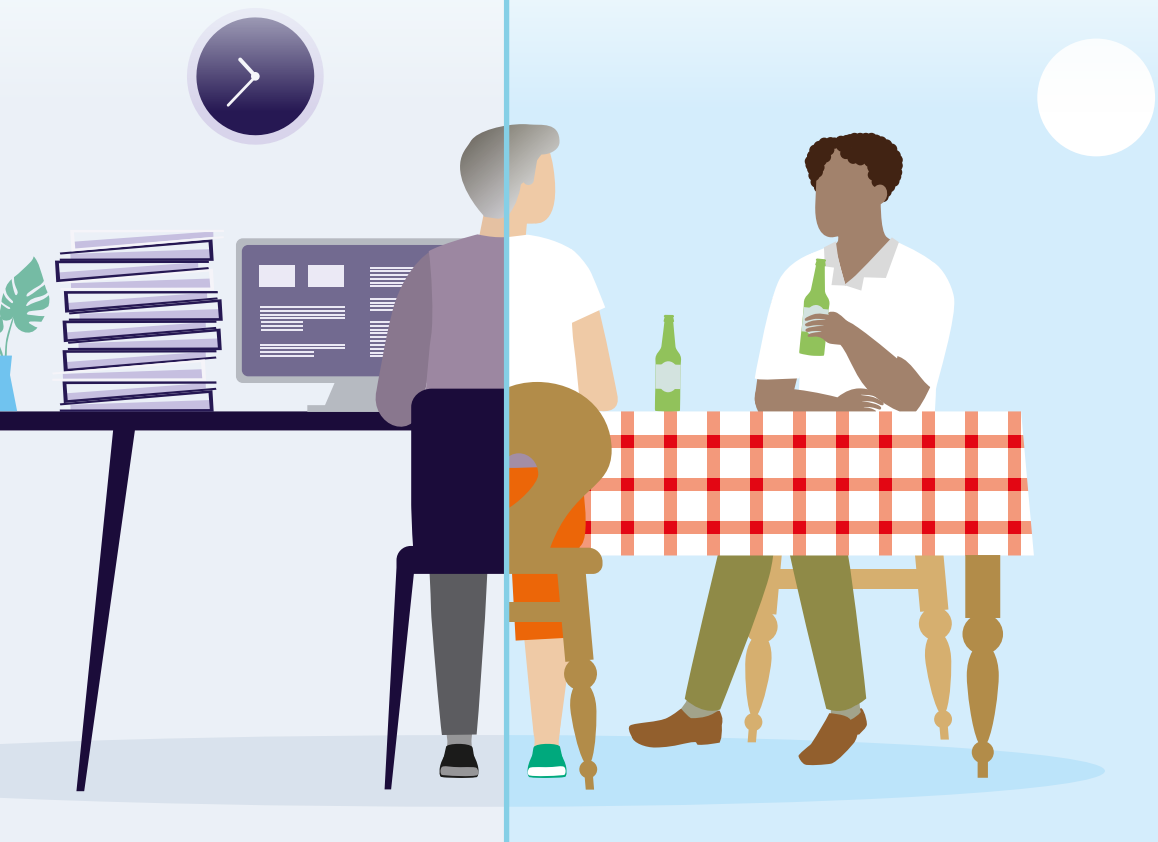
- **Reducing your employment level (by up to max 50%) whilst maintaining your insured salary at 100%.** This allows you to work fewer hours but, at the same time, to keep the benefits to which you are entitled under the insured salary applicable before reducing your working hours. To maintain that level of cover, additional contributions will be charged to you, as the insured member.
- **Partial retirement.** For this option the employment contract must be reduced by at least 20%. You can start taking the equivalent retirement benefits and the remaining retirement savings are kept in the pension fund until you retire fully.

  Please note that you need to reduce your employment by at least 30% before you can withdraw a partial retirement lump sum. Also, should you take partial retirement in three or more steps, you can only make two lump sum withdrawals at most.

