



# Planning in a Moving Landscape

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What the latest Swiss and European reforms mean for your financial plan

A financial plan is only as good as its ability to adapt. The assumptions a strategy is built on (tax rates, pension rules, retirement ages, even where you are free to live and work) are not fixed. Across Switzerland and the wider European landscape, several of them are shifting at once. What worked for expats ten years ago will not necessarily work for an expat today.

Below we look at the reforms already confirmed, the ones still being debated, and, most importantly, what they tell us about how financial planning itself is changing.

## The vote on 14 June

As we write, we are awaiting the result of the Swiss referendum on 14 June. The headline proposal is the “No to a 10-million Switzerland” initiative, which would make it a constitutional objective to keep the resident population below 10 million by 2050. If the population exceeds 9.5 million before 2050, the Federal Council and Parliament would be required to take measures, particularly on asylum and family reunification; if it reaches 10 million, Switzerland would be obliged to terminate the agreement on free movement of persons with the EU within two years, unless safeguard clauses could be negotiated.

Whatever the outcome, the vote is a reminder that the rules governing who may live and work in Switzerland, the very foundation of an expat’s plan, are themselves up for debate.

## Key Swiss developments worth understanding

**1. Individual taxation: now confirmed.** On 8 March 2026, Swiss voters approved the move to individual taxation, ending joint household assessment and requiring married couples to file separately. Beyond its effect on pension buy-backs, this changes how income, including dividends on investments held in your portfolio, is assessed at the individual level. The change is not immediate: cantons must adapt their tax laws, and full implementation is expected by 2032, so there is a window to plan ahead. The full set of consequences will become clearer as cantons publish their implementation plans, and we will revisit planning assumptions accordingly.

**2. The proposal to tax lump-sum withdrawals: a signal, even in defeat.** As part of federal budget-relief measures, the government proposed increasing the tax on lump-sum withdrawals from Pillar 2 and Pillar 3a, a route commonly used by high earners, expats and early retirees to optimise how they draw pension capital. The measure was rejected by both chambers of Parliament, by the Council of States in December 2025 and the National Council in March 2026, but related ideas, such as reforming how the federal capital-withdrawal tax is calculated, keep resurfacing. The attempt itself sent a clear message: policymakers are looking hard at pension taxation, and the pressure runs in one direction.

**3. AHV 2030: the direction of travel.** On 20 May 2026, the Federal Council opened consultation on its next major pension reform, AHV 2030. Notably, it does not raise the official retirement age of 65; instead, it uses incentives to keep people working longer (giving greater weight to earnings after 65 and allowing entitlements to keep accruing beyond 70) and aims to raise roughly CHF 600 million a year by 2040. One measure stands out for anyone planning an early exit: in the second pillar (occupational pension), the minimum age for early retirement would rise gradually from 58 to 63, with limited exceptions such as company restructuring allowing access from 60 at the earliest. A ten-year transition period is proposed for those already aged between 58 and 63 when the reform takes effect.

Consultation runs until September 2026, after which Parliament will debate the detail. Any final bill is likely to face a referendum, so actual implementation is still years away.

The wider context matters more than any single measure. Taken together (the lump-sum proposal, AHV 2030 and the broader debate), the policy direction is consistent: discourage early workforce exits and make aggressive early-retirement planning through the pension system less attractive over time. This is one reason a resilient strategy pairs pension contributions with substantial, fully accessible non-pension assets, rather than maximising the pension wrapper at the expense of flexibility.

**4. The end of imputed rental value.** In a separate but equally significant change, on 28 September 2025 Swiss voters approved abolishing the imputed rental value (Eigenmietwert), the notional rental income that owner-occupiers have been taxed on for decades. Once it takes effect, expected no earlier than 2028, homeowners will no longer pay income tax on that notional rent, but most mortgage-interest and maintenance deductions will fall away, and cantons will be allowed to introduce a new property tax on second homes. For anyone weighing whether to keep, buy or renovate Swiss property into retirement, this reshapes the maths around mortgages, renovations and second homes, and it affects how foreign property is treated for Swiss tax purposes too.

