

The landscape of Swiss pension funds

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

The number of pension funds has fallen steadily for decades. In the late 1980s there were several thousand institutions, many of them small company funds. According to the statistics of the Federal Statistical Office and of the OAK BV, the number of registered and non-registered institutions with regulatory liabilities fell to about 1,300 in the mid-2020s. Total assets have risen over the same period to more than CHF 1,100 billion.¹ The concentration resulted from mergers, liquidations and above all from the transfer of small company funds into collective foundations, which can administer the pensions of many employers more cheaply and with better professional support.

Three types of institutions dominate the landscape. The first comprises company pension funds of large employers, among them the funds of the pharmaceutical and chemical groups, the banks, the insurers and the federal enterprises such as the Swiss Federal Railways and the postal service. The second consists of public-law funds of the Confederation, the cantons and the cities, which insure civil servants, teachers and employees of hospitals and public enterprises. The third group comprises collective and common foundations, which insure the employees of many employers in a single legal entity. Some of them are sponsored by insurers or banks, while others belong to trade associations or operate as independent foundations.²

The collective foundations have grown fastest. They now insure a majority of active insured persons and account for a steadily rising share of assets. Competition among them takes place through the level of contributions, the interest credited to retirement accounts, administrative costs and the quality of service to employers. The OAK BV has repeatedly drawn attention to the risks of this competition, since a foundation that attracts employers through generous interest may later find itself unable to finance its promises. The supervisory authority has issued directives on the

governance of collective foundations and on the separation of pension plans with different risk profiles.³

In Basel, these three types are represented by institutions of considerable size. The canton of Basel-Stadt and the canton of Basel-Landschaft each maintain a public-law fund for their employees and for affiliated institutions such as hospitals, universities and municipalities. The pharmaceutical groups and the insurer Baloise have their own company funds, while collective foundations sponsored by insurers and independent foundations insure the employees of thousands of small and medium-sized enterprises. Among the independent foundations, the Stiftung Abendrot, founded in Basel in 1984, has become known for an investment policy oriented towards social and ecological criteria.⁴

1 Notes

1. On the number of pension institutions (about 1,300) and their total assets (more than CHF 1,100 billion), see the pension fund statistics of the FSO and the OAK BV reports on the financial situation of pension institutions for 2023 and 2024. Figures to be verified. ↩
2. On the typology of Swiss pension institutions (company funds, public-law funds, collective and common foundations), see the OAK BV reports and the FSO pension fund statistics. To be verified. ↩
3. On the growth of collective foundations, their share of active insured persons and assets, and the concerns expressed by the OAK BV about competition, governance and risk, see the OAK BV annual reports and its directives and communications on collective and common foundations. To be verified. ↩
4. On the Stiftung Abendrot, a collective foundation founded in Basel in 1984 with an investment policy based on sustainability criteria, see its annual reports and its website. Founding date and figures to be verified. ↩

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