

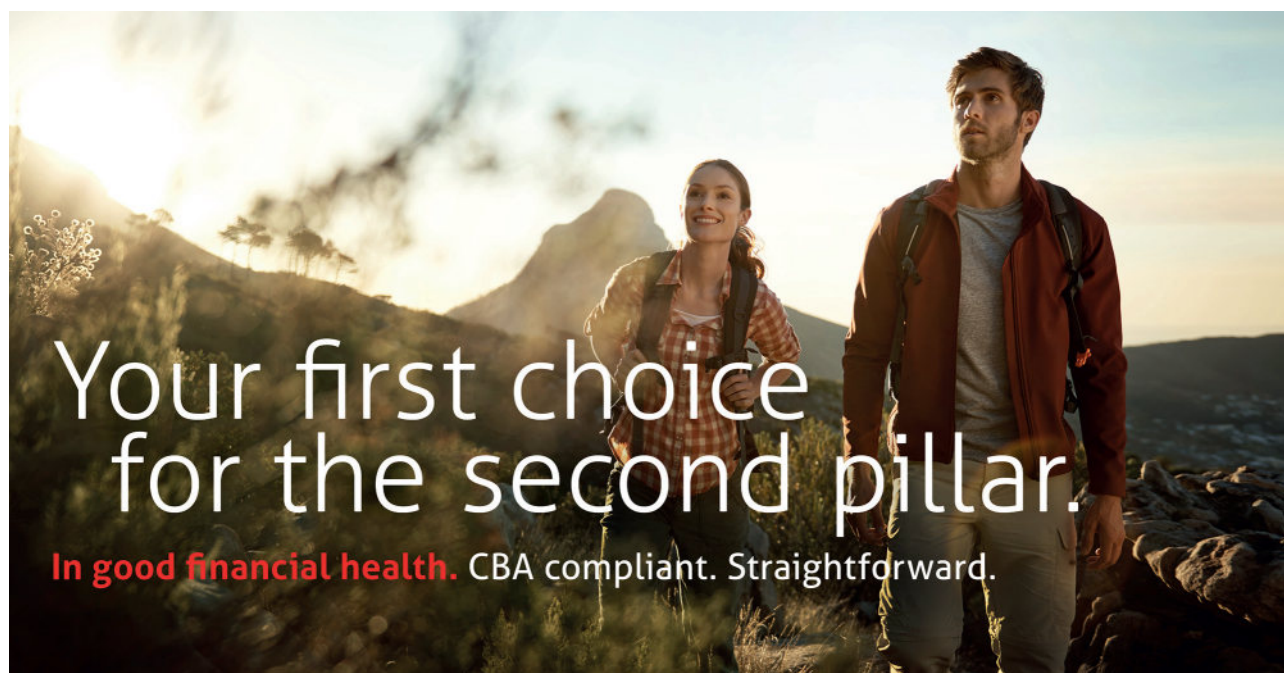
# Stiftung 2. Säule / Fondation 2<sup>ème</sup> pilier swissstaffing

Management Report for 2022

---

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

Management Report for 2021



**Introduction**

---

**Presentation of the Foundation**

---

**Headcount statistics**

---

**Assets**

---

**Financial situation**

---

**Activities and news**

---

**Structure of the Foundation**

---

Pfäffikon, June 2023

# Introduction

Pfäffikon, June 2023

## Dear Reader

This Management Report of Fondation 2<sup>ème</sup> pilier swissstaffing (the «Foundation») contains the most significant information about the financial year from 1 January to 31 December 2022. 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, at the beginning of this report, we wish to underscore just how important it is that this information reach its intended recipients. We take this opportunity to thank the representatives of the affiliated companies for their support.

The Foundation will be happy to send you additional copies on request. This report is also available on the swissstaffing Association website. It is available in French, German and Italian in addition to English.

