

# Fondation 2<sup>ème</sup> pilier swissstaffing

Management Report for 2023

Pfäffikon, June 2024

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# Introduction

## Dear Reader

The Management Report of Fondation 2<sup>ème</sup> pilier swissstaffing contains important information about the Foundation and its performance in the 2023 financial year. It is an essential component of our communication policy and must be distributed to all members of the Foundation by their employers. The Foundation is committed to good governance and transparency. This is why we wish to underscore just how important it is that this report reach all recipients.

We thank the representatives of the affiliated companies for their support in distributing the report, and will gladly assist them in doing so: the Foundation will send you additional copies on request. This report is also available on the website of the swissstaffing Association, as well as on that of the Pension Fund, in French, German and Italian, in addition to English.

The high volatility seen on the capital markets in 2022 continued into 2023, but the year still closed with positive results. Both equities and bonds chalked up strong returns, especially in the last two months of the year. Central bank statements announcing the possible end of the interest-hiking cycle favourably impacted bond performance and triggered positive reactions on the stock markets. The race for artificial intelligence (AI) gave tech companies an added boost and resulted in an overall positive performance for equities. Fondation 2<sup>ème</sup> pilier swissstaffing also benefitted from these developments.

***Fondation 2<sup>ème</sup> pilier swissstaffing closed the year with a positive investment performance of 4.85%. Benchmark: according to the Occupational Pension Supervisory Commission (OPSC) report on the financial situation of pension funds, the average performance in 2023 was 5.2%. As at 31 December 2023, funded status was 125.8%, up from 122.0% at the end of 2022.***

- As in past years, the interest credited on retirement savings capital for 2023 was 2% higher than the minimum BVG/LPP interest of 1.0%, meaning that members' retirement savings capital have been credited with 3.0% interest seven years in a row since 1 January 2017
- A 13th month's pension was paid to all recipients of retirement, survivor, disability, and child pensions in 2023. Payment was made in December.

# Introduction

New in 2024

## **AHV/AVS 21 Reform**

For more information about the effects of the AHV/AVS 21 Reform, we refer you to the following link: [AHV/AVS 21 Reform](#)

## **Composition of the Pension Board**

Georg Staub has stepped down as Chair of the Pension Board and taken his well-deserved retirement. He presided over the Foundation for many years. The Pension Board express their warmest thanks to him for his long-standing commitment. The Pension Board has designated Dr Marius Osterfeld as his successor. Dr Osterfeld sits on the Pension Board as an Employer Representative, and was unanimously elected as its Chair. He is keen to take on these new responsibilities.

## **The new Chair looks ahead to the future**

As the new Chair of the Pension Board, I am excited to guide Fondation 2<sup>ème</sup> pilier swissstaffing through the challenging times ahead. Demographic change, digitisation and international competition in terms of location pose challenges to pension funds both on the investment and on the membership side. On the other hand, these trends afford opportunities which the Foundation must be able to exploit for the benefit of its stakeholders. The objective: to remain an anchor of stability - for companies, active members and pensioners. In practice, I believe this hinges on two things: First, the third contributor must be as strong as possible to ensure that all stakeholders receive that little bit more which is lacking in so many things today. The second thing, in my opinion, is to deliver first-class service, especially since the BVG/LPP is far removed for many people as recent surveys have shown. As a pension fund, it is our task to offer the people who rely on us or seek our support with competent guidance. Bearing both points in mind, a single word comes to mind: Gratitude. Gratitude towards my predecessor Georg Staub for placing the Foundation in excellent starting blocks and preparing it for tomorrow's challenges. Let us come together and build on this success in the future.

We wish you interesting and enjoyable reading.

Yours truly,



Marius Osterfeld  
Präsident



Leonora Domgioni  
Sekretärin

# Presentation of the Foundation

The Fondation 2<sup>ème</sup> pilier swissstaffing was founded on 1 January 1985 to meet the requirements of the Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (BVG/LPP). At the time, it was expressly designed to fulfil the specific needs of temporary employment agencies and their employees; it guarantees all mandatory benefits within the scope of the federal occupational benefits legislation.

The Foundation has been listed in the register of occupational benefit institutions of the Zentral-schweizer BVG- und Stiftungsratsaufsicht (ZBSA), the Regulatory Authority with oversight over the Foundation, since the middle of 2017 (before that with the AS-SO) in accordance with Article 48 BVG/LPP. It is thus licensed to provide mandatory occupational benefits.

By joining the Foundation, the affiliated companies of swissstaffing Association comply with their statutory obligation to provide occupational benefits. Moreover, the framework conditions of the collective agreement for temporary workers (GAV/CCT) concerning occupational benefits are guaranteed by the Foundation.

