

Promotion of home ownership using occupational pension assets

The Federal Act on the Encouragement of Home Ownership (WEF) states that insured persons may use their pension capital in order to buy a home. Early withdrawal or pledging of benefits are possible. Making an early withdrawal enables the insured person to obtain equity capital from their pension assets.

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- What can I use my pension capital for?**
- The purchase, construction or renovation of your own home
 - Repayment of a mortgage loan
 - Purchase of shares in a housing cooperative or shares in a tenants' share corporation. The shares must be deposited with Siemens Pension Fund.

You can make an early withdrawal or pledge all or part of your pension assets.

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- What can I NOT use my pension capital for?**
- Purchase or renovation of holiday or second homes
 - Land purchase with no intention to build
 - Ordinary maintenance or repair costs
 - Renovating or extending rooms not used for residential purposes
 - Paying mortgage interest

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- What conditions must be met before making an early withdrawal?**
- The property must be permanently occupied by you.
 - The property must be owned or co-owned by you. Joint ownership is possible only with your spouse/registered partner.
 - Only one property may be financed.
 - The early withdrawal must be made at least three years before ordinary retirement.
 - At least five years must have elapsed since the previous early withdrawal.
 - No insured event may have occurred.

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- What effect does an early withdrawal have?**
- The early withdrawal reduces the savings capital. This in turn reduces your retirement pension.
 - Before you reach ordinary retirement age, an early withdrawal has no effect on the risk benefits payable in the event of disability or death. After ordinary retirement, the death benefits are commensurate with the reduced retirement pension.

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- What is the effect of pledging benefits?**
- When pension assets are pledged, the vested benefits are blocked in favour of the pledgee; your pension entitlements remain unchanged. This does not change until the pledge is realised. If the pledge is realised, the effects are the same as for an early withdrawal: i.e. the retirement benefits are reduced.
- Once pension assets have been pledged, the written consent of the pledgee is required for certain transactions:
- When vested benefits are paid out in cash
 - When occupational benefits are paid out
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	<ul style="list-style-type: none"> – When transferring a proportion of the vested benefits to the occupational benefits institution of the other spouse in the event of divorce
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Who can apply for early withdrawal or pledging of benefits?	Every insured person may apply up to three years before ordinary retirement.
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Is there a minimum amount?	<i>Early withdrawal:</i> CHF 20,000 <i>Pledge:</i> no minimum amount
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Is there a maximum amount?	<ul style="list-style-type: none"> – Up to age 50: You can withdraw or pledge the entire amount of your savings capital. – From age 50: You can withdraw a maximum of the savings capital accumulated by the age of 50, or half the current termination benefit. The higher of the two calculations applies.
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Does an early withdrawal have tax implications?	<ul style="list-style-type: none"> – Yes, an early withdrawal counts as a lump-sum withdrawal. It will be taxed at a reduced rate, separately from your other income. The amount of tax depends on your municipal authority. Further details may be obtained from the appropriate tax authority. – If you are resident abroad, withholding tax is deducted.
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What happens regarding the land register?	<p>A restriction on sale is entered in the land register. This is to ensure that the retirement assets continue to be available for occupational pension provision if the home is sold.</p> <p><i>The restriction on sale can be deleted in the following cases:</i></p> <ul style="list-style-type: none"> – if an insured event occurs (retirement, disability, death) – if the vested benefits are paid out in cash – if the early withdrawal is repaid <p>The insured person bears the costs of entering and deleting the restriction on sale.</p>
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What should I bear in mind when making a repayment?	<p>The minimum amount that may be repaid at any one time is CHF 10,000. If the outstanding amount is less than this, it must be repaid in one instalment.</p> <p><i>Repayment is mandatory under the following conditions:</i></p> <ul style="list-style-type: none"> – if the home is sold – if a third party is assigned rights to the home that are financially equivalent to a sale (e.g. letting, right of occupation, usufruct) – if no benefits are payable to survivors upon the death of the insured person – before a voluntary purchase of additional benefits in the Pension Fund can be made
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Repayment is permitted:

- before the occurrence of an insured event (retirement, disability, death)

Please note: You can reclaim the tax paid on the early withdrawal by no later than three years after the repayment.

What happens if I change jobs?

We will inform your new occupational benefits institution of the amount of the early withdrawal or pledging of benefits. In addition, we will inform the land register if you have made an early withdrawal, and the pledgee if you have pledged pension assets, about the change of pension fund.

How do I apply for an early withdrawal?

First you need to clarify the funding with your mortgage provider. As soon as you know how much you need, you should submit the form “Application for early withdrawal/pledging of benefits for home ownership” to the Siemens Pension Fund. This may be found on our website at www.pk-siemens.ch → Infocenter/Forms.

Can I continue to make voluntary purchases after an early withdrawal?

No, voluntary purchases are not possible until any early withdrawals have been repaid.

Exceptions:

- Repurchases following divorce

Who receives the payment?

The capital is sent directly to the vendor, builder or mortgagee. A payment to the insured person is not possible.

Information

Please contact the person responsible for your pension account. To find out who is responsible for your account, check on our website at www.pk-siemens.ch or consult your personal pension certificate.

Disclaimer

No legal claims can be derived from this information sheet.

The current provisions of the law and the Pension Fund Regulations are binding.