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**BVG-2025 Updated
Mortality Tables**
IAS 19 Compliance
Considerations

April 2026



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What Finance teams need to review before 31 December 2026

The newly published BVG tables will affect your pension liabilities across several dimensions – mortality, disability, and employee turnover. These changes require a review of the demographic assumptions used in your IAS 19 valuations, ideally well before your next reporting date.



What changed

New Swiss mortality, disability & attrition tables (BVG-2025) published Dec 2025



Compliance obligation

Existing assumptions must be reviewed, validated and documented



Your deadline

Adopt by 31 Dec 2026 at the latest, auditors will expect full documentation

The new tables require a structured review of existing actuarial assumptions – early engagement with your actuary ensures a smooth year-end process

Mortality & Life Expectancy

Life expectancy has decreased marginally – a modest reduction in pension obligations is expected

* To understand the differences and potential implications for IFRS valuations, the two sets of generation Tables (BVG-2020 & BVG-2025) with BFS/FSO mortality improvements have been compared for the **2026 calendar year**.

BVG-2025 shows slightly higher mortality rates than BVG-2020, meaning people are expected to live marginally shorter lives. The financial impact is modest but must be properly reflected in the IAS 19 valuation and reviewed for reasonableness.

Life expectancy (calendar Year 2026) In years	BVG-2020	BVG-2025	Change
Men – Age 65	23.19	22.89	-0.30
Women – Age 65	24.91	24.68	-0.23

What to expect

0.5–1.5%

expected DBO **reduction** from longevity changes - magnitude varies by plan



Impact is generally modest - the priority is proper review and documentation



Largest effect on plans with a significant pensioner population; active-member plans may see smaller movement



Remeasurement goes through OCI - no effect on operating profit

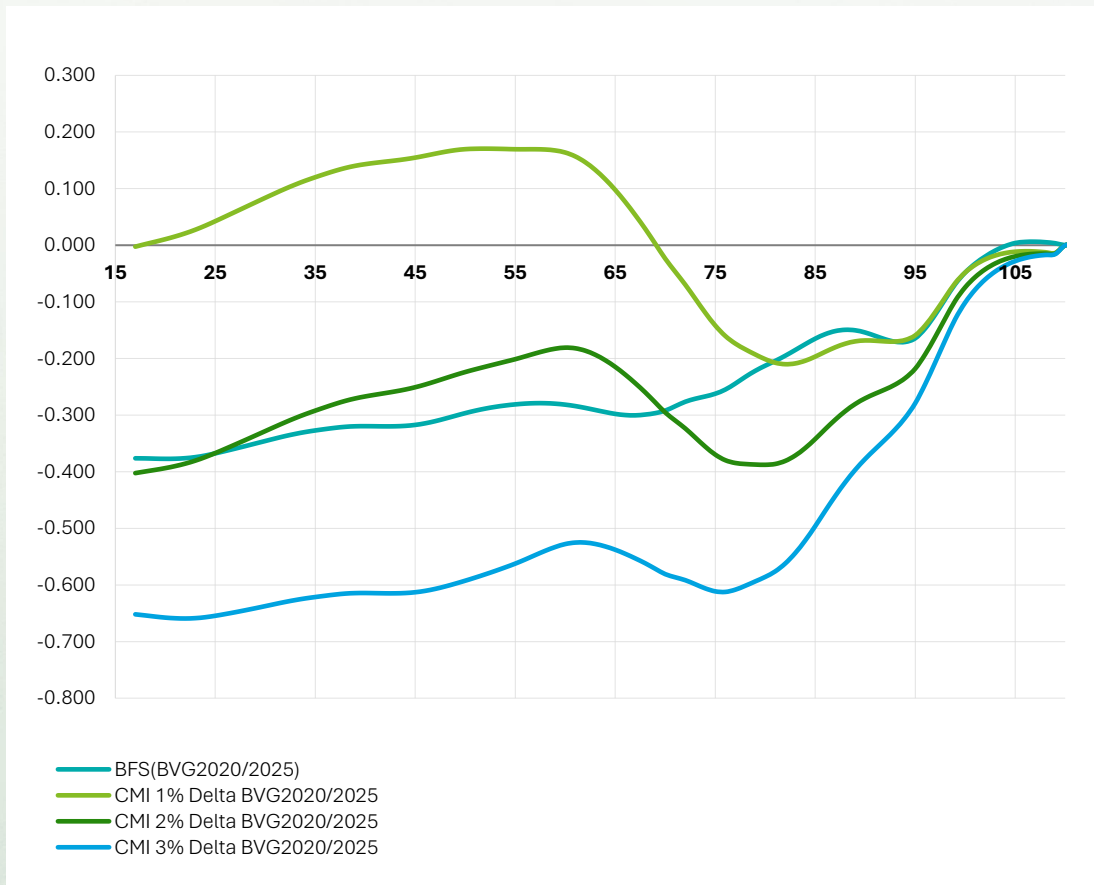
Note: The key compliance step is confirming that existing longevity assumptions remain reasonable in light of the new tables — not simply adopting new numbers automatically.

