



Press Release

Interest rates significantly higher than the minimum rate at the Vita Joint Foundation

Zurich, November 15, 2016 – In 2017 the insured of the Vita Joint Foundation can look forward to attractive interest rates on their retirement assets. The foundation pays interest at a rate of 2 percent on their mandatory assets. That is 1 percentage point higher than the minimum rate of interest under the BVG. Super-mandatory assets earn interest at a rate of 2.5 percent.

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Once again the Vita Joint Foundation is paying interest on the assets of its insured at a rate that is above the minimum rate decided by the Federal Council. Despite the currently more difficult investment environment and negative interest, the interest earned with the foundation is significantly higher than 1 percent. For 2017 the interest earned on the savings capital amounts to

- 2 percent on mandatory BVG assets (1 percentage point above the minimum interest rate),
- 2.5 percent on super-mandatory assets.

The attractive interest earned is the result of the innovative pension planning model that the Vita Joint Foundation introduced in 2014. Under this model, interest reserves are formed with returns on assets, as long as the target coverage ratio of 106 percent is achieved. From these reserves the Vita Joint Foundation then pays out additional interest to the insured over a period of five years. Over the years – and even in times that are unfavorable for investment – this leads to more balanced interest earned on retirement assets. In 2017 customers who helped build interest reserves in the past with their pension assets benefit from an additional percentage point of interest on their mandatory BVG assets. Customers who joined the pension fund in 2016 receive

the base interest of 1 percent on the mandatory BVG assets and of 1,5 percent on super-mandatory assets.

Coverage ratio holding well in a low-interest environment

Despite negative interest rates and the generally unsatisfactory development of stock markets, the coverage ratio of the SST Vita has held comparatively well. On 31 October 2016 it amounted to 104.6 percent¹⁾ (106.5 percent in the previous year).

This is made possible by the high structural risk capacity and the broadly diversified investment strategies of the Vita Joint Foundation. So far this year the foundation and its insured have primarily benefited from the pleasing performance of bonds and real estate. [Investment reporting for September](#).

Around 20,000 companies with a total of 117,000 employees have entrusted their occupational retirement provision to the Vita Joint Foundation.

¹⁾ According to the current regulations on provisions and reserves, a new interest reserve is not formed until after a coverage ratio of 106 percent is reached.

Vita Joint Foundation interest earned 2013–2017

	2017*	2016	2015	2014	2013
Vita Joint Foundation – interest earned on mandatory BVG assets	2%	2.25%	2.65%	2.75%	2.00%
BVG minimum interest rate	1%	1.25%	1.75%	1.75%	1.5%
Vita Joint Foundation – interest earned on mandatory BVG asset above minimum interest rate	1%	1.00%	0.9%	1.0%	0.5%
Vita Joint Foundation – interest earned on super-mandatory asset	2.50%	3.00%	3.40%	3.75%	2.50%

* Valid for customers who joined before January 1, 2016

For additional information:

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This press release is available online at www.vita.ch

The **Vita Joint Foundation** was founded by Zurich in 2004 as a partially autonomous joint foundation. It offers all companies simple, secure and clear occupational retirement provision with attractive terms. Partially autonomous means that Vita Joint Foundation is responsible for the investment of assets while Zurich Life Insurance Company Ltd takes care of the risk insurance. This separation offers countless benefits for customers – transparency, competitive interest rates, full participation in investment performance, security and flexibility. Thanks to its innovative model, the Vita Joint Foundation has developed into the market leader among semi-autonomous joint foundations. The Vita Joint Foundation is the largest semi-autonomous joint foundation in Switzerland. Some 20,000 member companies with a total of 117,000 insured have entrusted their occupational retirement provision to the Vita Joint Foundation. www.vita.ch