

## Information about encouragement of home ownership by means of occupational pensions

### Application scope

Family homes, apartments in sole ownership as well as a condominium ownership are considered as home ownership. Second homes, vacation homes, caravans, etc. are not considered as home ownership from the perspective of encouragement of home ownership.

The legal provisions regulate the investments incrementing the value of a home, the construction or purchasing of a home, the purchasing of social shares within a building and housing cooperative or similar shares as well the repayment of existing mortgage. The occupational pensions scheme cannot be used to cover monthly costs.

Own needs include the use of real property by the insured member himself/herself, his/her spouse or his/her close relatives.

### Time limit/waiting period

After the execution of a withdrawal, it is not permitted to proceed to another withdrawal before a delay of five years. Furthermore, a withdrawal can only be requested up to three years before the age of retirement.

### Available assets

In order to finance a home in sole ownership until the age of fifty, the insured benefits without any restrictions of the total amount of the savings capital, the maximum corresponding to the amount of the termination payment. If the insured member is more than fifty, the maximum amount he can use is the higher of the following amount:

The vested termination benefits accumulated at the age of fifty or

Half of the vested termination benefits at the time of its use.

### Minimum amount

The minimum amount of a withdrawal is CHF 20'000. The minimum amount for its repayment is CHF 10'000. These minimum amounts are not applicable to the purchasing of social shares within a building and housing cooperative or similar shares.

### Impact on the purchase of pension benefits

A withdrawal, respectively the execution of a pledge, produces a diminution of the AHV retirement pension as well as of the retirement lump-sum capital. The diminutions of the death or disability benefits can be insured by a supplementary insurance provided by an insurance company.

### Tax consequences

The amount of the withdrawal or the execution of the pledge are immediately taxable. Within thirty days after its execution, the pension fund reports the withdrawal to the Federal Tax Administration with the appropriate form. If the withdrawal is repaid, the insured member can require within three years the repayment of the tax, without interests. In order to do so, the insured must send a written request to the Canton Tax Authority that had taxed the amount.

### Repayment of the withdrawal

The repayment is compulsory if:

The home in sole ownership is sold;  
Rights equivalent, from the economic perspective, to the disposal of the sole property are conceded;  
There is no due pension benefit in the case of the insured's death;  
The apartment within a building and housing cooperative or similar shares is leased.  
The obligation to repay and the right to repayment remain up to the insuree is eligible for retirement benefits, until the emergence of another insured event or until the cash payment of the vested termination benefits.

If the property is sold, the obligation to repay is limited to the sales proceeds that are the price of the sale, net of mortgage debts and of the legal administrative cost of the seller. The obligations following loans taken out up to two years before the selling of the property are not taken into account to estimate the product of the sale, unless the insured can prove that these loans were used to finance his /her home in sole ownership.

### Assent of the spouse

The withdrawal and the pledging are authorised only with the spouse's written consent.

### Pledging

Instead of a withdrawal, the termination payment can be pledged. Therefore the retirement benefits are not reduced. If the pledge occurs, the conditions are the same as for a withdrawal.

### Preservation of the pension objective

A "restriction on disposal " will be notified to the land register. Therefore, the obligation of repayment of the withdrawal to the occupational benefits institution is ensured. The pension fund notifies the restriction to the land register at the same time than the withdrawal is executed. The costs related to this notification must be entirely paid by the insured member.

### Leaving the pension fund

If the insured leaves the pension fund, the new occupational benefits institution will be formally informed of the withdrawal or of the pledging. All the relevant documents will be transferred to the new institution. If there is a pledging, the pledgee will be informed of the departure of the insured.

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