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Information sheet Promotion of home ownership using occupational benefits

1. Term and definition

The Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision allows insured persons to use funds from their pension fund for the acquisition of home ownership until they reach the reference age.

The following options are available:

- Early withdrawal and/or
- Pledge

This information sheet outlines the possibilities, but also the limits, consequences and obligations that result from applying the law. The current Asga regulations for the promotion of home ownership at www.asga.ch are decisive.

2. Intended purpose

Pension fund assets can be withdrawn early or pledged for the following purposes:

- To acquire residential property that the insured person will live in permanently. This includes single-family homes or owner-occupied apartments, but not holiday or second homes.
- To acquire share certificates in a housing cooperative or similar scheme if the buyer themselves is to live in the home that they are co-financing.
- For the amortisation of mortgages on owner-occupied homes.
- For renovation/refurbishment/investment for owner-occupied homes.

3. Early withdrawal/pledge

3.1 Amount and period

The amount of available capital corresponds to:

- Up to the age of 50, an amount up to the value of the vested benefits.

- If the insured person is older than 50, they are entitled to the benefit they had at the age of 50 as a vested benefit, or half of the current vested benefit if this amount is higher.

An early withdrawal can be claimed every five years, taking into account the minimum amount of CHF 20,000.00, and up to the reference age at the latest.

The minimum withdrawal amount does not apply to the acquisition of share certificates in a housing cooperative.

Where purchases have been made, the resulting benefits cannot be withdrawn from the pension scheme as a lump sum within the next three years.

If early withdrawals have been made for the promotion of home ownership, purchases may only be made once the early withdrawals have been fully repaid.

Repayments under the home ownership scheme may be made up to the effective retirement date, but no later than the reference age.

▾ *Please see the following pages.*

In the case of a pledge, pension protection is not reduced unless the pledge has to be realised. Similarly, the pledge is not subject to tax, except in the case of its realisation.

> ***Note: External insured persons***
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> - *For external insured persons under Art. 12a of the Pension Fund Regulation, the option of making an early withdrawal and pledge ceases once the continued insurance has been in place for more than two years.*

3.2 Consequences

Reduction in benefits: In the event of an early withdrawal, Asga will transfer the amount directly to the creditor of the insured person (bank, seller, lender, housing cooperative etc.).

- As a result of the early withdrawal, pension benefits will be reduced in old age and possibly in the event of disability and death.

Tax consequences: The early withdrawal will have to be taxed immediately. As the taxation methods and rates vary in different cantons, this results in different tax burdens.

- The amount of tax due must be clarified by the insured person at the tax office at their place of residence.
- In the event of repayment of the early withdrawal, the insured person has the right to receive a refund of the tax paid within three years. Therefore, the documents should be filed carefully for later reference.
- If any withdrawal is made to amortise the mortgage, it should be noted that the resulting reduction in the mortgage interest will directly affect income tax.

> *Therefore, please file the relevant documents carefully for later reference.*

3.3 Securing the pension objective

Asga must register the early withdrawal with the land registry office, which will enter a restriction on sale for the immovable property.

> *If the insured person uses the early withdrawal to acquire share certificates in a residential housing cooperative or similar scheme, they must deposit these with Asga to safeguard the pension commitment.*

3.4 Repayment

The insured person is obliged to repay the early withdrawal to Asga if the residential property is sold. Repayments can also be made voluntarily up to the actual retirement date, but no later than the reference age; the minimum repayment amount is CHF 10,000.00.

3.5 Termination of employment

If the insured person leaves the pension fund prematurely as a result of a job change, the previous occupational benefits institution will inform the new occupational benefits institution about the advance withdrawal.

4. Assertion of the early withdrawal or the pledge/payment period

> *The insured person must submit a written application to Asga before the reference age is reached.*

> *If the insured person is married or lives in a registered partnership, the application is only valid with the written consent of the partner (with official certification). For unmarried persons, an official civil status certificate must be submitted.*

> ***Note: External insured persons***
>
> *For external insured persons under Art. 12a of the Pension Fund Regulation, the option of making an early withdrawal or pledge ceases once the continued insurance has been in place for more than two years.*

▾ *Please refer to the following page.*

You can find the form "Application for early withdrawal of pension fund retirement assets for the promotion of home ownership" at www.asga.ch
See the direct impact on your retirement benefits online in the myAsga insurance portal.
You can access the insurance portal and find instructions for registration at www.asga.ch.

5. Costs

The land register costs and any costs for supporting documents are to be borne by the insured person.

- In order to cover the expenses, Asga will charge the insured person up to CHF 500.00 separately, in accordance with the Cost Regulation.

This information sheet only provides an overview, and the information contained herein does not constitute a legal claim. The legal and regulatory provisions are exclusively authoritative for the assessment of individual cases.