



Embargo : 30.4.2015 – 11 :00

Press release

Rethinking supervision of old-age and survivors' insurance and how it is organised

Bern, 30.4.2015 – The SFAO examined the distribution of supervisory tasks regarding old-age and survivor's insurance (AHV). It recommends overhauling the different federal bodies and clarifying the supervisory tasks, which should be under one federal department. The Federal Department of Home Affairs and the Federal Department of Finance have agreed to examine these proposals. They could ultimately lead to the current AHV Central Compensation Office being outsourced.

Each year, more than two million people receive AHV benefits amounting to almost CHF 40 billion. Set up in 1948, this system is currently funded by contributions of CHF 30 billion and federal financing of approximately CHF 10 billion.

The SFAO examined the tasks of the Federal Administration in this area, which highlighted certain special features. While these can be explained by the system's historical development, the SFAO believes that they now pose a risk in terms of governance.

Regrouping implementation tasks

For historical reasons, management of this sector lies with two distinct structures at the federal level, i.e. the Central Compensation Office, which is a division of the Federal Finance Administration (FFA), and the AHV/IV/EO Compensation Funds Management Office, which is under the AHV/IV/EO Board of Directors (compenswiss¹).

The SFAO recommends regrouping these two entities outside the Federal Administration and placing them under the AHV/IV/EO Board of Directors

¹ For the past year, the AHV/IV/EO compensation funds have borne the name compenswiss. A full organisational chart of this structure can be found on its website (http://www.compenswiss.ch/governance/en/?page_name=org).

(compenswiss). As a result, the role of this Board should be strengthened, bringing it in line with that of a board of directors in the private sector.

Concentrating supervisory tasks

The current affiliation of the Central Compensation Office to the Federal Department of Finance is also leading to an inappropriate division of supervision. The Federal Department of Finance is responsible for management supervision, whereas the Federal Department of Home Affairs supervises correct application of the AHV provisions through its Federal Social Insurance Office.

The SFAO believes that there is no benefit to this double affiliation and recommends entrusting supervision of the entire AHV area to the Federal Social Insurance Office.

The recommendations will be examined

The FDF and FDHA are sceptical about the SFAO's recommendations, believing that the historical structures of the AHV have proved their worth and that supervision works well. The recommendations will nevertheless be examined within the scope of the project entitled "Modernisation of first pillar supervision".

Further details:

Michel Huissoud, Director of the Swiss Federal Audit Office, tel. 058 463 11 11

The audit report is available on the SFAO's website: www.cdf.admin.ch