The Foundation also offers recruitment agencies whose temporary employees are insured with the Foundation the possibility of affiliating their in-house employees. For interested agencies, the Foundation also provides additional possibilities in the field of extra-mandatory benefits.

***As an occupational benefits institution, Fondation 2<sup>ème</sup> pilier swissstaffing prides itself on its efficient cost and risk management.***

The Foundation's operating costs are transparent, and offer the advantage of being very low by

comparison with other occupational benefits institutions in the sector:

- Asset management fees: CHF 143.50 per year and recipient, or 0.579% of assets under management;
- General administration costs (including auditor, accredited pension actuary and regulatory authorities): CHF 119.70 per year and recipient;
- Total operating costs: CHF 263.20 per year and recipient.

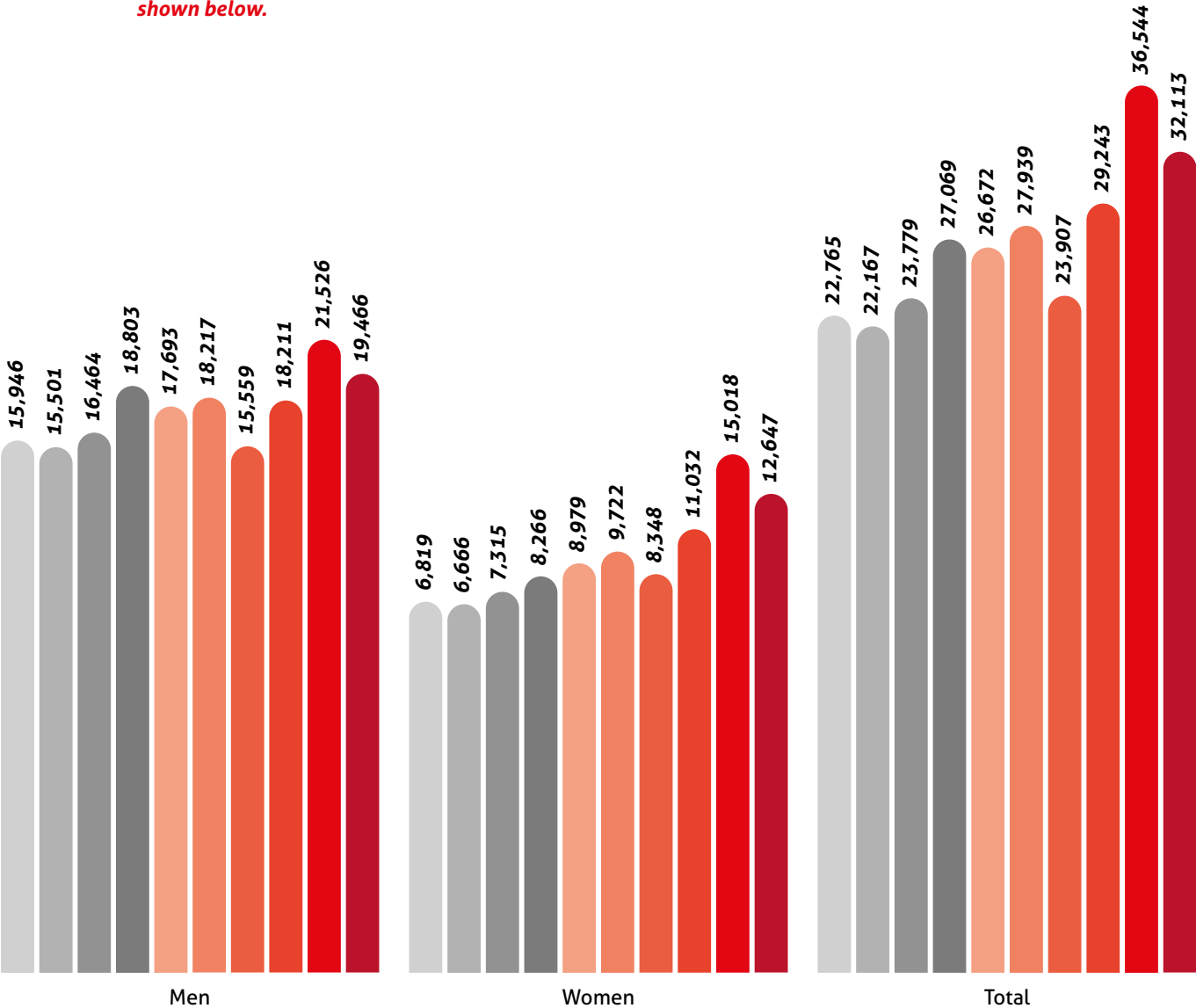
The Foundation has been managed by Aon Switzerland AG in Neuchâtel and Zurich for many years. It currently has more than 380 affiliation agreements with over 185 companies in the industry and serves 32,113 active members and 1,117 pensioners. In 2023, this represented close to 45,585 new members and 49,860 departures.

