

Advance withdrawal for owner-occupied residential property

An early withdrawal of pension assets is possible for the purchase or construction of a house or an owner-occupied dwelling, participation in a housing cooperative, for the amortisation of the mortgage and for renovations of owner-occupied residential property (no second or holiday home) under certain conditions.

Requirements

- Pension assets can only be withdrawn for owner-occupied (joint) property.
- Pension assets can be withdrawn for the following purposes:
 - Acquisition of residential property
 - Creation / Construction of residential property
 - Amortisation / repayment of mortgages on residential property
 - Participation in housing cooperatives / shares in a tenants' joint-stock company
 - Renovations (see separate information sheet)
- A withdrawal for residential property is possible every five years and at the latest up to five years before the regular OASI age. There is no minimum amount.
- The spouse's / registered partner's consent to the advance withdrawal must be provided by an officially certified signature.
- The amount available for early withdrawal is basically equal to the pension assets. If the Contracting Party has already reached age 50, only half or the capital shown at age 50, whichever is higher, can be claimed.
- Contracting Parties who reside abroad may claim their vested pension benefits if they or their family use the residential property located there themselves. The Foundation may request an official translation of the documents from the Contracting Party if they are not in an official Swiss language or in English.
- The advance withdrawal is transferred in one amount to the seller, builder or lender. Payment to the Contracting Party (private account) is excluded.

The Foundation shall notify the responsible land registry of the advance withdrawal for the purpose of registering the restriction on sale. The resulting costs shall be borne by the Contracting Party.

Tax and inheritance law aspects

- An early withdrawal results in taxation of the pension assets withdrawn at the pension tariff in the reference year. If the advance withdrawal is repaid, the taxes (without interest) can be reclaimed from the responsible tax office.
- If the Contracting Party lives abroad, a withholding tax is levied. This is calculated according to the withholding tax rate of the canton in which the Vested Benefits Foundation is domiciled (<https://steuern.zg.ch/private/calculator/calculator?calculator=withholding>) and deducted directly from the amount paid out. Depending on the country of residence, the withholding tax can be reclaimed within three years.
- The foundation must report each early withdrawal to the Federal Tax Administration.
- If an early withdrawal is made within three years of any voluntary purchase by the Contracting Party into a pension fund solution, there is a risk of subsequent taxation of these voluntary purchases. Please contact us if you have made voluntary purchases in the last three years.
- Please contact your personal advisor regarding inheritance law aspects in connection with the withdrawal of pension funds for residential property.

Processing duration

The money will be paid out to the beneficiary (seller, blocked account, notary) by the foundation within 25 working days **after all the necessary documents have been submitted** in accordance with the form "Early withdrawal for owner-occupied residential property".

Please note that

- the forms of the foundation must be used for each payout, and
- all documents that serve as the basis for the payout must be in the name of the Contracting Party, and
- the advance withdrawal (or the proceeds of the sale, if this is less than the advance withdrawal) must be repaid if the residential property is sold or rights to this residential property are granted that are equivalent to a sale, or the Contracting Party dies and no pension benefits are due.

Contact

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