

# Home ownership - Pledges

## What you need to know

<b>How happens with a pledge?</b>	<ul style="list-style-type: none"> <li>• I can pledge my entitlement to occupational benefits and/or the vested benefit as additional security for a lender.</li> <li>• The insurance coverage remains unchanged.</li> </ul>
<b>What can I pledge benefits for?</b>	<ul style="list-style-type: none"> <li>• To secure a mortgage loan to purchase my own apartment or single-family house.</li> <li>• To secure a mortgage loan to build my own apartment or single-family house.</li> <li>• To postpone repayment of a mortgage loan.</li> </ul>
<b>What criteria do I have to meet to qualify for a pledge?</b>	<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> </ul>
<b>How much can I pledge?</b>	<ul style="list-style-type: none"> <li>• My employee benefits institution calculates the pledge amount for me.</li> <li>• I can pledge:             <ul style="list-style-type: none"> <li>- my entitlement to occupational benefits</li> <li>- my current vested benefit</li> </ul> </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> </ul>
<b>What do I need to know about pledging?</b>	<ul style="list-style-type: none"> <li>• The pledged occupational benefits serve as additional security for the lender.</li> <li>• Generally, no tax is charged. If however the pledge has to be sold, this will count as a prepayment and will be subject to tax.</li> </ul>
<b>How do I apply for a pledge?</b>	<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> </ul>
<b>How can I rescind the pledge?</b>	<ul style="list-style-type: none"> <li>• My pledge holder confirms to my employee benefit institution that the pledge has been rescinded.</li> </ul>
<b>What are the tax implications of a pledge?</b>	<ul style="list-style-type: none"> <li>• A pledge only has tax implications if it is then sold.</li> <li>• The proceeds of the pledge sale are taxed in the same way as a prepayment.</li> </ul>
<b>What costs are involved?</b>	<ul style="list-style-type: none"> <li>• A fee of CHF 300.00 is charged for the pledge process.</li> <li>• I have to transfer this charge to the employee benefits institution before the pledge is made.</li> <li>• There is no charge for pledge processes made from vested benefit policies.</li> </ul>
<b>Who can I contact if I have additional questions?</b>	<p>Your Swiss Life insurance advisor would be happy to visit you at home or another convenient location to discuss the following topics:</p> <ul style="list-style-type: none"> <li>• Attractive terms and conditions for mortgage financing at Swiss Life</li> <li>• Possibility of indirect repayment</li> <li>• All other insurance issues</li> </ul> <p>Visit us at <a href="http://www.swisslife.ch/private">www.swisslife.ch/private</a> and arrange a consultation.</p>