



# Information sheet

## Financing early retirement

<b>What you need to know</b>	
When is it possible to make purchases to finance early retirement?	<ul style="list-style-type: none"> <li>• I have fully exploited all other purchase options.</li> <li>• I have repaid all transferred vested benefits as a result of divorce/dissolution of a registered partnership.</li> <li>• I notify the employee benefits institution of my planned retirement age.</li> <li>• I inform the employee benefits institution of my percentage level of early retirement.</li> <li>• The employee benefits institution opens a special account for purchases for me.</li> </ul>
How are purchase sums calculated?	<ul style="list-style-type: none"> <li>• The provisions contained in the regulations apply.</li> <li>• My employee benefits institution calculates the possible purchase sum for me.</li> </ul>
I have other pension plan savings (e.g. a vested benefits account)	I have to disclose my other pension plan savings. The purchase sum is generally reduced by these amounts.
I have built up assets in pillar 3a from self-employment	I must disclose these assets. They are taken into account in the calculation of the purchase sum.
What advantages do I have with a purchase?	<ul style="list-style-type: none"> <li>• The gap in retirement benefits which arises upon early retirement is fully or partially bridged.</li> <li>• My tax burden is reduced.</li> </ul>
What is the tax situation?	<ul style="list-style-type: none"> <li>• I must be able to prove that I am financing the purchase with my private income.</li> <li>• I deduct the purchase sum from my taxable income in my tax declaration.</li> <li>• From a tax point of view, the purchase and the deduction must take place in the same tax year.</li> <li>• If a lump-sum withdrawal is made within three years of the purchase, current tax authority practice is not to recognize the tax deductibility of the purchase for income tax purposes. A lump-sum payment within three years of a purchase can therefore be disadvantageous from an income tax perspective.</li> <li>• The relevant tax authority rules assesses the tax deductibility. The employee benefits institution has no influence on this decision and assumes no liability in this regard.</li> </ul>
What happens if I retire after the specified retirement age?	<ul style="list-style-type: none"> <li>• I receive a maximum of 105% of the retirement benefits which are specified at regulatory reference age.</li> <li>• I may lose all or part of the money in the special account.</li> <li>• I can find detailed provisions in the appendix to the Basic Provisions.</li> </ul>
I have withdrawn a prepayment for home ownership	Until one month before retirement at regulatory reference age, I can only make a purchase if the prepayment has been repaid in full.
What is the situation upon divorce?	<ul style="list-style-type: none"> <li>• In the event of divorce/dissolution of a registered partnership, purchases are shared according to the law, if necessary.</li> <li>• No limitations apply to a repurchase of transferred vested benefits as a result of divorce/dissolution of a registered partnership until retirement at reference age.</li> </ul>
I am about to retire	<ul style="list-style-type: none"> <li>• I can make a purchase up until one month before retirement at regulatory reference age, however at the latest until early retirement.</li> <li>• If I make purchases in the last three years before retirement, the resultant benefits will always be paid out as a pension.</li> <li>• Tax deduction may not be permitted.</li> </ul>
	<ul style="list-style-type: none"> <li>• Lump-sum withdrawals are taxed separately from other income at a reduced rate, provided no purchases were made in the last three years.</li> </ul>

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### What you need to know

What is the taxation situation upon retirement?

- Pension benefits are taxed at the normal rate with other income.

I moved to Switzerland within the last five years

If I have not belonged to a Swiss employee benefits institution before, I can make an annual purchase in the first five years of a maximum of 20% of my insured salary.

What else should I note when making a purchase?

- A purchase of benefits in the employee benefits institution is irreversible.
- For a period of three years, I am not able to make a lump-sum withdrawal of benefits from the purchase (e.g. prepayment for home ownership).
- For the purchase to be taken into account in the current tax year, the payment must reach the employee benefits institution by **31 December** at the latest (please note bank holidays).



#### Further information and personal advice

Do you have any further questions? Your advisor will be happy to help:  
[www.swisslife.ch/en/enterprises/contact.html](http://www.swisslife.ch/en/enterprises/contact.html)



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