

### Purpose

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Encourage the insured person to :

- acquire his/her home (purchase or construction of a family home/apartment or acquisition of shares in a housing cooperative) ;
- amortise a mortgage debt on his/her housing (but not to pay the interest on this debt) ;
- finance works to increase the value of his/her housing.

The insured may only use the funds for one purpose at a time.

### Cumulative conditions

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- be the owner of the housing (or co-owner or owner in common with his/her spouse or registered partner) ;
- the housing must be used for the insured person's own needs, i.e. the insured person must live in it. The acquisition of a second home or holiday home using the 2nd pillar is excluded.

### Means

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- 1) Pledging of funds available under the second pillar.
- 2) Withdrawal of funds available under the second pillar.

### Available funds

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**For insured persons aged less than 50:** the whole vested benefits to which the insured person is entitled.

**For insured persons aged 50 and over:** the vested benefits acquired at 50 or half of the current vested benefits at the moment of pledging or the withdrawal, if the latter is higher.

### Pledging

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The insured person may pledge the available funds as security to his/her creditor. This can enable him/her to obtain a mortgage loan on better terms.

If the funds are pledged, the pledgee must give his consent so that the pension fund can pay the retirement, disability or death benefits, or pay cash the vested benefits.

### Withdrawal

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The insured person can also use directly the available funds for his/her housing.

The payment is made to the vendor, mortgage lender, the notary or the contractor, upon presentation of the necessary supporting documents.

The minimum payment amount is **CHF 20'000.00** (except for vested benefits policies).

A withdrawal can only be requested every five years.

### Restrictions on voluntary purchases

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If a purchase has been made from a pension fund, the purchase amount, including interest, may not be paid out as a withdrawal or pledge for three years from the date of purchase.

Furthermore, if a withdrawal or pledge is made within the same three-year period, the tax authorities may refuse to allow the purchase to be deductible, even after the fact.

### Deadline

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The insured person may assert his/her right to a withdrawal no later than three years before the regular AVS retirement age.

### Reimbursement of the payment to the pension fund

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**Possible:**

- until the insured person retires, but no later than the regular AVS retirement age;
- until the occurrence of another insured event (disability or death);
- until the cash payment of the vested benefits.

**Mandatory:**

- if the property is sold;
- if rights economically equivalent to a sale are granted on the property (e.g. donation, right of residence, usufruct);
- if death of the insured person without leaving any beneficiaries entitled to benefits from the pension fund.

The minimum reimbursement amount is **CHF 10'000.00**.

### **Voluntary purchase after a withdrawal**

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Where a withdrawal has been granted, a voluntary purchase can only be made once the early withdrawal has been fully reimbursed.

### **Attestations**

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The insured person must provide the pension fund with proof that the conditions for a pledge or withdrawal have been fulfilled.

### **Land registry**

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In order to guarantee reimbursement if the sale of the property, the pension fund must request that a restriction on the sale of the property be entered in the land register (for a residence in Switzerland). The procedure is different for residential properties located abroad.

### **Taxes**

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The pension fund must inform the tax authorities of the withdrawal within 30 days. It is subject to tax at the time of payment as a lump sum benefits from the pension plan. The withdrawal cannot be used to pay tax. If the withdrawal is reimbursed, the insured person may apply to the tax authorities for a reimbursement of the tax (without interest) within three years after the reimbursement.

### **Reduction of benefits**

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Withdrawal results in a reduction in insured benefits.

As far as pledging is concerned, if the terms of the loan are not honoured by the debtor (the insured), the pledgee can ask the pension fund to pay him the amount due; only in this case will the insured benefits decrease.

### **Supplementary insurance**

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To compensate the pension gap resulting from the reduction of death and disability benefits, the insured person has the opportunity of taking out supplementary insurance with Retraites Populaires or another insurance company of his/her choice. Our advisors are available to provide with an individual offer from an insurance company.

The costs of the supplementary insurance are borne by the insured person.

### **Administrative fees**

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A firm request for withdrawal or pledge is considered after payment by the insured person of the administrative fees set by the pension fund.

In case of cash payment, withdrawal/pledging for encouragement of home ownership or the lump sum payment of benefits, Profelia must check the insured person's marital status or the consent of his/her spouse or registered partner.

The documents to be provided and the steps to be taken by the insured according to his/her personal situation are defined below.

### **For unmarried insured persons**

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Unmarried persons and who are not bound by a registered partnership (single, divorced, dissolved partnership or widowed) must provide us with a certificate of marital status **less than 1 month old**.

This document can be ordered from the competent civil registry office.

### **For insured persons who are married or bound by a registered partnership**

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Persons who are married, separated or bound by a registered partnership must have their **handwritten signature (holograph)** legalised, as well as that of their spouse/partner.

### **Procedure in Switzerland**

#### **a. Official legalisation**

Only a legalisation performed by a notary is permitted. To have their signatures legalised, the insured person and his/her spouse/partner must present themselves in person before a notary, bringing with them a valid proof of identity.

The legalisation of a signature is billed by the notary on the basis of the applicable rate.

#### **b. Simplified legalisation**

It is also possible for the insured person and his/her spouse/partner to have the signatures legalised **free of charge** by going **personally** to one of our receptions with a valid identity document.

### **Procedure abroad**

When legalisation cannot be performed in Switzerland, the request form for cash payment, withdrawal, pledging, or the form for confirming the choice of the lump sum payment of benefits must be accompanied by a certified copy of the proofs of identity of the insured person and his/her spouse/partner.

The copy must be authenticated by an apostil. The website of the Hague Conference on Private International Law ([www.hcch.net](http://www.hcch.net)) provides additional information on apostils.