After the positive year-end performance of 9.4% in 2021, 2022 got off to a very poor start indeed. The outbreak of war in Ukraine, the generally tense geopolitical situation, and other adverse developments for investment markets, notably the staggering rise in interest rates, led to a huge market correction. Unlike most past corrections, in 2022 good diversification hardly helped at all. Alongside the stock markets, bond markets underwent a correction driven by rising interest rates, and listed real estate investments showed weak performance as well. The Fondation 2<sup>ème</sup> pilier swissstaffing closed the year with a negative return of -15.80%. According to the Occupational Pension Supervisory Commission (OPSC) report on the financial situation of pension funds, the average performance in 2022 was -9.20%. The weaker performance of the swissstaffing Foundation was due to higher risks, notably the high equities content of its portfolio.

As at 31 December 2022, funded status was down to 122.0% from 151.9% at the end of 2021. Besides the negative investment performance, funded status was also adversely impacted by the dilutive effect of the 25% growth in number of recipients. Notwithstanding the decline in funded status, the Fondation 2<sup>ème</sup> pilier swissstaffing remains on a sound footing which ensures to the benefit of both its active members and its pensioners:

- As in past years, the interest credited on retirement savings capital for 2022 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 since 1 January 2017.
- Payment of a 13th month's pension to all recipients of retirement, survivor, disability, or child pensions in 2022. Payment was made in December.

After the financial market turbulence in 2022, 2023 got off to a somewhat calmer start with a slightly positive performance on investment markets until May 2023. The environment remains challenging however, and the markets fragile. The geopolitical context, fears of a recession and the risk of persistently high inflation are keeping investors on edge.

We wish you interesting and enjoyable reading.

Yours truly,



**Georg Staub**  
Chair



**Leonora Domgjoni**  
Secretary

# Presentation of the Foundation

The Foundation 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 now guarantees all benefits with the scope of the legislation on mandatory occupational benefits.

Since the middle of 2017, in accordance with Article 48 BVG/LPP, the Foundation has been listed in the register of occupational benefit institutions of the Zentralschweizer BVG- und Stiftungsratsaufsicht (ZBSA), the Regulatory Authority with oversight over the Foundation; before that, it was listed with the Autorité de surveillance LPP et des fondations de Suisse occidentale (AS-SO). It is therefore licensed to provide mandatory occupational benefits.

By joining the Foundation, the affiliated companies of swissstaffing Association can 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 the possibility of generally affiliating their in-house employees, thereby providing additional opportunities in the field of extra-mandatory benefits for those who are interested.

As an occupational benefits institution, the Foundation prides itself on its efficient cost and risk management. The Foundation's operating costs are transparent, and very low by comparison with other occupational benefits institutions in the sector:

- Asset management costs: CHF 153 per year and recipient, or 0.732% of assets under management;
- General administration costs (including auditor, accredited pension actuary and regulatory authorities): CHF 110 per year and recipient;
- Total operating costs: CHF 263 per year and recipient.

The Foundation has been managed by Aon Switzerland Ltd in Neuchâtel and Zurich for many years. It currently has more than 360 affiliation agreements with over 185 companies in the industry and serves 36,544 active members and pensioners. In 2022, this represented close to 425,408 reported salaries, 47,753 new members and 40,373 departures.

Membership had already picked up significantly in 2021 and growth continued apace in 2022. The headcount of active members was up 25%, leading to a record number of recipients.

