



Fiscal Policy, Pension Scheme

No higher salary deductions for the 13th AHV pension

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At a glance

- The 13th AHV pension approved by the people will be paid out for the first time this year.
- The Council of States is sticking to a mixed financing option with a VAT increase and additional salary contributions.
- *economiesuisse* rejects higher wage contributions; these are a burden on the economy, which is already under pressure, and the working generation.

In its spring session, the Council of States once again discussed the financing of the 13th AHV pension. The additional benefit was approved by the people in 2024 - but who pays for it is still controversial. In its dispatch, the Federal Council proposes an increase in VAT of 0.7 percentage points. This is intended to ensure that financing is quick, broad-based and has as little negative impact on the economy as possible. The National Council supports this approach, but wants to limit the additional financing until the next AHV reform.

Council of States sticks to mixed financing

The Council of States is calling for higher wage contributions in addition to VAT. Originally, it justified this by stating that another expansion initiative, on which the people have not yet voted, should be financed at the same time. It has since abandoned this idea. Nevertheless, he is sticking to mixed financing: VAT is to be increased by 0.4 percentage points and wage contributions by 0.3 percentage points. A further 0.3 percentage points would be added to salary contributions if AHV assets fall below a certain threshold.

Without counter-financing, AHV assets are at risk

The economy has not supported the 13th AHV pension because it is expensive and not necessary for a large proportion of pensioners to secure their livelihood. It has always warned of the considerable costs of the initiative: the additional benefits will cost the AHV around CHF 4 to 5 billion a year. Contrary to the claims of the initiators, this additional expenditure cannot be financed from existing funds. Without counter-financing, the AHV's assets would have to be tapped into - which would be legally problematic and unsustainable in the long term. The outstanding bill must therefore be paid now. The business community is therefore calling for swift and solid financing so that the costs are not passed on to future generations.

Pensioners must contribute to the financing

Who supported the initiative for a 13th AHV pension is also relevant to the fairness of the financing. Follow-up surveys clearly show that the proposal was particularly strongly supported by people who benefit directly - i.e. pensioners. The votes of the over-60s were decisive for the Yes vote, while the majority of young voters were against it. This leads to a simple consequence: those who voted for the additional benefit at the ballot box should also be involved in financing it. VAT is best suited for this because it includes all generations in the financing.

Wage contributions affect the economy and the working population

This would be different if it were financed via wage contributions: the generation over the age of 65 hardly participates because most of them are no longer in employment. From the point of view of intergenerational fairness, salary contributions are therefore the wrong instrument. In addition, higher wage contributions would further increase the already high wage costs in Switzerland. The additional burden would primarily be borne by the working population and employers and would have a negative impact on employment, competitiveness and the economy. However, mixed financing is also unconvincing for administrative reasons: it would change two different contribution systems at the same time and thus unnecessarily increase the burden on companies.

Financing via salary contributions is clearly rejected

The business community therefore clearly rejects salary contributions to finance the 13th AHV pension. Above all, they would place a burden on those who are responsible for the country's economic future: the working population and companies. The National Council must therefore stick to its line and maintain the temporary VAT increase. In view of the equally unresolved issue of financing the army, a lower VAT increase than the 0.7 percentage points supported by the National Council should also be discussed.</p>
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