

Encouraging home ownership

Early withdrawal

What you need to know

<p><i>What happens in the event of an early withdrawal?</i></p>	<ul style="list-style-type: none"> • A portion of the retirement savings is withdrawn early to finance owner-occupied residential property. • Early withdrawal means a reduction in retirement benefits and often also a change in risk protection in the event of death and disability. • A restriction on sale is entered in the land register. This ensures that the funds from occupational pension schemes remain tied in the event of a sale.
<p><i>What can I use an early withdrawal for?</i></p>	<ul style="list-style-type: none"> • For the purchase/construction of an owner-occupied apartment or single-family home. • For renovations or extensions of rooms used for residential purposes. • To repay a mortgage loan. • To participate in a housing cooperative, publicly owned, residential rental property or non-profit housing institution.
<p><i>What can I not use an early withdrawal for?</i></p>	<ul style="list-style-type: none"> • For a holiday home or secondary residence. • To buy a plot of land with no intention to build. • Purely for maintenance or repair costs. • For renovations and extensions of rooms not used for residential purposes.
<p><i>What conditions must I meet for an early withdrawal?</i></p>	<ul style="list-style-type: none"> • I have to live in the property myself. • I must be the sole or co-owner or the property must be jointly owned by me and my spouse/registered partner. • I am only allowed to finance one property. • I must be at least partially capable of working. • I must be more than one month away from retirement (with vested benefits policies it must be more than three years before retirement). • The last early withdrawal must be at least five years ago. • The early withdrawal must be at least CHF 20 000.
<p><i>What is the maximum amount I can withdraw?</i></p>	<ul style="list-style-type: none"> • My employee benefits institution will provide me with a calculation of the amount available for early withdrawal. • If I am younger than 50 years of age, the amount corresponds to my vested benefit. • If I am 50 or older, the amount is equivalent to my vested benefit at the age of 50, but at least half of the current vested benefit. • The possible early withdrawal is reduced by purchases made less than three years ago.
<p><i>How can I make an early withdrawal?</i></p>	<ul style="list-style-type: none"> • I request an offer from my employee benefits institution. • I return the application forms, duly completed and signed, together with all the necessary enclosures, to my employee benefits institution. • After the documents have been checked, the money is available to me.

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<i>What applies to the repayment?</i>	<ul style="list-style-type: none">• I can repay voluntarily at any time up to one month prior to normal retirement age (up to three years in the case of vested benefit policies) provided no insured event has occurred.• I must repay the early withdrawal before I can make a purchase of post-employment benefits.• I must repay the early withdrawal if I sell my residential property more than three years prior to normal retirement age.• The minimum repayment amount is CHF 10 000 per payment.• If I reinvest the capital in residential property for my own use within two years, I do not have to repay the early withdrawal.
<i>What are the tax implications of the early withdrawal?</i>	<ul style="list-style-type: none">• My early withdrawal counts as a lump-sum payment.• Lump-sum payments are taxed separately from other income at a reduced rate.• The amount of this tax is set by the municipal authority in your place of residence. I can request detailed information from the relevant tax authority.• If I live abroad, withholding tax will be deducted.• If I repay the early withdrawal, I can reclaim the tax paid within three years from the relevant tax authority.
<i>What are the costs?</i>	<ul style="list-style-type: none">• An early withdrawal costs CHF 500.• I must transfer the costs to the employee benefits institution before completion.• The early withdrawal is free of charge for vested benefits policies.• I will receive a separate invoice for entering the restriction on sale.



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