The Pension Board is the Foundation's highest governing body; it comprises six members, all of whom either work in, or have extensive knowledge of, the industry.

# Headcount statistics

**Active members**

As at 31 December 2023, the Foundation managed the occupational benefits of temporary employees under 207 affiliation agreements, compared with 198 as at 31 December 2022. The Foundation has grown in this area as well. Moreover, 173 businesses insured their permanent employees with the Foundation under affiliation agreements. *The changes in the headcount of active members are shown below.*

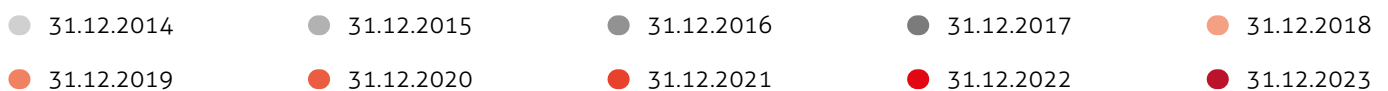
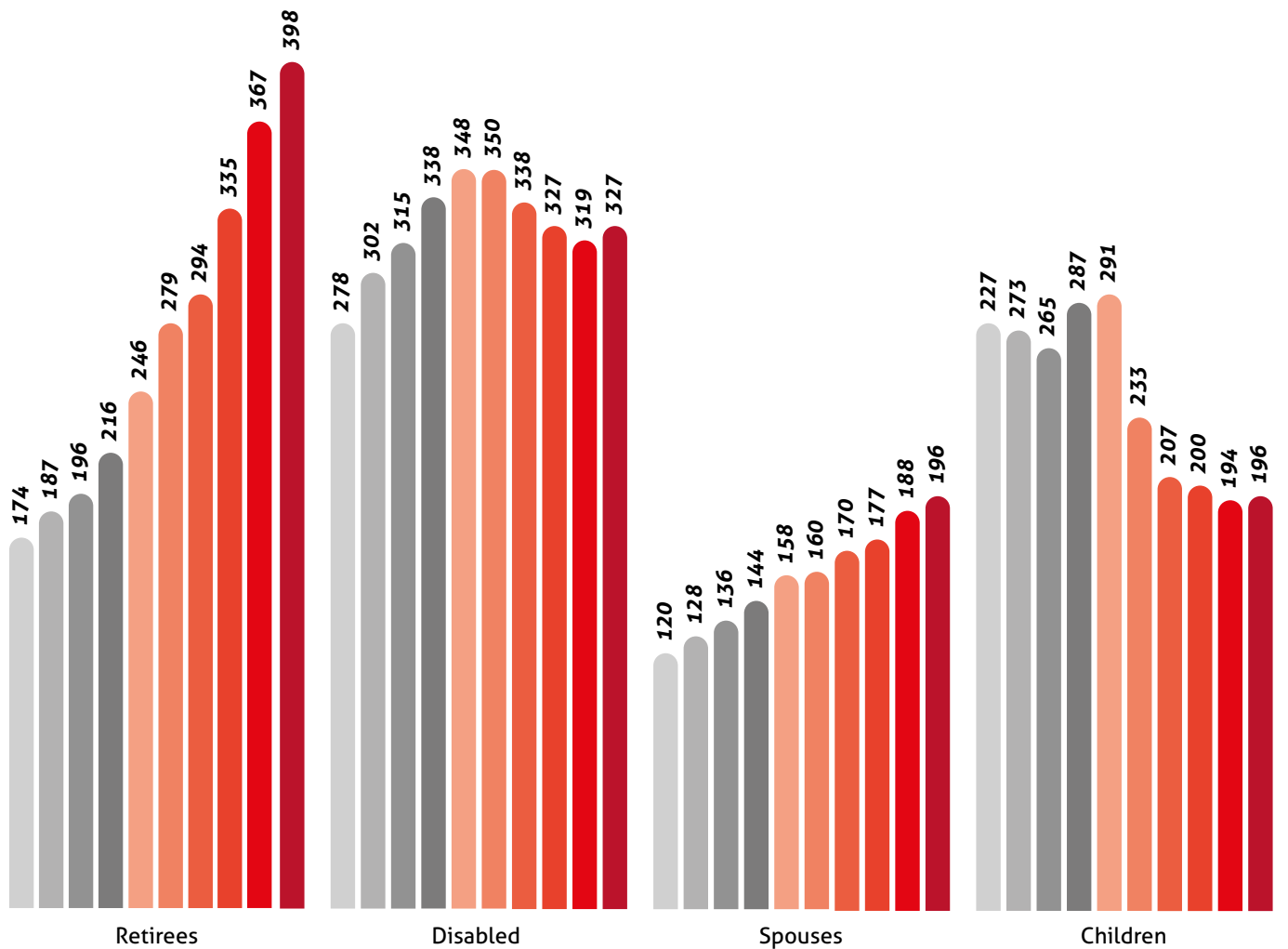


