

# Promotion of home ownership (WEF)

## Early withdrawal of funds from pension scheme

Up to the age of 62, the insured person may withdraw a sum for the purchase of a home for his own needs or pledge this sum or his entitlement to the benefit for the same purpose.

### What can pension fund assets be used for?

Fund assets may be withdrawn early for the following:

- The purchase or construction of an own home in sole ownership, co-ownership or joint ownership with the spouse/registered partner. Funds from the benefits scheme can only be claimed for one property at the same time. Use for holiday or second homes or for acquisition of land without any intention to build is not permitted.
- Repayment of a mortgage
- Investments which increase or maintain the value of the home
- Purchase of participatory shares in a residential cooperative.

### How much capital can be used?

- Up to 50 years of age: the value of the current vested benefits (portable sum)
- At 50 years of age or older: the value of the vested benefits at age 50 or half the current vested benefits (if the value of the latter is higher).
- Minimum amount CHF 20,000.–
- Smaller amounts are permitted for participatory shares in shares in a residential cooperative
- Early withdrawals can be claimed every 5 years, the last one being at age 62.

### What are the consequences of early withdrawal?

#### Is an early withdrawal liable for tax?

In the case of early withdrawal, the retirement savings are reduced. The retirement savings are thus reduced by the sum withdrawn plus the relevant interest up to retirement.

The spouse's pension is reduced by 5 % of the retirement savings withdrawn. (With a later repayment the spouse's pension will increase accordingly again). An early withdrawal has no influence on the level of the disability pension.

The early withdrawal is regarded as a capital payment and is taxable upon payment at a reduced tax rate. The level of this tax is determined by the local authority of the community where you live. The tax authority concerned is notified of the early withdrawal by Syngenta Pension Fund. For insured members who live abroad the taxation at source is calculated and deducted directly. When the sum withdrawn early is repaid, the tax can be reclaimed by the insured member within three years of the repayment.

The sum withdrawn early may be repaid at any time, and when it has been repaid in full, voluntary extra contributions can again be paid into the Pension Fund.

#### NOTE

The payment of benefits after a voluntary extra contribution is subject to certain restrictions. The benefits resulting from these contributions may not be paid out as a lump sum within the next 3 years according to Article 12 Paragraph 3 of the Syngenta Pension Fund regulations – based on Article 79b of the federal law on occupational old age, survivors' and disability benefits (BVG). In a recent ruling, the Federal Court interpreted the restriction set forth in Article 79b BVG such that **any lump sum payment** within the 3-year period is to be treated as **tax evasion**. Should you have made a voluntary extra contribution into Syngenta Pension Fund in the last 3 years and intend to make an early withdrawal, we urgently recommend that you obtain an early **binding confirmation from your tax authority in writing as regards the tax deductibility of the voluntary extra contribution and the consequences of an early withdrawal**.



### How is the intended purpose of the early withdrawal guaranteed?

An early withdrawal is registered with the responsible land register office for notation in the land register. Any fees are charged to the insured person. Participatory shares and similar participatory documents must be filed with the Pension Fund.

### What has to be considered when repaying the early withdrawal sum?

The early withdrawal must be paid back when

- the property is sold, unless the capital is invested again within two years in property to be lived in by the insured member
- the property is no longer used by the insured member
- rights to this property are granted that are financially tantamount to a sale
- no benefits are due upon the death of the insured member (e.g. right of abode or building lease).

Voluntary repayments are possible any time, provided no claim have arisen in the meantime. The minimum repayment sum is CHF 10,000.–

### RESPONSIBILITY OF THE INSURED PERSON

Early withdrawal and pledging of funds may be an advantage or a disadvantage for the insured person, depending on circumstances. In the given individual case, numerous economic factors need to be taken into account. The insured person alone is responsible for weighing the advantages and disadvantages and for taking the decision. It is recommended that independent financial and tax advice be obtained if necessary.

### How can an early withdrawal be claimed?

A written application must be submitted to the Syngenta Pension Fund, and all the documents indicated below must be enclosed with the application. The payment is made at the earliest two months and at the latest six months after the application has been made and all the required documents are made available to the Syngenta Pension Fund. In the case of married insured members, the spouse must also sign the application. The payment is made directly to the vendor, builder or mortgage lender.

### What documents are needed?

The following documents must be submitted together with the request for an early withdrawal (WEF):

- Publicly certified and signed purchase or sale contract in the case of existing real estate and copy of building permission in the case of land purchase and building project
- Mortgage or loan agreement
- Bank payment details, name of bank, account number and IBAN, SWIFT code for payments abroad (the costs are charged to the insured member)
- Bank confirmation on the use of the funds
- Extract from land register (Switzerland and abroad) or certification showing possession of land (abroad)
- In the case of married insured members, the written consent of the spouse is required (authenticated signature)
- Confirmation of civil status if **not** married



# Pledging of funds

## What limits apply in the pledging of funds?

Pledging of funds may be requested up to the age of 62. The insured person can pledge his entitlement to benefits and/or a sum up to the value of his or her portable sum (vested benefits) for residential property for own use.

## What rights does the creditor have?

If the insured person leaves the company, the Pension Fund has to inform the pledgee (creditor) about the change of pension scheme.

The written consent of the creditor is necessary

- for the cash payment of the portable sum
- for the payment of benefits
- for the transfer of part of the portable sum to the benefits institution of the divorced spouse

If the creditor refuses to give consent, then the benefits institution has to guarantee the sum concerned.

## What are the consequences of a realization of the pledge?

The realization of a pledge on the portable sum has the same consequences in terms of the reduction of benefits and tax as in the case of an early withdrawal.

If a pledge on benefits is realized, the insured person loses the pledged retirement savings. The realization of benefits is only possible at the time when the benefit becomes due.

## How can the pledging of funds be initiated?

A written request for pledging of funds has to be submitted to the Pension Fund along with all the documents indicated below. Confirmation of the pledge notation is forwarded to the bank after receipt of the documents.

In the case of married insured members, the spouse must also sign the application.

## What documents are needed?

The following documents must be submitted to the Pension Fund together with the application for the pledging of benefits:

- Publicly certified and signed purchase or sale contract in the case of existing real estate and copy of building permission in the case of land purchase and building project
- Extract from land register (Switzerland and abroad) or certification showing possession of land (abroad)
- Mortgage agreement
- Copy of pledge agreement from bank
- In the case of married insured members, the written consent of the spouse is required (authenticated signature)
- Confirmation of civil status if **not** married

