asga

Rosenbergstrasse 16
Postfach, 9001 St.Gallen

T +41 71 228 52 52
F +41 71 228 52 55

info@asga.ch
www.asga.ch

Information sheet: Purchase for early retirement

Important note: Closing benefit gaps through a purchase

- *By purchasing additional benefits to finance early retirement, you can close gaps in cover that this option creates. However, making a purchase of this kind is not possible in every case. See this information sheet to find out whether you can and what you need to be aware of.*

1. Questions and answers

1.1 Timing of early retirement

From when is early retirement possible?

Early retirement is possible at the earliest from age 58. It results in a reduction in benefits compared with ordinary retirement. This benefits gap can be partially or fully reduced through additional contributions. The gap to be offset corresponds to the difference between the regulatory retirement pension at the ordinary retirement age and that at the respective early retirement age. This difference forms the basis for determining the required funding.

1.2 Use of purchases

How are purchases used?

The purchase is recorded as non-mandatory assets. At retirement age, the assets are converted into a pension at the applicable conversion rate or, in the case of a lump-sum withdrawal, paid out accordingly in compliance with the capital withdrawal lock-up period.

1.3 Capital withdrawal lock-up period for purchases

What do I need to consider when making a purchase?

Purchases may not be withdrawn in the form of capital for three years from the date of purchase (capital withdrawal lock-up period). This applies to lump-sum payment at retirement, early withdrawal for home ownership, and cash payment on leaving.

1.4 Waiver of early retirement despite a purchase

What measures apply if early retirement is waived?

Let us assume that you plan to retire early and close the corresponding benefits gap by making a purchase. If you then remain in employment and therefore insured for longer than originally intended, Asga applies the “105% rule”.

Important note: The “105% rule”

- *This rule states that the retirement benefit may not exceed 105% of the retirement pension at ordinary retirement. If this situation arises, no further savings contributions will be credited from that point onwards and the retirement assets will no longer accrue interest. This also applies to any additional interest credited at the end of the year. If, at the time of retirement, the retirement assets are still more than 5% higher than the regulatory target benefits, the excess amount is transferred to Asga.*

1.5 Requirements for a purchase

What are the requirements for a purchase?

In order to make a purchase for your early retirement, you must be fully bought into the regulatory benefits. This means:

- Any outstanding early withdrawals for home ownership must have been repaid.
- Termination benefits arising from a divorce must have been fully repaid (reason: repurchase following divorce is tax-deductible).

▾ *Please pay particular attention to the following page.*

- Any assets held with vested benefits institutions (accounts or policies) from previous pension fund relationships are taken into account provided they could not be credited as part of regulatory purchases.

Important note: Procedure for making a purchase

- *You apply for a purchase for early retirement in the same way as for regulatory purchases using the relevant form.*
- *Please submit the completed form "Questionnaire for Calculating the Maximum Possible Purchase" and indicate the desired retirement date under remarks.*
- *When an enquiry is made or a payment is received, Asga checks whether regulatory purchase potential is available.*

The form "Questionnaire for Calculating the Maximum Possible Purchase" can be found at www.asga.ch.
Alternatively, you can complete the application directly online in the myAsga insurance portal and see the direct effects on your retirement benefits.
You will find information on accessing the insurance portal and instructions for registration at www.asga.ch.

1.6 Deduction from taxes

Can I deduct a purchase from my taxes?

You may deduct the purchase from your taxes. However, the amount of the permitted deduction is assessed by the relevant tax authority. To avoid any unpleasant surprises when planning your retirement, we recommend contacting the relevant tax authority directly before making a purchase.

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.