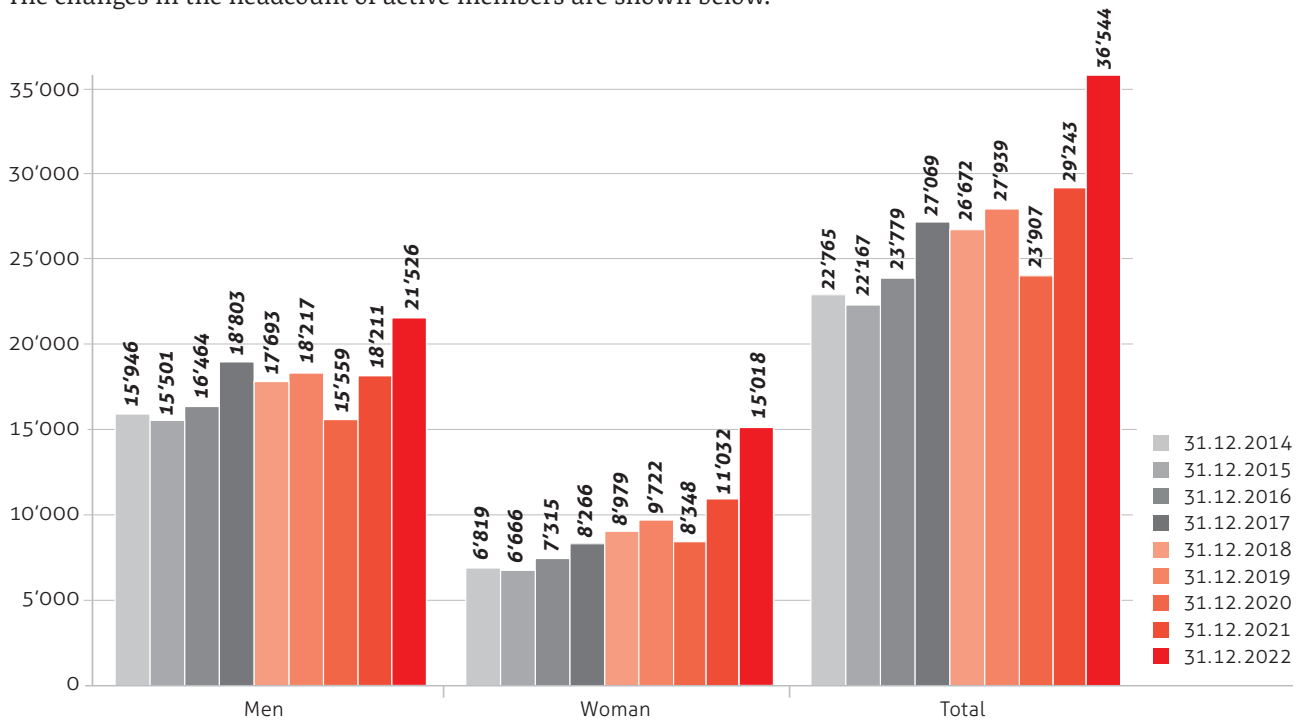
The Pension Board is the Foundation's highest governing body; it comprises six members, all of whom either work in, or have extensive knowledge of, the occupational benefits industry.

# Headcount statistics

## Headcount statistics

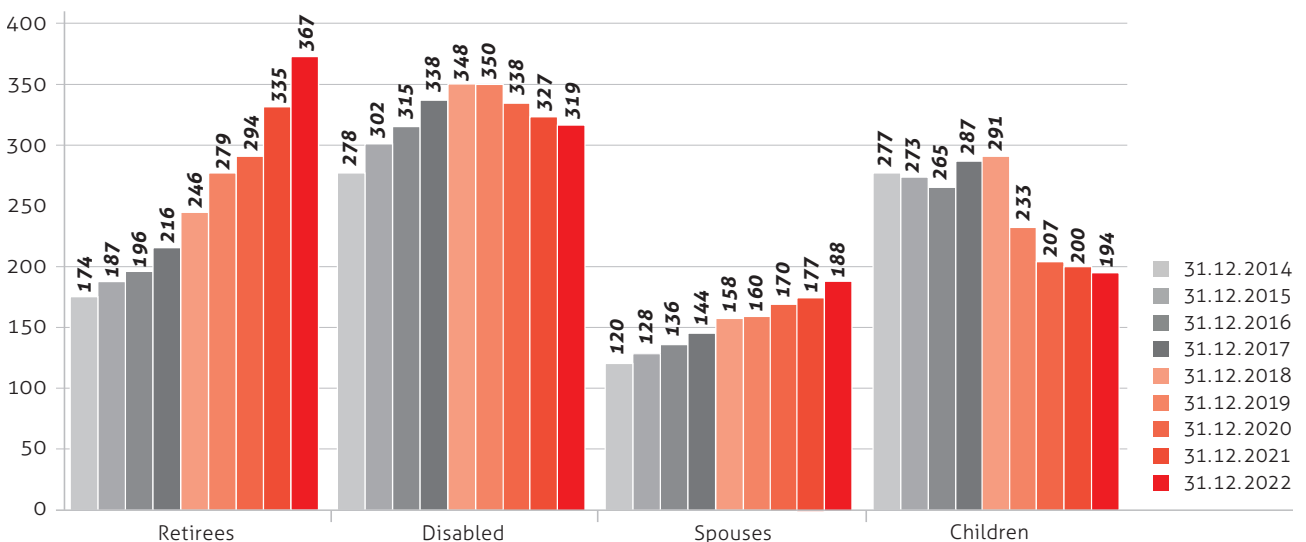
As at 31 December 2022, the Foundation managed the occupational benefits of temporary employees under 198 affiliation agreements, compared with 210 as at 31 December 2021. The decline is due to the merger of 27 affiliated companies. The Foundation has grown in this area as well.

