

## Uncertainty on the political front

The Grand Council of Geneva and its Finance Committee are currently examining several bills concerning the CPEG. We have mentioned these bills in our previous issues, and further information about them is also available on our website [www.cpeg.ch](http://www.cpeg.ch) (in French only) : [Projets de loi et autres objets" page of our website.](#)

Three of these bills seek to recapitalise the Fund to varying degrees in order to prevent the structural deficit inherited by the Fund from being borne solely by current working members.

In 2017, the Pension Board came up with a series of structural measures aimed at ensuring the Fund's financial stability over the medium and long term in the event that the recapitalisation does not take place. These measures are extremely strict and involve cutting the future benefits of current working members by around 15%.

The first step was to raise the retirement age by one year. This came into effect on 1 January 2018 and is equivalent to a 5% reduction in benefits.

### Much-awaited political decisions to be made

The entry into force of the second series of measures has been postponed. The Pension Board, with the consent of the Cantonal Pension Foundation and Fund Oversight Authority (ASFIP), will instead give the Grand Council time to review the proposed bills. The Council has set itself a deadline of 30 June 2018 for adopting a law that will ensure sufficient funding for the CPEG.

At the time of writing, the outcome of the legislative process is still uncertain, and expectations are running high regarding the upcoming political decisions.

The Pension Board is keeping a very close eye on the process and will meet in September to take stock of the situation and plan the next steps.

The Fund also has an important meeting with the ASFIP in June 2019, when it must submit an updated funding plan demonstrating the Fund's capacity to maintain its financial stability going forward. The ASFIP will not grant the Fund authorisation to go ahead with its partial recapitalisation unless it does this.

In light of these constraints and pending the Grand Council's decisions, we can now confirm that no amendments to the CPEG pension plan will take effect before 1 January 2020.

We will keep you regularly updated about the Fund's situation via our newsletter and the news section on the ["Projets de loi et autres objets" page of our website](#) ([www.cpeg.ch](http://www.cpeg.ch) – *in French only*).

## Information about your 2018 insurance certificate

Just like last year, we are sending your insurance certificate with this newsletter in order to save around CHF 50,000 in mailing costs. This year's certificate was drawn up in accordance with current regulations and takes into account the new retirement age that came into effect on 1 January 2018. Under "projected monthly benefits", you will see that your benefits have been calculated based on the new retirement age (65 years of age for the standard plan and 62 for the plan covering physically demanding work).

## Pensions not indexed

In keeping with the CPEG's General Regulations (Article 64), the Pension Board will not index pensions in 2018. The first reason for this is that the Geneva consumer price index rose only slightly (+0.7%) between October 2016 and October 2017 – it has in fact fallen 0.4% since the CPEG was created. The second is that the Board is concerned about the Fund's financial stability – we have already had to raise the retirement age by one year for new retirees starting on 1 January 2018 and could be forced to make further cuts to the future benefits of working members, depending on the decisions taken by the Grand Council.

## 2017 in figures

Below you will find some of the Fund's key figures for 2017. You can download a copy of the full 2017 financial statements from the website ([www.cpeg.ch](http://www.cpeg.ch)) or request a hard copy from our administrative team ([contact@cpeg.ch](mailto:contact@cpeg.ch) - 022 338 11 11).

### The CPEG in figures

The CPEG had 47,957 working members and 24,427 pension recipients at end-2017.

It is available to around 60 employers, the largest being the State of Geneva, the Geneva University Hospitals, the University of Geneva, the Institution genevoise de maintien à domicile, the Hospice général, and Geneva International Airport.

The Fund had total assets of CHF 13 billion (including CHF 4 billion in real estate) at year-end.

Administrative costs amounted to CHF 167 per member (working members and pension recipients) for the year.

### Investment performance

In 2017, the Fund generated more than CHF 1.1 billion from its investments. This resulted in a very solid investment performance of 9.5%, which outpaced the Credit Suisse pension fund index by 1.4 percentage points. All asset classes posted gains, with equities contributing 6.7%, bonds 0.8%, and real estate 2.0%; this latter figure was boosted by a revaluation of part of the property portfolio.

## Discount rate unchanged in 2017

Even though the reference discount rate was lowered to 2% at the end of 2017, the Pension Board kept the Fund's discount rate at 2.5% for the period under review. This decision was approved by the accredited expert, and the Fund also sought the opinion of a second, independent expert. The Fund's discount rate is slightly below the average rate for Swiss public pension funds backed by a state guarantee, which stands at 2.61%.

## Coverage ratio

The solid investment performance resulted in an increase in the Fund's coverage ratio (i.e. the ratio of net assets to liabilities). It went from 57.4% at 31 December 2016 to 61.2% at 31 December 2017. The CPEG is required to reach a minimum ratio of 60% by 1 January 2020 (this is the first growth target set out in the CPEG Act).

## Ratio of working members to pension recipients

The number of working members relative to the number of pension recipients has changed considerably over time. In 1980, there were seven employees for every pension recipient. At the time of the merger in 2014, there were only 1.84. The figure then rose to 1.96 at end-2016. Given the large number of people who took retirement prior to the increase in the retirement age, the figure dropped back to 1.89 at end-2017.

## Contributions

The gradual rise in contributions for former members of the CIA Fund, as set out in Article 67 of the CPEG Act, was completed on 1 January 2017 when the CPEG contribution rate of 27% was reached. On that same date, contributions from former members of the CEH Fund reached 25%; the 27% target will be met on 1 January 2019.

## Several ways to get the information you need

As questions about your occupational pension plan may arise at the weekend or once you're home from work in the evening, here are some ways you can get answers or send us a request at any time.

### Retirement pension simulator

Our [simulator](#) lets you calculate your retirement pension at any possible retirement age (58 to 65 years).

All you have to do is enter the information from your 2018 insurance certificate into the relevant fields. Please note, however, that these simulations are provided for information purposes only and must be carefully verified by our Insurance team.

## Mortgage loan simulator

You can use [our mortgage simulator](#) to determine whether you have the financial means to get a mortgage loan from CPEG to buy a first or second home in Switzerland.

Please note, however, that these simulations are provided for information purposes; only our administrative team can determine whether you are eligible after a thorough review of your situation.

## Pension Guide

The [2018 Pension Guide](#) (*in French only*) is designed to provide you with practical advice and information concerning your occupational pension, whether you're working or a pension recipient.

Each topic contains a section with useful tips, together with information on who is in charge of what. This will help you find answers to any basic questions you may have.

Of course, if you can't find the information you are looking for, our Insurance team is available to provide you with more personalised or in-depth support.

## How to reach our Insurance team

If you have any specific queries, there are several ways to get in touch with our Insurance team.

You can reach us:

- **From 9am to 12pm**
  - by phone: 022 338 11 17
  - by coming to our offices on Boulevard de Saint-Georges (no appointment required)
- **From 2pm to 5pm**
  - by calling in the morning to make an afternoon appointment with one of our pension managers
- **Anytime**
  - by mail: Bd de Saint-Georges 38, CP 176, 1211 Geneva 8
  - by filling in the insurance contact form on our website ([www.cpeg.ch](http://www.cpeg.ch) > [Informations pratiques > Contact](#)).