

Voluntary purchase of additional pension benefits

Relax in your retirement and save cash

What is a “voluntary purchase”?

Voluntary purchases enable you to make additional payments into the pension fund to fill income gaps in future retirement benefits. The maximum purchase amount is shown on your pension certificate or it can be requested directly from Baloise or calculated at www.baloise.ch/mybaloise.

Why should I make a voluntary purchase?

- It will increase my retirement benefits and, depending on the pension plan, will also raise my disability and death benefits.
- Purchases can be deducted from taxable income.
- Pension fund assets and the interest on them remain tax-free during the contribution period. This means they are only taxed when the benefits are paid out. If I withdraw capital, it will be taxed separately to other income at a reduced rate.
- If I opt for a pension, this will be taxed along with income. I am responsible for claiming any tax deductions. The tax authorities will decide whether deductions are allowable.

When would a voluntary purchase make sense for me?

My retirement assets are less than the maximum possible theoretical retirement capital. This could be for the following reasons:

- I am over 25 years of age and have only now joined a pension fund.
- I have had a raise in salary.
- My pension fund has improved the pension plan through higher savings contributions.
- I am divorced. After the division of the retirement assets, I now have a gap in my retirement benefits.
- I was studying, unemployed or out of the country.

What are the legal requirements?

- I am able to work and insured with a pension fund.
- If I have drawn money out of the pension fund for the purpose of buying a home, I have to repay it in full before I can make a voluntary purchase.
- If I have moved here from abroad and have never been insured with a Swiss pension fund, I am only able to purchase a maximum of 20% of my insured salary in the first five years.

- Purchases are subject to a lock-up period of three years. This means I cannot withdraw any second-pillar pension capital for a period of three years (e.g. for home ownership development, self-employment or retirement). Otherwise the tax authorities will reverse the income tax deductions granted to me.

What else do I have to consider?

- A voluntary purchase into the pension fund is irreversible.
- I can transfer the purchase amount in full or on a pro rata basis.
- If I have answered at least one question on the “Purchase of additional pension benefits” form with “yes”, I may not make a payment yet. Baloise will make the calculation for me.
- If I am not certain whether the purchase amount can actually be deducted from my taxes, I should contact the tax authorities beforehand.
- Purchases are taken into account in the event of an equitable division of pensions on divorce or on the dissolution of a registered partnership.

I would like to make a voluntary purchase of pension benefits. What do I have to do?

It's simple – fill out the “Purchase of additional pension benefits” form (www.baloise.ch/bvgdocuments under “Documents and forms”) and send it back to Baloise Life.

For a safer future:

With a voluntary purchase, I can be more secure in my retirement. For example with

- a higher pension or more retirement capital
- more attractive interest than with a savings account
- tax savings