Moreover, 162 businesses insured their permanent employees with the Foundation under affiliation agreements. The changes in the headcount of active members are shown below.



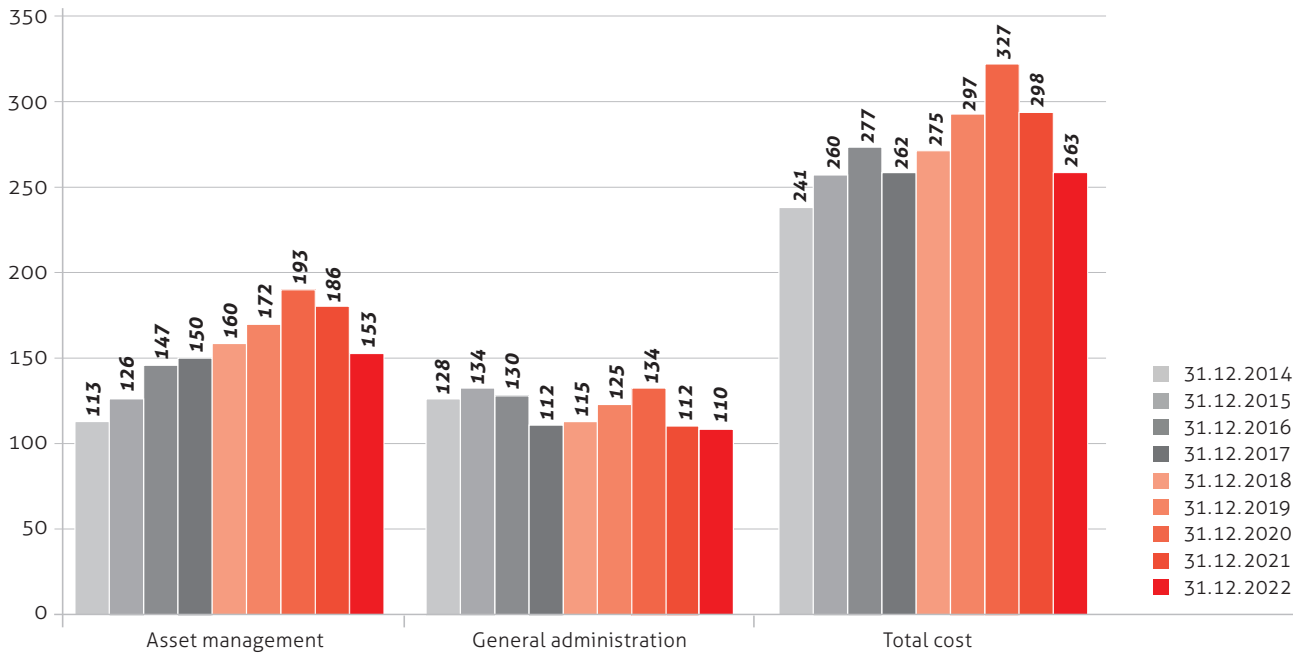
## Pensioner headcount

The pensioner headcount increased slightly (1,068 pensions in payment as at 31 December 2022 compared with 1,039 as at 31 December 2021). 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 regular decline in disability and child's pensions on the other.



