

Press release of 22 August 2023

Exclusive survey Reform of the second pillar pension system (LPP/BVG): the Swiss people remain extremely divided.

Concern about retirement pensions continues to grow. The Swiss people remain extremely divided at a time when adjustments to the system are more urgent than ever. This is the result of an exclusive survey conducted by the MIS Trend institute, in partnership with Le Temps and Groupe Mutuel. The survey results will be presented in detail at the fourth edition of the pension forum “Forum Prévoyance”, due to take place on Thursday 31 August 2023 at the IMD in Lausanne.

Swiss people remain extremely divided when it comes to reforming the second pillar pension system. If people had voted last June on the referendum against reforming the second pillar, the result would have been extremely uncertain. 30% of respondents said that they support the referendum, which means that they are against the reform adopted after lengthy discussions in the Federal Parliament. 29% of those surveyed are prepared to reject the referendum and therefore accept the compromise reached in Berne. But what is particularly worrying is the 41% of survey participants who are undecided. At this stage, this means that almost one citizen out of two is still undecided over such an important issue. Of course, there is still time before the vote, which will probably take place in the spring of 2024, but the campaign seems far from over and will therefore be an exciting one.

The exclusive poll conducted by MIS Trend, Le Temps and Groupe Mutuel, also shows that if the two LPP/BVG initiatives had been put to the vote last June, the initiative put forward by the PLR (or FDP) Swiss liberal party would have been rejected quite clearly, while the left-wing initiative would have won over voters. In detail, 56% of those surveyed would have rejected the PLR initiative, while only 33% would have accepted it. As for the left-wing initiative, which proposes the payment of a 13th AVS/AHV social security pension, 62% of those surveyed would approve it, compared with just 26% of respondents who would reject it. For Thomas Boyer, CEO of Groupe Mutuel, *“these results demonstrate that the forthcoming votes will be uncertain and that there is a great need for information and explanations. In the end, this is hardly surprising, as the stakes are high, and the population has clearly understood this.”*

Inflation, on the other hand, even though it seems to be relatively under control in Switzerland, continues to be a major concern for those surveyed. 80% of respondents fear that rising prices will have an impact on the quality of their retirement. Concern about disposable income after retirement also continues to grow, from 50% in 2020 to over 60% in 2023.

Raising the retirement age is beginning to appeal

Among the other reforms mentioned, the idea of raising retirement age is slowly beginning to gain ground in response to demographic change. A real change has been taking place since 2020. The number of people opposed to the increase has fallen from 49% to 34%. The proposal for an identical pension contribution rate for all age groups also seems to be gaining ground and is even finding increasing support among those people close to retirement.

At a time of energy and financial crisis, ESG investments could be called into question. However, respondents do not want to see a massive return to fossil fuel investments. In fact, 35% of those surveyed believe that pension

funds should give priority to investing in sustainable development. In addition, 61% of respondents are even willing to see their pensions drop by 5% if pension funds invest in a sustainable manner.

Splitting retirement assets remains popular

The popularity of the third pillar continues to grow, with 72% of respondents saying they use this option. Better still, even more people would do so if tax deductions linked to the third pillar were to be increased, particularly among 15- to 29-year-olds.

To reduce the differences in pension levels between men and women, some people are advocating a “splitting model” for the second pillar, based on children. According to such a model, when a child is born, the retirement assets acquired by both parents would be divided equally between the father and mother. 57% of respondents were in favour of this idea.

Conducted for the fourth year running by the MIS Trend institute in partnership with Le Temps and Groupe Mutuel, the survey shows that Swiss people have confidence in their pension system in general, but that concerns are growing, with inflation and the ongoing war in Ukraine. Moreover, 2024 will be a crucial year for reforms under the second pillar, as no fewer than three major votes could be held next year. This will be the opportunity to test the appetite for reforms that are politically acceptable to the general public.

Information the survey:

- Independent and representative survey of the Swiss population, conducted by MIS Trend
- 1,407 people were questioned on the Internet from 2 to 9 June 2023
- Margin of error: 2.7%



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About Groupe Mutuel

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Groupe Mutuel also offers an extensive range of products in individual retirement benefits and patrimony insurance. Based in Martigny, the insurer provides companies of all sizes with solutions for loss of earnings in the event of illness, accident insurance (LAA/UVG) and occupational pension plans (LPP/BVG).

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