- 31.12.2014
- 31.12.2015
- 31.12.2016
- 31.12.2017
- 31.12.2018
- 31.12.2019
- 31.12.2020
- 31.12.2021
- 31.12.2022
- 31.12.2023

# Headcount statistics

## Pensioners

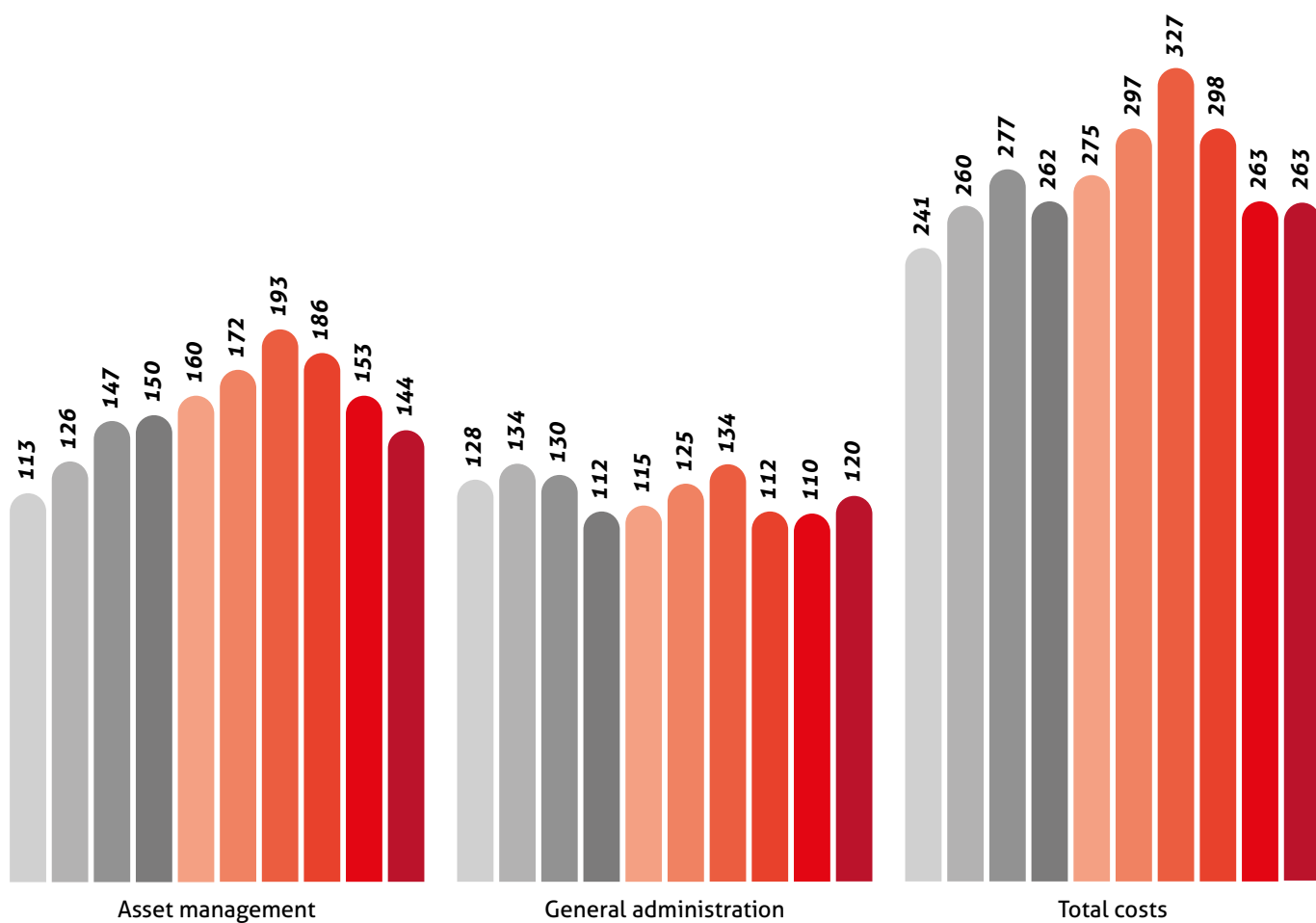
The pensioner headcount increased slightly (1,117 pensions in payment as at 31 December 2023 compared with 1,068 as at 31 December 2022). Last year confirmed the trends observed in recent years: a continuous rise in the number of retirement and spouse's pensions on the one hand, and a steady decline in disability and child's pensions on the other.