## Administration costs

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



# Assets

## Change in assets

The assets available to the Foundation for covering its pension liabilities are the balance sheet assets stated at market values, less the liabilities, including accruals and deferrals and employer contribution reserves. As at 31 December 2022, assets totaled CHF 677,775,740.89 (compared with CHF 795,364,940.10 as at 31 December 2021); this represents a decline of nearly 15%.

## A difficult investment year

2022 was an extremely disappointing year for investors. Stock markets in particular chalked up steep losses. After two years of very good investment performance driven by the relatively high equities content, the Foundation recorded a negative return of -15.80% last year. Apart from the stock markets, the other asset classes were also disappointing. Rising interest rates hurt bond and real estate investments while the strong Swiss franc led to losses on foreign exchange. Funded status dropped from 151.9% to 122.0%.

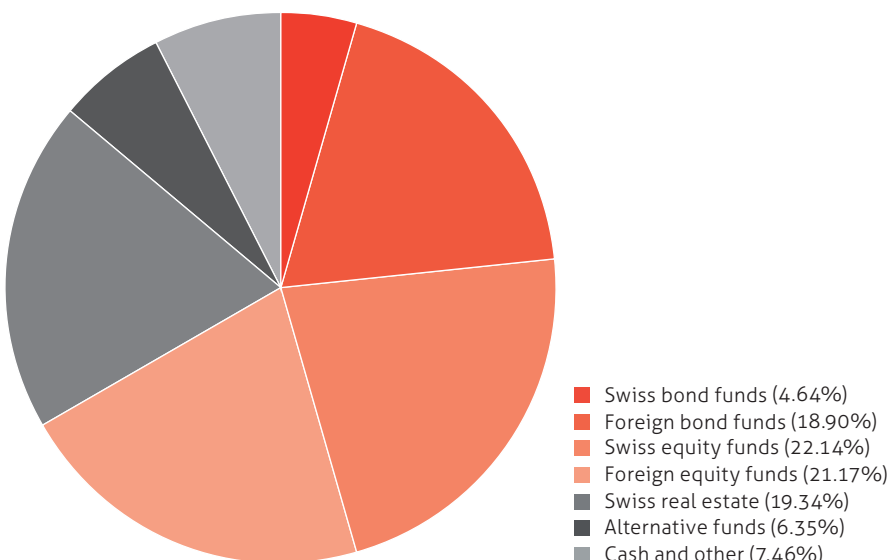
## Investment fluctuation reserve

As at 31 December 2022, the investment fluctuation reserve – designed to absorb fluctuations on the financial markets – did not reach its target value of 25% of the Foundation's total pension liabilities and technical provisions. As at 31 December 2022, the target value of the reserve was CHF 138,857,050.58. The Foundation has not fully constituted its investment fluctuation reserve.

## Asset allocation

The chart shows the asset allocation. Swiss and foreign equity funds are heavily weighted at 43.31%. Bonds and real estate investments, at 23.54% and 19.34% respectively, are the two other large investment blocks.

All three asset classes were deeply in the red in 2022. Along with equity investments, the shares of real estate companies traded on the stock market were particularly disappointing.



# Financial situation

## Balance sheet

The balance sheet shows whether the Foundation's available assets are sufficient to cover its liabilities and technical provisions.