### **A broader European trend: higher taxes, later retirement**

Switzerland is not acting in isolation. Across Europe the direction is towards raising more revenue and keeping people in work for longer. State pension ages are climbing: Denmark has legislated to reach 70 by 2040, the highest in Europe; the UK is moving to 67 between 2026 and 2028, with 68 already scheduled and a government review openly considering linking the age to life expectancy; and France raised its minimum from 62 to 64 amid widespread protest. The drivers are demographic: people are living longer and birth rates are falling, leaving fewer working-age contributors to support those drawing pensions.

Tax regimes that once attracted mobile wealth are tightening too. Portugal closed its non-habitual resident (NHR) regime to new applicants, and the UK abolished its 200-year-old non-dom regime in April 2025, replacing it with a shorter residence-based system. The favourable arrangements expats once took for granted are narrowing.

### **The countertrend: lower taxes and “nomad” visas elsewhere**

The picture, however, is not uniform. As parts of Europe raise taxes, a number of countries are deliberately moving the other way, using territorial tax systems and streamlined residency or “nomad” visas to attract working-age people and remote earners. Paraguay taxes only locally sourced income, exempting foreign income entirely, and asks for almost no physical presence; Panama offers tax-free foreign income through its Friendly Nations Visa; and El Salvador, having rebuilt its security reputation, has positioned itself as a low-tax, crypto-friendly base.

For most retirees, relocating to capture these regimes would mean accepting a significant change in lifestyle, climate and distance from family, which is not a decision to take lightly. But the data shows these countries are knowingly capitalising on the very trend above: as the EU raises taxes, they are lowering them and courting a younger, more mobile population. It is a useful illustration that the global tax map is not static, and that “where you are resident” is itself a planning variable.

## Should you plan around announcements?

We are often asked whether to make changes before a government changes a rule, usually prompted by an article about Spanish property tax, UK inheritance tax, or a Swiss referendum. The honest answer is that many such reports (in the UK media in particular) are designed partly to gauge public reaction, and typically only one or two of the proposed measures survive. Reshaping a financial plan around a headline is risky.

But change does happen, and you see it in Switzerland every year. European visa programmes shift regularly: Portugal's Golden Visa, once considered the gold standard, looks far less favourable today. And in cross-border planning, recent UK Budgets have delivered real change rather than mere speculation. The most significant example is bringing unused UK pensions within the scope of inheritance tax, announced in a Budget and due to take effect from April 2027. Decades of inheritance-tax planning were rewritten in a single statement; at least there is a window to adapt before it bites. The exception that proved the rule was the 2017 overhaul of the QROPS transfer rules, which changed overnight with no notice.

**Our position is straightforward:** you can only plan with the information available today. We do not change the strategy on hearsay, and we do not chase rumoured announcements. We do, however, build the strategy with the flexibility to respond once changes are confirmed.

## How the expat strategy has changed

Ten years ago an expat strategy was simple: load the second pillar to the maximum, keep the three-year rule in mind, and retire in your early sixties. Today's expat needs a far more balanced approach, because flexibility, not maximisation, is what protects you against legislative change.

The Swiss proposals are built around keeping people working longer, which may suit local employment contracts well. But the employment data tells a harder story: expats often struggle to find work beyond age 55. For clients who want to remain in Switzerland, bridging the gap to early retirement before pensions become accessible is already difficult, and the legislative direction is making it harder, not easier.

## Every decision has an impact

The thread running through all of this is simple. Every decision (to invest or to wait, to add to a pension or to hold accessible assets, to relocate or to stay, even to do nothing) has a positive or negative effect on your overall tax position, the growth of your portfolio, and your ability to meet your goals. Legislation changes the weighting of those decisions, sometimes overnight. A choice that was optimal three years ago can become the wrong one after a single Budget or referendum.

## This is where we come in

This can feel complicated and, frankly, overwhelming. That is exactly where we come in. We help you understand what each legislative change actually means for you, weigh the impact of every decision, including the cost of doing nothing, and translate it all into a clear, simple plan you can follow. And because the landscape keeps moving, we review that plan with you

every year, so the right decisions keep being made as both your circumstances and the rules around you evolve.

**The principle that ties the strategy together**

Pension contributions remain vital for tax efficiency: voluntary purchases into the second pillar and maximising Pillar 3a. But holding non-pension assets on fully accessible platforms is what gives you the control to make decisions around early retirement. Doing both also provides a larger cash buffer for unexpected costs and the ability to act on steep corrections in the equity market.

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