# Headcount statistics

## Administrative expenses

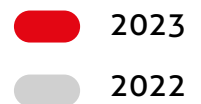
The following chart shows how the Foundation's administration costs have evolved. Administration costs and especially asset management costs per member continued to decline in the reporting year. This was mainly due to the increase in the active headcount. Certain costs are fixed and can now be distributed over a larger number of members.



- 31.12.2014
- 31.12.2015
- 31.12.2016
- 31.12.2017
- 31.12.2018
- 31.12.2019
- 31.12.2020
- 31.12.2021
- 31.12.2022
- 31.12.2023



# Change in assets



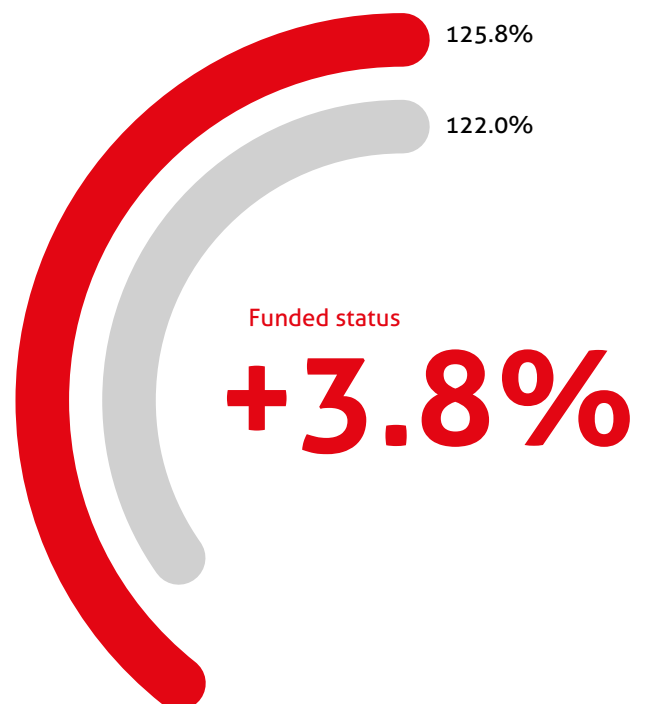
## Assets

The assets available to the Foundation to cover its pension liabilities are the balance sheet assets stated at market values, less the current liabilities, including accruals and deferrals and employer contribution reserves.

**As at 31 December 2023, assets totaled CHF 720,726,050.54 (compared with CHF 677,775,740.89 as at 31 December 2022); this represents an increase of 6.35%.**

## A good investment year

After an extremely poor investment year in 2022, market performance improved significantly in 2023. Despite interest rate hikes and geopolitical imponderables, the economy developed positively. Stock markets recovered and managed to make up for a portion of the prior year's losses. Bonds, Swiss real estate and alternative investments also chalked up positive returns contributing to the successful investment result. On the other hand, many currencies developed negatively against the Swiss franc. **Funded status increased from 122.0% to 125.8%.**



