

## INFORMATION SHEET BUY-IN TO OCCUPATIONAL PENSION SCHEME

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This information sheet is intended for insured persons who are insured with a pension fund affiliated with the Alvoso pension fund and who are interested in purchasing occupational benefits.

### When does a voluntary buy-in make sense?

Voluntary buy-ins can close gaps in old-age provision and, depending on the pension plan, in risk benefits as well. Gaps occur, for example, due to wage increases or missing contribution years (e.g. in the event of a stay abroad, interruption of employment, pregnancy or on joining the occupational benefits organisation after the age of 25). The pension regulations of the Alvoso Pension Fund provide as standard for the possibility of closing such pension gaps. How retirement pension reductions can be reduced in the event of early retirement is described in the information sheet "Early Retirement".

### Why is it worth buying into an occupational benefit scheme?

- A buy-in increases retirement benefits - and, depending on the pension plan risk benefits as well, it improves pension cover.
- From a tax perspective, a buy-in can be very advantageous. If it is paid from private assets, it can in principle be deducted from taxable income. This deduction reduces taxable income. Claiming the tax advantages of a buy-in is the responsibility of the insured person. It is up to the competent tax authority to decide on the level of tax deductibility. The pension fund cannot assume any responsibility in this regard.

### How is the buy-in amount calculated?

Existing retirement credits can be supplemented by voluntary contributions up to the maximum possible retirement credits permitted by the relevant legislative and regulatory provisions.

"Pension Benefits - Potential Buy-In" (point 3) on your personal pension certificate states the maximum possible buy-in amount.

### Well worth knowing..

- The sooner we receive your application for voluntary contributions, the sooner we will be able to send you the definitive buy-in calculation. You can find the application form on our homepage: <https://www.alvoso.ch/de/download/formulare>.
- Please note that contributions must be credited to our account by 10 December at the latest: Credit Suisse, IBAN: CH84 0483 5324 9275 3100 0 together with as a reference your surname, first name and the words "BUY-IN". This will ensure that you receive the current tax certificate for the current calendar year. Deposits made after this date can no longer be certified for the current tax year.

### What legal restrictions need to be observed?

- Voluntary buy-ins are only possible if early withdrawals for residential property have been repaid in full. This restriction only applies if three or more years remain until ordinary retirement. All early withdrawals from the second pillar that have not yet been repaid are relevant for this purpose, regardless of whether they were made at one or more occupational benefits organisations. Early withdrawals from pillar 3a (private pension schemes) are not affected.
- Credit balances with second pillar institutions (vested benefit policies and accounts) must be counted towards the purchase amount and thus notified. The respective vested benefits institution will provide information on the exact amount.
- Self-employed or formally self-employed persons must additionally declare assets from pillar 3a. The respective institution will provide information on the exact amounts. These will be credited insofar as they exceed the exempt amount stipulated by the legislator.
- For persons who have moved from abroad since 1 January 2006 and are insured for the first time at a Swiss occupational benefits organisation (second pillar), the annual purchase amount is limited to 20% of the insured annual salary during the first five years after joining a Swiss occupational benefits organisation.



- Current or previously drawn retirement benefits must be taken into account when calculating the buy-in amount. The certificate of leaving benefit at the time of early retirement/partial retirement will be used to calculate the correct buy-in amount.
- In the case of tax-privileged buy-ins, there is a three-year prohibition of capital payments. After a buy-in, benefits may not be drawn in the form of capital for the three subsequent years. Retirement benefits, early withdrawals for home ownership and cash payments on termination of employment are all affected by this rule.

These restrictions do not apply if the buy-in is a repeat buy-in following a transfer of credits to the other spouse on divorce.

### Any questions?

Our staff in the Secretariat will be happy to help.