In the following table, we compare the financial situation as at 31 December 2022 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 31.12.2022	Financial situation at 31.12.2021
<b>Total assets</b>	<b>770'642'178.66</b>	<b>874'436'380.93</b>
Debts	-90'363'506.82	-77'353'311.92
Accrued liabilities and deferred income	-1'630'273.40	-1'311'338.58
Employer contribution reserve	-872'657.55	-406'790.30
<b>Available assets</b>	<b>677'775'740.89</b>	<b>795'364'940.13</b>
<b>Pension liabilities and technical provisions</b>		
Pension liabilities active members	-334'795'089.30	-313'327'735.60
Pension liabilities pension beneficiaries	-142'952'611.00	-133'006'252.00
Liabilities under insurance contracts	-405'502.00	-463'518.00
Technical provisions	-77'275'000.00	-76'928'000.00
<b>Total pension liabilities and technical provisions</b>	<b>-555'428'202.30</b>	<b>-523'725'505.60</b>
Investment fluctuation reserve	-122'347'538.59	-130'931'376.40
<b>Non-committed funds</b>	<b>-</b>	<b>140'708'058.13</b>
Funded status under BVV/OPP2	122.0%	151.9%

## Funded status under BVV2/OPP2

Funded status under Article 44 BVV2/OPP2 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 2022, funded status in accordance with Article 44 BVV2/OPP2 was 122.0% compared with 151.9% as at 31 December 2021. Owing to the negative performance on the financial markets, funded status declined. The investment fluctuation reserve is not fully constituted as at 31 December 2022 and the Foundation reported no non-committed funds. With a funded status of 122.0%, the Foundation's financial situation can still be deemed sound even if the investment fluctuation reserve falls short of its target level. Its sound financial situation is also underpinned by the extremely favourable age structure of its membership. The ratio of active members to pensioners is now 34 : 1.



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

After two excellent years, the investment markets suffered a backlash in 2022. The losses on financial investments and the growth of the Foundation led to a decline of nearly 30% in funded status, to 122.0%. As at 31 December 2022, the investment fluctuation reserve was not fully-constituted and the Foundation had no non-committed funds.

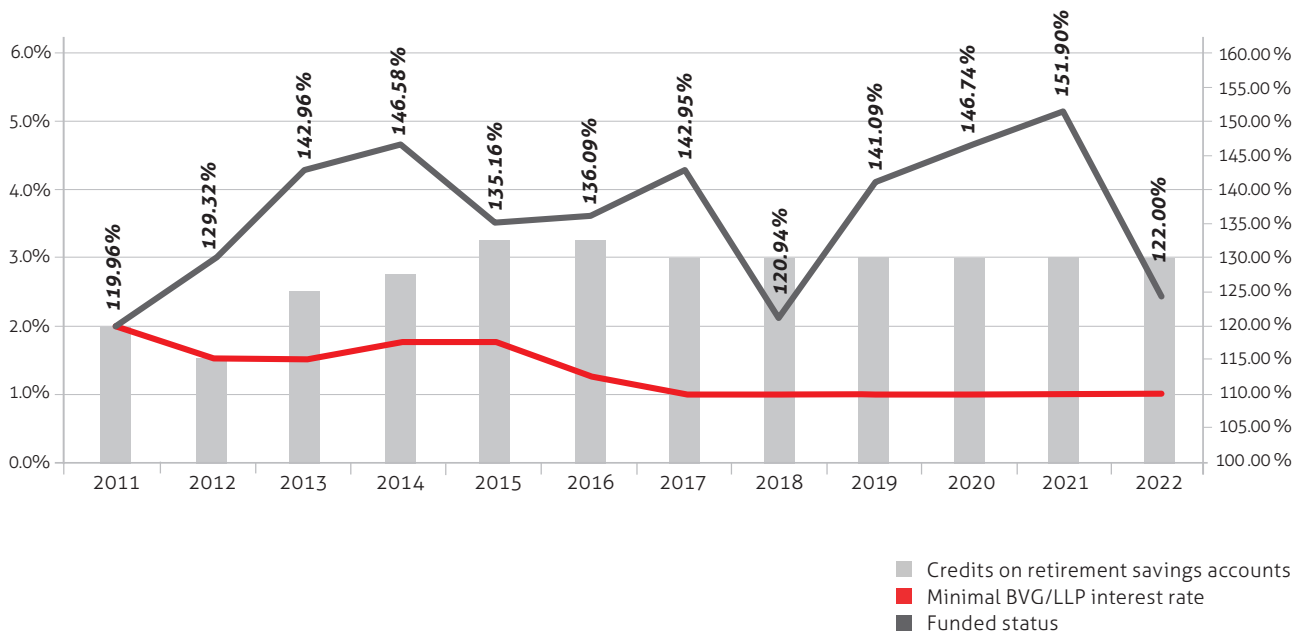
In addition to the financial risk capacity, close watch must also be kept on the structural risk capacity. The growth in the active headcount further strengthened the ratio between active members and pension recipients. The ratio of active members to pensioners is excellent at 34 : 1 – a relationship achieved by very few pension funds.