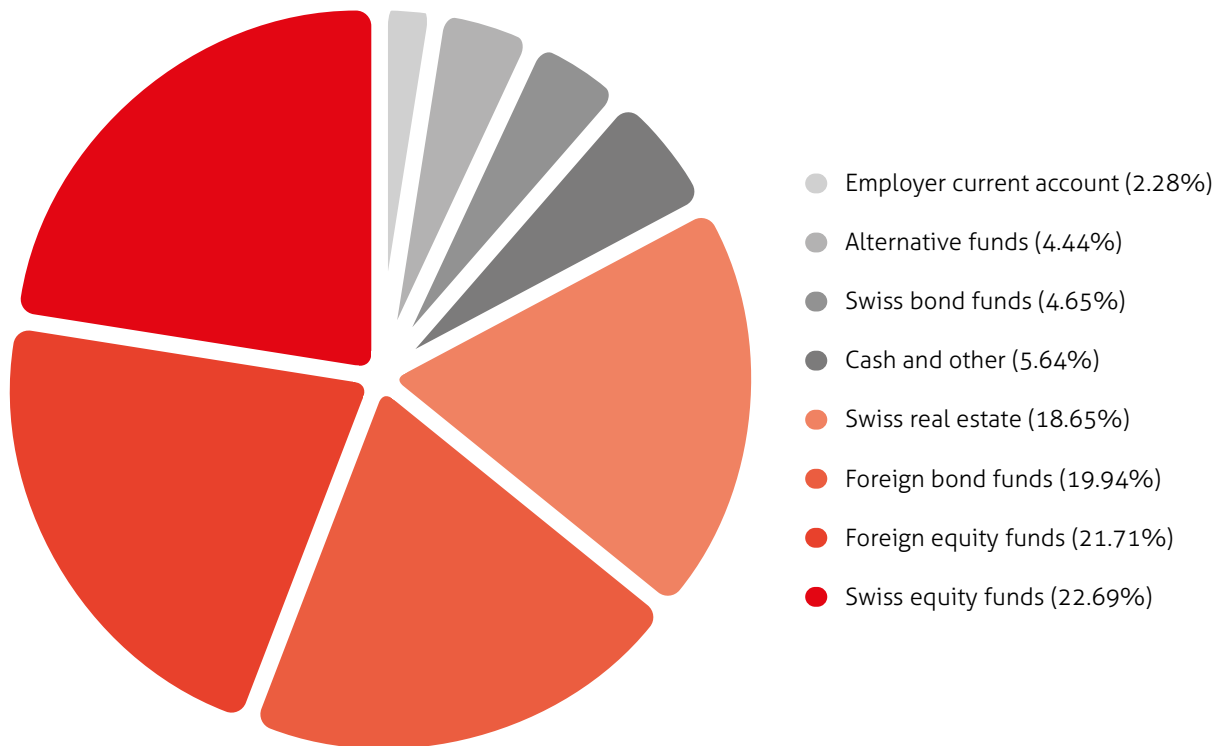
# Change in assets

## Investment fluctuation reserve

As at 31 December 2023, the investment fluctuation reserve – designed to absorb fluctuations on the financial markets – had reached about 66% of its target value. This corresponds to 39% of the Foundation's total pension liabilities and technical provisions. The set target range is between 27% and 39%, with 27% being the target for benefit enhancements under Article 46 BVV 2/LPP 2 / OAK (Occupational Pension Supervisory Commission) Communication M-02/2023. **As at 31 December 2023, the target value of the reserve was CHF 223,379,748.17. The Foundation has not fully constituted its investment fluctuation reserve.**

## Asset allocation

The chart shows the asset allocation. Swiss and foreign equity funds are still heavily weighted at 44.4%. Bonds and real estate investments, at 24.59% and 18.65% respectively, are the two other large investment blocks.



# Financial situation

## Balance sheet

The balance sheet shows whether the Foundation's available assets are sufficient to cover its liabilities and technical provisions. The following table shows the financial situation as at 31 December 2023 compared with that of the prior year. Pension liabilities are currently calculated applying the BVG/LPP 2020 GT mortality tables and a 2% discount rate.

Financial situation	at 31.12.2023	at 31.12.2022
<b>Total assets</b>	<b>825,177,168.01</b>	<b>770,642,178.66</b>
Debts	102,233,791.6	90,363,506.82
Accrued liabilities and deferred income	1,468,628.02	1,630,273.40
Employer contribution reserve	748,697.80	872,657.55
<b>Available assets</b>	<b>720,726,050.54</b>	<b>677,775,740.89</b>
<b>Pension liabilities and technical provisions</b>		
Pension liabilities - active members	342,582,012.05	334,795,089.30
Pension liabilities - active members - pensioners	156,605,456.00	142,952,611.00
Liabilities under insurance contracts	354,117.00	405,502.00
Technical provisions	73,227,000.00	77,275,000.00
<b>Total pension liabilities and technical provisions</b>	<b>572,768,585.05</b>	<b>555,428,202.30</b>
Investment fluctuation reserve	147,955,465.49	122,347,538.59
<b>Foundation capital</b>	<b>1,000.0</b>	
Funded status according to BVV 2/OPP 2	125.8%	122.0%

## Funded status according to BVV 2/LPP 2

Funded status under Article 44 BVV 2/OPP 2 is the ratio between available assets and pension liabilities, where:

- available assets correspond to the total balance sheet assets minus liabilities, accruals and deferrals, employer contribution reserves and any non-technical provisions, and
- liabilities correspond to the pension liabilities of all members, plus liabilities under insurance contracts and technical provisions.

As at 31 December 2023, funded status calculated in accor-

dance with Article 44 BVV2/OPP2 was 125.8% compared with 122.0% as at 31 December 2022. The investment fluctuation reserve was not fully constituted as at 31 December 2023 and the Foundation reported no non-committed funds as at that date. With a funded status of 125.8%, the Foundation's financial situation may be considered sound even if the investment fluctuation reserve falls short of its target level. The sound financial situation is also underpinned by the extremely favourable age structure of its membership. The ratio of active members to pensioners is now 28 : 1.

