PENSION REFORM 2020- IMPACT AND CHALLENGES

SAMPLE CLIENT

Mercer Tessinerplatz, Zürich
A G E N D A

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## Key Aspects of the Reform

<table>
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<tr>
<th>Overall</th>
<th>1st Pillar</th>
<th>2nd Pillar</th>
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<tbody>
<tr>
<td>• Reference (normal retirement) age</td>
<td>• Pension increase</td>
<td>• Conversion rate (transition over 4 years)</td>
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<td>• Flexible and individual retirement</td>
<td>• Cap for couples (increases from 150% to 155%)</td>
<td>• Reduced coordination offset</td>
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<td>• Funding (VAT and other sources)</td>
<td>• Modified savings scales</td>
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<td>• Flexible Retirement between 62 and 70 (minimum early retirement age 60)</td>
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Adjustment required regarding insured salary, at least for salary in the range of CHF 20’000 and CHF 90’000

Current solution of Sample Client below new legal minimum requirements – Adjustments necessary!
PROPOSED CHANGES TO PLAN DESIGN
ANALYSIS OF EXPECTED COSTS

- Client: Sample Client
- Contract no. / Provider: 999999 / Swiss Life
- Number of employees: 120
# How Mercer Can Help

## Employee Sessions
- Support in preparation of presentation material
- Execution of employee information sessions

## Pension fund committee
- Attendance at pension fund committee meetings
- Discussion with committee members about consequences

## Actuarial Evaluations
- IAS and US GAAP Evaluations and calculations
- Estimations of impact on liabilities and costs under IFRS / US GAAP

## Legal consulting
- Legal review of employment contracts / plan regulations.
- Clarification of individual cases.