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RELOCATING TO SWITZERLAND: THE FISCAL TREATMENT OF SWISS AND OF FOREIGN PENSION ASSETS, RETIREMENT PLANS AND LIFE INSURANCES

Expats and foreigners already residing in Switzerland as well as foreign resident individuals who have planned to relocate, deserve to have a clear understanding of the Swiss pension system and its complex taxation. Equally, it is most relevant to know how foreign pension products, retirement plans and life insurances are taxed.

1. Analysis of Swiss state, occupational and private pension products and its tax treatment:

The advisors of [Steimle & Partners Consulting SA](#) and [Fiduciaria Mega SA](#) have the expertise to help you determine and plan the tax impact of the following **Swiss three pillar** model pensions and their respective contributions and benefits:

- **1st pillar** or state pension (AHV, IV, PC), mandatory for all residents.
- **2nd pillar** or occupational employer-based pension (BVG and UVG), including the planning of any funding to compensate for contribution gaps.
- **3a pillar** or tied private pension.
- **3b pillar** or flexible pension provision or unrestricted pension product: e.g. through life insurance (protection insurance), savings insurance products, mixed life insurance products (risk and savings).
- Tax planning for the **withdrawal of pension capital**.

2. The Swiss (fiscal) qualification of foreign pensions, retirement plans and life insurances and their benefits (either as income or capital):

When relocating from abroad to Switzerland it is crucial to know in advance and certainly when filing in the annual tax return how **foreign pension products** – already subscribed to – are to be qualified for Swiss legal and tax purposes. Tax treaties for the avoidance of double taxation in the field of pensions may procure some comfort provided the foreign pension product is comparable to Swiss ones which is often uncertain.

An individual and tailored preliminary analysis (which in most cases involves a tax ruling with the Cantonal tax administration) **is therefore highly advisable.**

3. **Special cases of death, divorce or relocation out of Switzerland:** the fiscal treatments of pension products and life insurances may be critical and need to be accurately planned.

Seek professional advice: timely advanced verification by our experts, if necessary, also with the support of foreign advisers, preserves from unexpected avoidable tax burdens which are of prejudice for an accurate financial retirement planning.

For further information on the above, please do not hesitate to contact us.

For more detailed information on Switzerland, Canton Ticino tax and legal environment see our web site www.steimle-consulting.ch,

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