



## Information sheet

# Home ownership - Prepayments

How does a prepayment work?	<ul style="list-style-type: none"> <li>• Part of the retirement savings is withdrawn prematurely for financing owner-occupied residential property.</li> <li>• The prepayment reduces the retirement savings and often results in a change in risk coverage in the case of death or disability.</li> <li>• A restriction on sale is noted in the land registry. This is to ensure that the proceeds of a sale are still used for occupational benefit purposes.</li> <li>• The employee benefits institution pays the prepayment amount directly to the seller, constructor or lender.</li> </ul>
What can I use a prepayment for?	<ul style="list-style-type: none"> <li>• For buying/building my own apartment or single-family house.</li> <li>• For renovating or extending rooms used for living space.</li> <li>• For repaying mortgage loans.</li> <li>• For participating in a housing cooperative or similar housing institution.</li> </ul>
What can't I use a prepayment for?	<ul style="list-style-type: none"> <li>• For a holiday home or second home.</li> <li>• For purchasing a property without any intention of building.</li> <li>• For pure maintenance or repair work.</li> <li>• For renovating or extending rooms not used for living space.</li> </ul>
What criteria do I have to meet to qualify for a prepayment?	<ul style="list-style-type: none"> <li>• I have to live in the property.</li> <li>• I have to be the sole owner or co-owner, or the property must completely belong to me and my spouse / registered partner.</li> <li>• I am only allowed to finance one property.</li> <li>• I must be at least partly able to work.</li> <li>• I must be more than one month away from retirement (in the case of vested benefit policies it must be more than three years before retirement).</li> <li>• My last prepayment must be at least five years ago.</li> <li>• The prepayment must be at least CHF 20 000.</li> </ul>
What is the maximum prepayment amount?	<ul style="list-style-type: none"> <li>• My employee benefits institution calculates the maximum prepayment amount for me.</li> <li>• If I am younger than 50, the amount is the same as my vested benefit assets.</li> <li>• If I am aged 50 or older, the amount corresponds to my vested benefit assets at age 50, but at least half of the current vested benefit assets.</li> <li>• The possible prepayment amount is reduced by any insurance year purchases made less than three years ago.</li> </ul>
How do I make a prepayment?	<ul style="list-style-type: none"> <li>• I ask for an offer from my employee benefits institution.</li> <li>• I fill out the application forms in full, sign them and send them with all the required enclosures to my employee benefits institution.</li> <li>• After review of the documents, I receive the money.</li> </ul>

## What you need to know

What are the repayment terms?	<ul style="list-style-type: none"><li>• I can repay the money voluntarily at any time up to one month (with vested benefit policies up to three years) before my regulatory reference age, provided that no insurance event has occurred.</li><li>• I must pay back the prepayment amount before I can purchase insurance benefits.</li><li>• I have to repay the prepayment if I sell my residential property prior to retirement.</li><li>• The minimum repayment amount in each case is CHF 10 000.</li><li>• If I reinvest the money in another owner-occupied property within two years, I do not have to repay the prepayment amount.</li></ul>
What is the tax situation with a prepayment?	<ul style="list-style-type: none"><li>• My prepayment is treated as a lump-sum payment.</li><li>• Lump-sum payments are taxed at a reduced rate, separate from other income.</li><li>• The tax rate is set by the local authorities in my place of residence. I can contact my local tax office for more details.</li><li>• If I am resident abroad, I have to pay tax at source.</li><li>• If I repay the prepaid amount, I can ask within three years the relevant tax authorities to repay the tax paid.</li></ul>
What costs are involved?	<ul style="list-style-type: none"><li>• A fee of CHF 500 is charged for the prepayment process.</li><li>• I have to transfer this charge to the employee benefits institution before the prepayment is given.</li><li>• There is no charge for prepayments made from vested benefit policies.</li><li>• A separate invoice is received for the entry of the property sale restriction.</li></ul>
I have further questions about	<ul style="list-style-type: none"><li>• terms and conditions for mortgage financing at Swiss Life</li><li>• possibility of indirect repayment</li><li>• all other insurance issues</li></ul>



### 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)



- Swiss Life Ltd, General-Guisan-Quai 40, P.O. Box, 8022 Zurich, Telephone +41 43 284 33 11
- [www.swisslife.ch/unternehmen](http://www.swisslife.ch/unternehmen)