



Information sheet

Encouragement of home ownership

This information leaflet was drawn up based on the relevant laws and ordinances, as amended (Art. 30a to 30g Federal Law on Occupational Retirement Survivors' and Disability Pension Plans (BVG/LPP); Art. 331d and 331e of the Swiss Code of Obligations; Art. 1 et seq. of the Ordinance on the Promotion of Home Ownership using Occupational Pension Benefits (WEFV)).

1. Scope of validity

Concerning the financing of residential property for personal use in line with the conditions, the entitled person has the opportunity to pledge and to make an advance withdrawal of the occupational benefits funds. Pledges and advance withdrawals are permitted for the purchase, for the creation and construction of residential property, for a repayment of mortgage loans, value adding investments and for the purchase of shares such as in a co-operative home association.

Residential property for own use is deemed to be the house, co-ownership or owner-occupied apartment used by the insured person as the place of residence. The entitled person must provide the corresponding evidence.

Pledges and early withdrawals may only be done for one property at the same time.

2. Timeframe

The entitled person who is insured for the occupational benefit at the Substitute Occupational Benefit Institution may submit an application for a pledge or for an early withdrawal no later than up to three years prior to the onset of the entitlement to retirement benefits.

The entitled person who disposes of a vested benefits account at the Substitute Occupational Benefit Institution may submit an application for a pledge or for an early withdrawal no later than up to five years prior to the onset of the entitlement to retirement benefits.

An early withdrawal may only be redone on expiry of a period of 5 years following the last withdrawal.

3. Amount constrictions

The entitled person may claim an early withdrawal or pledge an amount up to the total vested benefit. From the age of 50 the amount which may be withdrawn early or pledged is limited to the total vested benefit at the age of 50 or, if higher, to half of the total vested benefit. The minimum amount for an early withdrawal is CHF 20,000.--.

4. Impact of early withdrawals regarding the benefits

The early withdrawal and satisfaction of the pledge are debited to the savings balance and vested termination benefit (the minimum retirement savings capital pursuant to BVG/LPP is reduced proportionally) and result in a corresponding cut in pension benefits. In order to avoid a reduction of the benefit in case of invalidity or death the Substitute Occupational Benefit Institution may convey you to a complementary insurance upon request. The applicant has to cover the insurance charges.



5. Safeguarding of the benefit purpose / Repayment

The vested benefit being early withdrawn has to be refunded by the entitled person or his/her heirs, if the residential property is sold, if rights are granted for the residential property which are economically equal to an amortization, as well as in case of death of the entitled person, if no pension benefit is due. This excludes sale to a person being beneficiary as per the law of benefit plans who is subject to the same restriction.

The vested benefit withdrawn can be repaid until the occurrence of an insured event (retirement, disability or death) or until such time as a cash payment of the vested termination benefit has been made. This increases the pension benefit as per the rules and regulations.

The minimum amount of a repayment is CHF 10,000.--. If the outstanding early withdrawal is less than the minimum amount the repayment must be rendered in one solely payment.

6. Married couples / registered partnerships

Married persons as well as persons living in a registered partnership who are entitled to benefit must submit the written consent of the spouse or the registered partner in order to pledge or to claim an early withdrawal. The Substitute Occupational Benefit Institution may request an official attestation done by a notary of both signatures.

7. Tax consequences

Place of residence in Switzerland

The early withdrawn amount is taxable as a lump sum benefit on the date of withdrawal. The amount of tax levied on a lump sum settlement is governed by the cantonal and municipal tax rate applicable to the local authority at the place of residence. The tax generally applies independently of any other income at the rate for lump sum benefits derived from occupational pension provision. An application for refund of the corresponding tax amount can be made on repayment.

Place of residence abroad

The Substitute Occupational Benefit Institution deducts the withholding tax directly from the early withdrawn amount.

Withdrawal after purchase

I acknowledge that the tax authorities can prohibit a withdrawal within the following three years after a purchase or offset it again for tax purposes.

8. Fees

For early withdrawals as well as the sale of pledges the Substitute Occupational Benefit Institution charges CHF 400.--. For pledges an amount of CHF 200.-- is being charged.

With my signature I hereby confirm acknowledgement of the content of this information sheet.

Place/Date

Signature