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

## Interest on retirement savings capital

In 2022, 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. Despite the poor performance on financial markets with the previously described effects on the Foundation in 2022, the Pension Board was still able to set aside reserves for 2023 to pay above-average interest on members' retirement savings accounts and to grant pensioners and a supplemental pension payment.

The blue bars in the chart below show the development in the Foundation's actual interest crediting rate on retirement savings accounts over the past 10 years; the red line represents the minimum BVG/LPP rate, and the yellow line, the development of funded status over the same period.



# Activities and news

In 2022, 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:

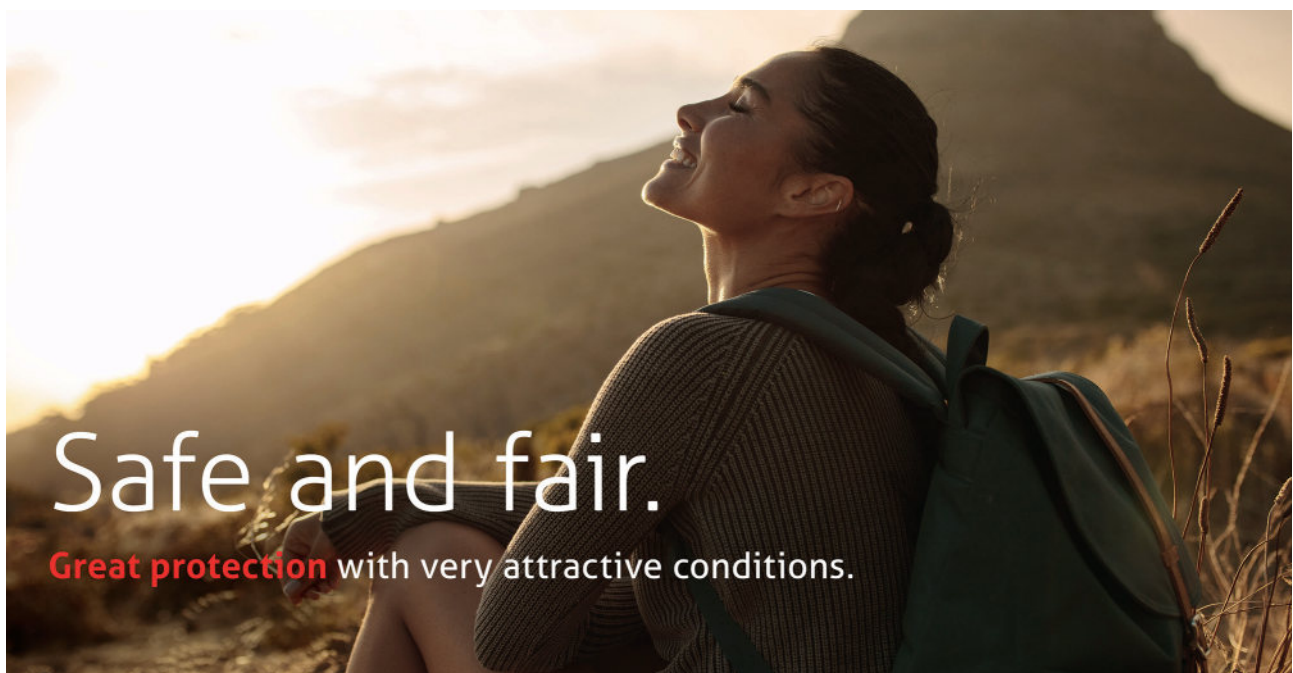
## Higher interest on retirement savings capital

Since 2016, members' accrued retirement savings capital has earned interest at 2.0% over the minimum BVG/LPP rate set by the Federal Council. The higher interest crediting rate set by the Pension Board is valid until the end of 2022.