# Financial situation

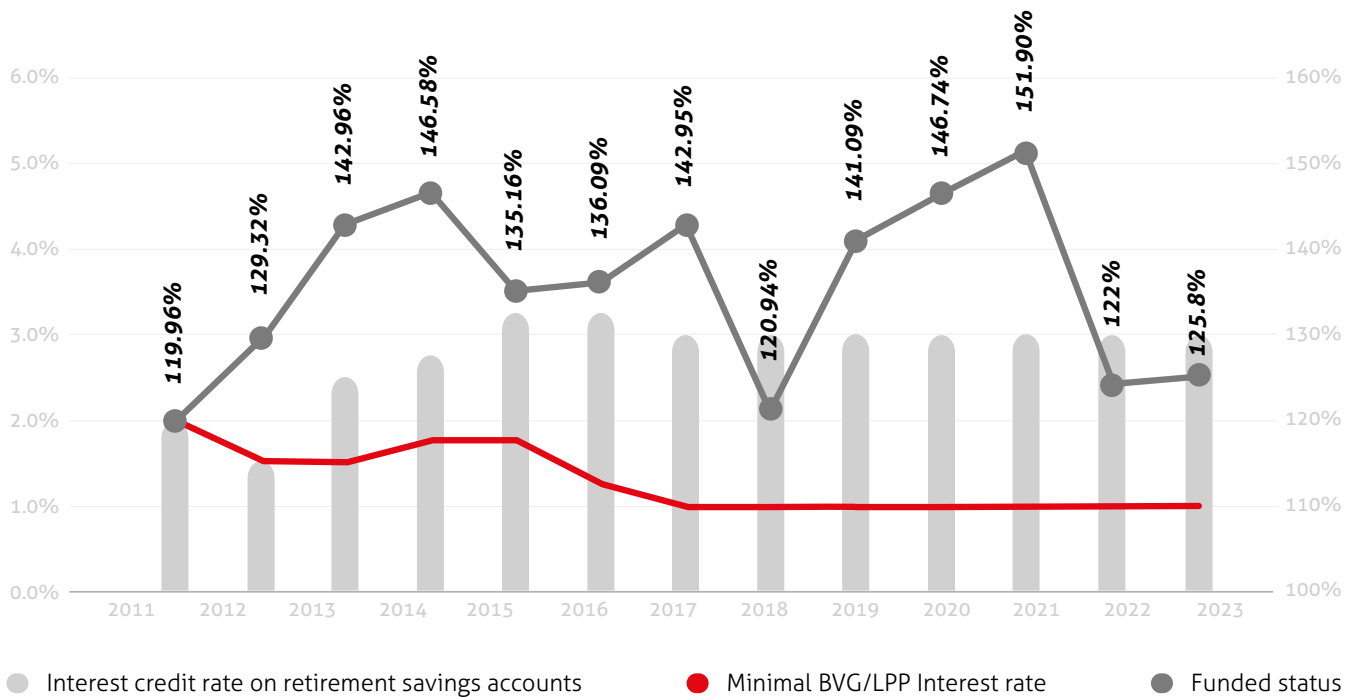
## Change in the Foundation's financial and structural situation

After an investment year marked by downturns and turbulence in 2022, there were mixed expectations for 2023. The question was whether the positive trend on the investment markets in the aftermath of the sharp setback in 2022 would persist. In retrospect, the question can be answered in the affirmative. Thanks to the satisfactory performance of 4.84%, funded status attained 125.8%. In addition to the financial risk capacity, close watch must also be kept on the structural risk capacity. The increase in the active headcount further strengthened the ratio of active members to pension recipients. The ratio of active members to pensioners is excellent at 28 : 1 – a ratio achieved by very few pension funds.

**Conclusion: The Foundation is on a secure footing. Its situation remains extremely sound, both financially and structurally.**

## Interest on retirement savings capital

In 2023, the interest crediting rate on the retirement savings accounts of active members was 3.0%, i.e. 2% over the minimum BVG/LPP rate set by the Federal Council. The Pension Board set aside reserves for 2023 so as to continue paying above-average interest on members' retirement savings accounts and to be able to grant pensioners a supplemental pension payment. The grey bars in the chart below show the Foundation's actual interest crediting rate on retirement savings accounts over the past 13 years; the red line represents the minimum BVG/LPP rate, and the grey line, the change in funded status over the same period.



# Activities and news

In 2023, the Pension Board adopted a number of resolutions that were implemented in co-operation with management and the administration of the Foundation. Here the main points in a nutshell:

# 1

## **Higher crediting interest on retirement savings capital**

Since 2016, members' accrued retirement savings capital has earned interest at 2.0% over the minimum BVG/LPP rate set by the Federal Council. Thus the interest rate on retirement savings capital in 2023 is 3.0% compared with the minimum BVG/LPP rate of 1.0%.

