

# Information sheet

## Purchase

<b>General information</b>	
What is a purchase?	<ul style="list-style-type: none"> <li>• A purchase serves to close gaps in coverage and thus improve retirement provisions. Gaps in coverage can arise, for example, as a result of missing insurance years or salary increases.</li> <li>• A purchase can also be used to finance early retirement.</li> </ul>
What should I do if I want to make a purchase?	<ul style="list-style-type: none"> <li>• The maximum possible purchase sum is shown on your personal pension certificate.</li> <li>• Purchasing potential changes over time. For this reason, a non-binding purchase offer must be requested before making a purchase.</li> <li>• Once a purchase has been made, it cannot be reversed.</li> </ul>
What are my advantages when making a purchase?	<ul style="list-style-type: none"> <li>• A purchase increases your retirement savings and, depending on the pension plan, also the retirement and/or risk benefits.</li> <li>• Purchases can in principle be deducted from taxable income, which leads to tax savings.</li> <li>• In the event of death prior to retirement, purchases are paid to the beneficiaries as a lump sum (if provided for in the pension plan).</li> </ul>
<b>Restrictions</b>	
Existing prepayments for home ownership	<ul style="list-style-type: none"> <li>• Purchases up to the reference age are only possible if any early withdrawals for home ownership have been repaid in full.</li> <li>• This restriction does not apply to repurchases following divorce (see “Purchases and divorce” below).</li> </ul>
Moving to Switzerland within the last five years	<ul style="list-style-type: none"> <li>• After moving to Switzerland, a maximum purchase of 20% of the insured salary can be made annually during the first five years.</li> </ul>
Incapacity for work or disability	<ul style="list-style-type: none"> <li>• A purchase is not possible within the extent of incapacity for work or disability.</li> </ul>
<b>Maximum possible purchase sum</b>	
How is the maximum possible purchase sum calculated?	<ul style="list-style-type: none"> <li>• The amount of the maximum possible purchase sum corresponds to the difference between the maximum possible retirement savings and the current accumulated retirement savings.</li> </ul>
<b>Assets to be offset</b>	
Other pension plan savings	<ul style="list-style-type: none"> <li>• Other pension plan savings, such as non-transferred vested benefits (vested benefits account/policy), must be notified prior to a purchase.</li> <li>• The maximum possible purchase sum is reduced accordingly (if it has not already been taken into account in another pension plan).</li> </ul>
“Large pillar 3a”	<ul style="list-style-type: none"> <li>• The “large pillar 3a” (i.e. savings accumulated in pillar 3a as a self-employed person) must be reported prior to a purchase.</li> <li>• The maximum possible purchase sum is reduced in accordance with the legal requirements (if it has not already been taken into account in another pension plan).</li> </ul>
Early withdrawals for home ownership	<ul style="list-style-type: none"> <li>• After reaching the reference age, existing early withdrawals are to be offset against the maximum possible purchase sum (if this has not already been taken into account in another pension plan).</li> </ul>
Retirement benefits already drawn	<ul style="list-style-type: none"> <li>• Retirement benefits already drawn (pension and lump-sum benefits) must be reported prior to a purchase.</li> <li>• They will be deducted from the maximum possible purchase sum (if this has not already been taken into account in another pension plan).</li> </ul>

## Taxes

Can I deduct purchases from tax?	<ul style="list-style-type: none"><li>• Purchases can generally be deducted from taxable income. Swiss Life issues a certificate showing pension contributions ("tax certificate") which can be enclosed with the tax return.</li><li>• Swiss Life can only issue a tax certificate for privately financed purchases. If the purchase is financed by the employer, Swiss Life must be informed accordingly. Purchases financed by the employer must be certified by the employer.</li><li>• Tax deductibility is determined by the responsible tax authorities. Swiss Life has no influence on this decision and assumes no liability in this regard.</li><li>• The purchase can only be made for the tax year in which the purchase was made. Please therefore ensure you make a payment in good time.</li></ul>
Purchase and lump-sum payment	<ul style="list-style-type: none"><li>• The benefits resulting from the purchase (purchase plus interest accrued) cannot be withdrawn from the pension fund as a lump sum within the following three years (e.g. as part of a lump-sum withdrawal on retirement or as part of the encouragement of home ownership).</li><li>• The remaining retirement savings (not resulting from the purchase) are not affected from the point of view of pension law and can also be withdrawn as a lump sum within the three-year blocking period.</li><li>• However, according to tax practice, any lump-sum withdrawal from occupational provisions (consolidated view, i.e. taking into account all 2nd pillar employee benefits relationships incl. vested benefits solutions) within three years of a purchase generally leads to the tax deductibility of the purchase being refused (even retroactively).</li><li>• In accordance with tax practice, the three-year blocking period is to be understood as a day-to-day period.</li></ul>
<b>Purchases and divorce</b>	
What happens to the purchased retirement savings in the event of divorce?	<ul style="list-style-type: none"><li>• Depending on the marital property regime of the spouses and the financing of the purchase, the purchased retirement savings may be divided by law in the event of divorce or dissolution of a registered partnership.</li></ul>
Can I make another purchase following divorce?	<ul style="list-style-type: none"><li>• Yes, a repurchase of vested benefits transferred as a result of divorce is possible. Such repurchases are generally not subject to the three-year block on lump-sum payment (see "Purchases and lump-sum withdrawal" above).</li><li>• However, if repurchases are only made shortly before a lump-sum payment (e.g. on retirement), they are considered as abusive in terms of tax practice (tax avoidance) and may not be deducted.</li><li>• To avoid unwanted tax consequences, any gaps in divorce should be purchased in full before regular purchases are made.</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)



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