Longevity Improvement Models: BFS/FSO vs. CMI

The model choice may matter more than the table update itself - review and document your rationale

Difference in Life Expectancy (in years) – BVG-2025 vs. BVG-2020 - (BFS/FSO & CMI Year 2026)

Life Expectancy Increase/Decrease in years | Men BVG-2020/25(Y2026)



For year-end 2026 valuations, transition to BVG-2025 is expected under IAS 19's best estimate requirement. Different options in terms of longevity improvement rates are proposed, with a BFS/FSO method and the CMI method with different long-term rates of improvements (1%,2%, etc). Our analysis shows that (see Chart below):

- the BFS/FSO mortality improvement has been revised between BVG-2020 and 2025 leading to a lower life expectancy. The same observation holds for CMI at improvement rates 2% & 3%.
- The CMI at improvement rate 1% leads to a higher life expectancy until age 70 and lower afterwards.

	BFS/FSO Model	CMI Model
What it is	Swiss Federal Statistical Office (BFS/FSO) table : finished, no parameters	Continuous Mortality Investigation: requires an explicit long-term rate
Swiss market practice (BVG-2020)	Minority	Majority - most use CMI at 1.25% long-term rate

If you use CMI:

Confirm your long-term rate is still appropriate and consistent with market practice. Document the rationale for your chosen rate.

If you use BFS/FSO:

Transition to BVG-2025 BFS/FSO tables is more straightforward. Verify the impact and confirm the assumption remains reasonable.

Either way - document:

Auditors treat the improvement model as a key assumption. Written justification from your actuary is expected as part of the valuation file.

Disability Probabilities

Disability assumptions shift in opposite directions by age - net impact must be assessed for your specific plan



INCREASED for younger ages

Up to age 38 (men) / 41 (women)

Disability incidence has risen, with the increase becoming progressively larger at younger ages. Plans with younger workforces (tech, pharma) will see upward pressure on the DBO.



DECREASED for older ages

Particularly for men, ages 45–60

Disability incidence has fallen for older cohorts. Plans with older workforces (manufacturing, banking, public sector) can expect a net reduction in disability-related obligations.



Compliance Note: Companies Using a Scaling Factor (e.g. 80% of BVG rates)

Many Swiss companies apply a scaling factor - commonly around 80% - to BVG disability rates. The adjustment basis, whether reflecting lower disability frequency or degree, determines its treatment and must remain consistent with prior disclosures.

With the updated tables, companies should **verify that their existing scaling factors remain appropriate under BVG-2025** - they may over- or under-correct in either direction. The assessment and its conclusion should be documented in the valuation file.

Attrition and Accounting Treatment



Attrition

Higher turnover assumed at 50-60 reduces obligations for long-tenure active members → Review prior adaptation

BVG-2025 tables show higher attrition rates, especially for ages 50 to 60. Increased turnover reduces the projected benefit obligations for active members, particularly those with long service.

While standard tables provide reasonable approximations, companies may have adapted them through scaling factors. Since the underlying observations have changed, previous adjustment factors require verification since the applied calibrations to BVG-2020 may over- or under-correct the BVG-2025 rates. Companies should review past adaptations against current workforce experience.



Accounting treatment

Adopting BVG-2025 = change in actuarial assumptions under IAS 19 → Remeasurement recognised entirely in OCI

The adoption of updated demographic tables constitutes a change in actuarial assumptions under IAS 19. The resulting remeasurement is recognised in other comprehensive income (OCI) and there is **no P&L effect**.

Equity does move: While the financial impact is expected to be modest, it flows through equity directly. The balance sheet impact may nonetheless be worth **quantifying early**, particularly where pension obligations are significant, or where financial reporting metrics are sensitive to equity movements.

Recommended Next Steps

- Commission an assessment to understand the directional effect on your specific plan
- Pre-align with your auditors on timing and assumptions.
- Reassess previously applied adjustments to disability, the mortality improvement model and/or attrition rates.
- Consider the OCI impact and balance sheet effect.

BVG-2025- Updated Mortality Tables

IAS 19 Compliance Considerations

Reaching out early will help ensure a smooth and well-prepared transition.

Whether you need a preliminary impact analysis, a review of your assumptions, or support in preparing for auditor discussions, we are ready to assist.

Please reach out to our contacts below.

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