Additional voluntary extra contributions

In case of early retirement (once the exact date of early retirement is confirmed), you may pay an extra contribution to reach the guaranteed basic pension at age 65 shown on your certificate of insurance. Please note that in such a scenario, the lump sum option is limited.

Contact your pension fund team in good time to discuss and plan your options.



Watch the video for an overview of the variable pension model:

6 Regular retirement

In the Syngenta Pension Fund, the statutory retirement age for women and men is 65. At this point, your employment contract will automatically end. If you and the employer agree, retirement can be deferred until age 70.

Your pension fund benefits can be paid out as a lump sum, a monthly pension, or a mixture of the two. Choosing the option that is right for you is an important, one-time decision that cannot be reversed.

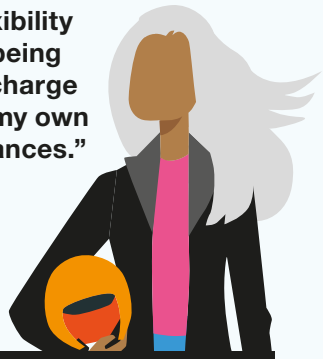
The Syngenta Pension Fund offers a variable pension model that consists of a guaranteed basic retirement pension and a variable retirement pension (target pension/target pension Plus). Additional information can be found **here**.

Lump sum or lifelong pension?

The decision is up to you. A pension or annuity provides a more predictable future, while a lump sum payment gives you maximum flexibility. Which you choose will depend on whether you are financially cautious or more enterprising, as well as on your individual situation. The table below sets out some of the pros and cons of each option.

"Knowing what my pension payment will be each month gives me real peace of mind."

"I like the flexibility of being in charge of my own finances."



	Pension / annuity	Lump sum payment
What income will I receive?	A lifelong, guaranteed basic pension, and a potential target pension/target pension Plus.	Variable. It depends on your investment income and a regular income is not guaranteed.
What flexibility will I have when it comes to investing my money?	None. The Syngenta Pension Fund will continue to invest your retirement savings. The generated returns will impact the size of your pension.	Investment decisions are your responsibility.
Do I need a good understanding of financial markets?	Not required. The investment risk is the pension fund's.	Recommended. Possibly you need to seek financial advice from investment professionals.
What happens after my death?	Survivor's benefits (spouse's/partner's, orphan's pension) are as per pension regulations. Retirement savings remain with the pension fund.	Unused capital goes to the heirs. There are no survivor's benefits (spouse's/partner's, orphan's pension) from the pension fund.
What taxes will I have to pay (from a Swiss perspective)?	Taxed at income tax rate (if you live in Switzerland).	Taxed at capital tax rate, then subject to income and wealth tax (if you live in Switzerland).

Did you know there is an additional child's pension?

As part of your retirement benefits, an additional pension of 20% of the drawn retirement pension is available for every child who is aged up to 20, or 25 and still in education. To extend the eligibility for this, you need to submit confirmation of their education status every six months.

7 Check the family member benefits in case of death in retirement

Your spouse's pension will be equivalent to 60% of your paid retirement pension.

If you are not married and have not notified the Syngenta Pension Fund of any domestic partner, remember to do this before you retire if you wish them to be eligible for the same benefits as married partners. You can find the form **here**.

8 What if I want to work beyond age 65?

If you and the employer agree, you can defer retirement up until the age of 70. An extension of your employment contract is needed to confirm the continuation of your membership in the pension fund. If you are interested in this option, discuss it with your employer in order to plan the extension in good time.

9 Can I be gainfully employed after I retire?

If you wish to be gainfully employed after you retire, this is possible and has no effect on your retirement benefits from the Syngenta Pension Fund.

3rd Pillar: Private pension savings

10 Decide on how to close your 3a accounts

Withdrawals of retirement savings from pillar 2 and 3 are subject to a lump sum payment tax in Switzerland. Typically, the higher the amount paid out, the higher the percentage tax payable. Staggering withdrawals over a period of years will allow you to avoid higher tax rates. For specialist advice, speak to your financial adviser.

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