

Reforms at the ballot box: from 2010 to 2024

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The history of attempts to adjust the conversion rate is a history of defeats. On 7 March 2010, voters rejected a reduction of the rate from 6.8 to 6.4 per cent by a majority of about seventy-three per cent. The trade unions had campaigned against what they called a pension cut, while employers and the insurance industry had argued that the reduction was an actuarial necessity.¹ The defeat demonstrated that the conversion rate had become a symbol, since a technical parameter set by law can be presented as a promise once citizens vote on it.

The Federal Council then attempted a comprehensive reform covering both the first and the second pillar. The package *Altersvorsorge 2020* combined a reduction of the conversion rate to six per cent with an increase of the AHV pension by seventy francs a month for new pensioners and with additional value added tax to finance the first pillar. On 24 September 2017 voters rejected both the federal act and the constitutional amendment on value added tax, although the latter obtained a narrow majority of the popular vote and failed on the majority of the cantons.² The failure led the Federal Council to separate the reforms of the two pillars.

For the second pillar, the social partners presented a compromise in 2019, which the Federal Council adopted as the basis of its proposal. Parliament transformed it considerably. The final version of the BVG reform, adopted on 17 March 2023, lowered the minimum conversion rate to six per cent, reduced the entry threshold and replaced the fixed coordination deduction by a deduction of twenty per cent of salary in order to improve the coverage of part-time employees and persons with several employers, many of them women. A transitional generation was to receive a pension supplement financed by the system as a whole.³

The trade unions launched a referendum. On 22 September 2024 the reform was rejected by roughly two-thirds of voters, with majorities against it in every canton, including Basel-Stadt and Basel-Landschaft.

Opposition came from the left, which regarded the reform as a cut in pensions, and from parts of the trade and small business sector, which feared higher contributions. Several pension funds and their associations had also been lukewarm, because they already applied lower conversion rates on the total capital and saw little benefit in the complex compensation mechanism.⁴ After the vote, the minimum conversion rate remained at 6.8 per cent. The question of how the system should respond to rising life expectancy and changed interest rates returned to the political agenda, where it remained in the autumn of 2026.⁵

1 Notes

1. On the popular vote of 7 March 2010 on the amendment of the BVG reducing the minimum conversion rate to 6.4 per cent, rejected by about 72.7 per cent of voters, see the records of the Federal Chancellery. Figures to be verified. ↩
2. On the reform Altersvorsorge 2020 and the popular votes of 24 September 2017 on the federal act and on the additional financing of the AHV through value added tax, see the records of the Federal Chancellery. Details to be verified. ↩
3. On the reform of the BVG adopted by the Federal Assembly on 17 March 2023 (conversion rate 6.0 per cent, lower entry threshold, coordination deduction of 20 per cent, pension supplement for a transitional generation of fifteen cohorts), see the Federal Gazette and the explanations of the Federal Council for the vote. Details to be verified. ↩
4. On the popular vote of 22 September 2024 on the BVG reform, rejected by about 67 per cent of voters, and the cantonal results, see the records of the Federal Chancellery and the cantonal statistical offices. Figures to be verified. ↩
5. On the political discussions after the rejection of the BVG reform, including parliamentary initiatives and proposals of the Federal Council for further steps in occupational pensions, see the communications of the Federal Social Insurance Office. Status to be verified. ↩

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