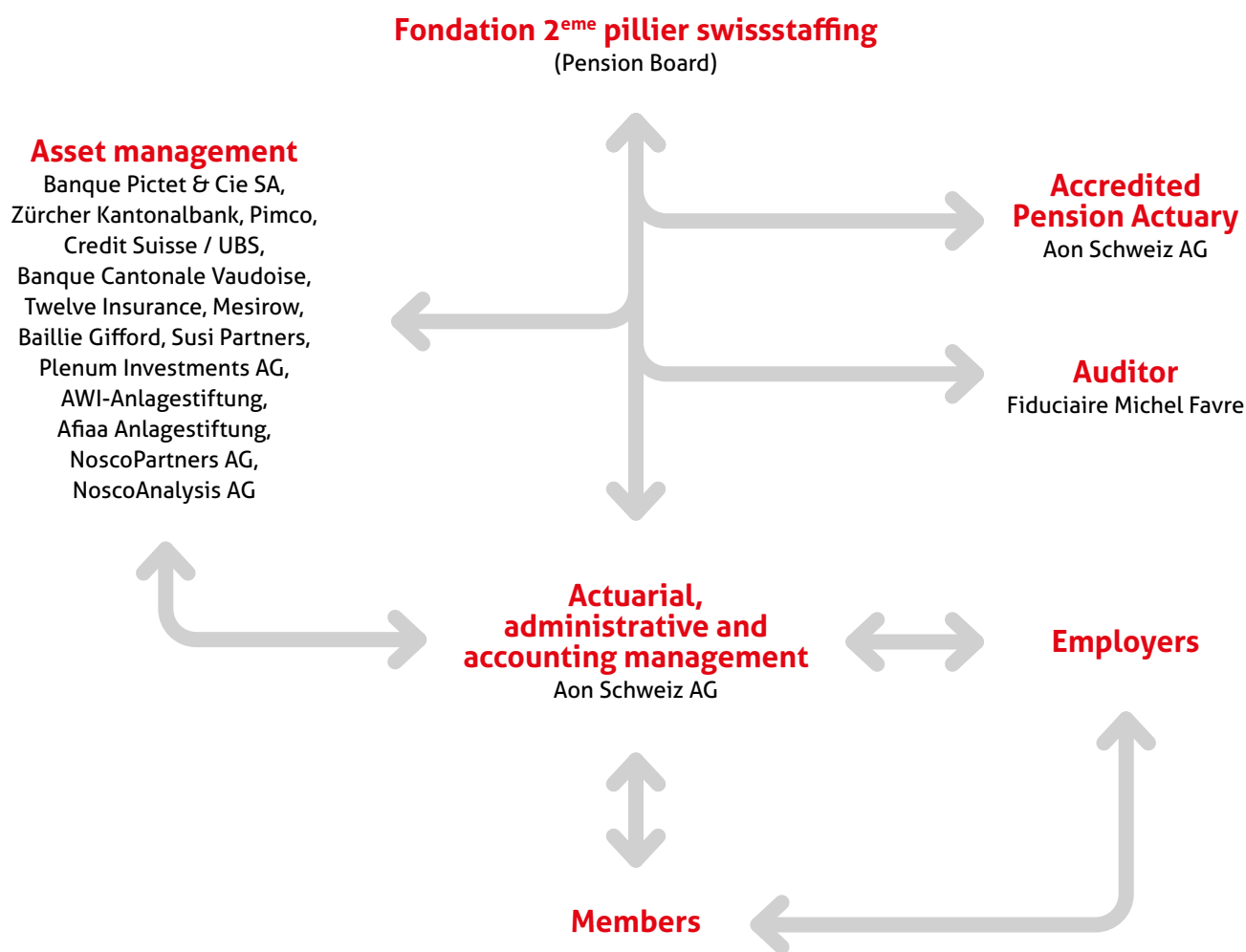
# 2

## **Payment of a 13th month's pension**

Like every year since 2016, a 13th month's pension was paid to all pensioners at the end of 2023.

# Structure of the Foundation

The Foundation's main governing bodies and entities are:



## Pension Board

The Pension Board is the Foundation's highest governing body. It manages the Foundation and represents it in dealings with third parties. The Board's current term of office began in 2024 and ends in 2029. The incumbent members of the Board are:

### Employer Representatives

- Marius Osterfeld, Chair
- Myra Fischer-Rosinger, Member
- Roger Guthauser, Member

### Employee Representatives

- Aldo Ferrari, Member
- Andrea Keller-Notter, Member
- Irène Righetti, Member

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- Swissstaffing Association
- Secretariat / Co-ordinator
- Regulatory Authority
- Auditor