

Annex to application for pledge

Important provisions

1. Permitted use

Entitlements to old age, disability or death benefits or an amount up to the amount of the termination benefit may be pledged for the following purposes:

- Acquisition or construction of owner-occupied residential property
- Amortisation of mortgage loans
- Investments leading to an increase in value
- Acquisition of share certificates in housing cooperatives or of similar participating interests

2. Definition of «owner-occupied»

The term “owner-occupied” refers to residential property at the member’s place of residence or place of usual abode (in Switzerland or abroad) that is occupied by said member. The use of pension assets for holiday homes or second homes is not permitted.

3. Claim

Members must submit the required documents to the pension fund to provide evidence of the use they intend to put the pledge to.

4. Maximum amount

Up to the age of 50, the maximum advance withdrawal is consistent with the termination benefit. Above the age of 50, it equals the termination benefit at age 50 or 50% of the termination benefit in cases whereby the latter is higher.

5. Approval of spouse/registered partner

A pledge may only be enforced with the written approval of the spouse or registered partner.

6. Terms of the pledge

Pledges are permitted until three years before retirement.

7. Consequences of the pledge realisation

In the case of a pledge, the member offers the mortgage creditor his/her pension claims as collateral security. The pension cover will only be reduced in the case of a realisation of the pledge. The latter takes place when the obligations arising from the pledge agreement can no longer be met. In this case, the mortgage creditor has the right to access the pledged pension benefits. In principle, a pledge realisation has the same effect as an advance withdrawal (reduction of pension benefits and taxation!).

Please note the following page

8. Necessary enclosures

The application for a pledge can only be examined if the documents are complete. Therefore, please send us the following enclosures:

Re. A: Construction financing agreement, construction plans, building permit, notarised purchase agreement (property)

Re. B: Service contract, confirmation of financing, notarised purchase agreement (property)

Re. C: Notarised purchase agreement, confirmation of financing

Re. D: Land register extract, mortgage agreement, confirmation of residence

Re. E: Regulations of the building cooperative, tenancy agreement, copy of share certificates