Thus in 2022, the interest rate on retirement savings capital is 3.0% compared with the minimum BVG/LPP rate of 1.0%.

## Payment of a 13<sup>th</sup> month's pension

As in 2016, 2017, 2018, 2019, 2020 and 2021, a 13<sup>th</sup> month's pension was again paid to all pensioners at the end of 2022.

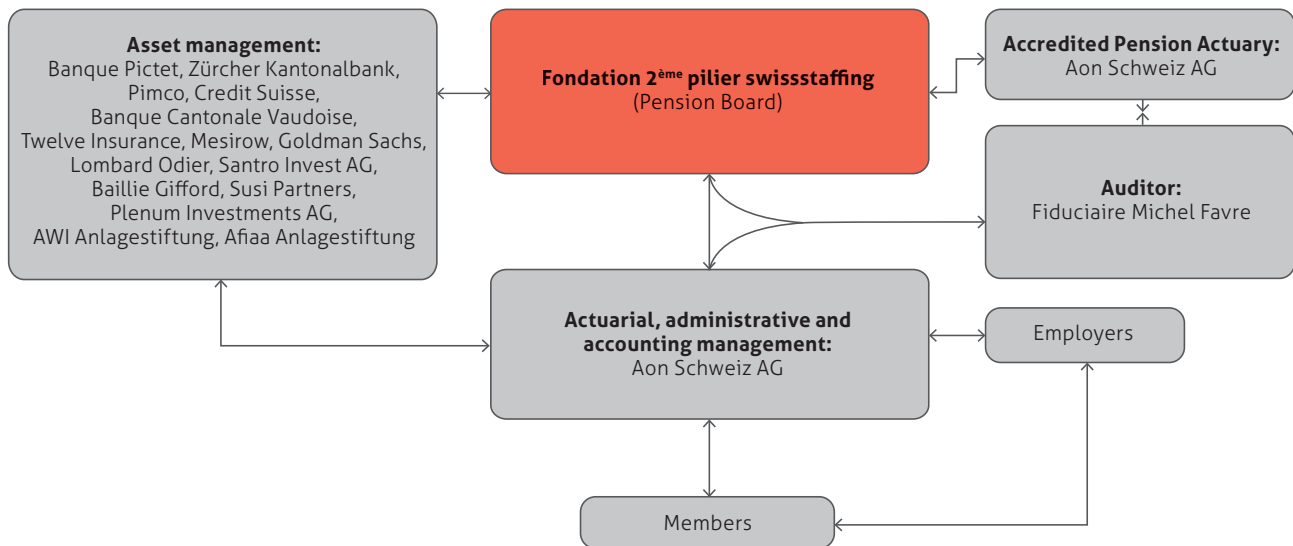


Safe and fair.

Great protection with very attractive conditions.

# 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 current term of office began in 2018 and ends in 2022. The incumbent members of the Board are:

### Employer Representatives

- Georg Staub, Chair
- Marius Osterfeld, Member
- Roger Guthauser, Member

### Employee Representatives

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

---

In good financial health, CBA compliant and straightforward: **The pension fund** for staff leasing companies and their employees.

**Recipients of this Management Report:**

- Affiliated employers
- Swisstaffing Association
- Management Company
- Regulatory Authority
- Auditors

[swisstaffing-bvg.ch](http://swisstaffing-bvg.ch)

Fondation 2<sup>e</sup> pilier swisstaffing  
Av. Edouard-Dubois 20  
2000 Neuchâtel

