



Voluntary purchase of pension fund benefits.

Now you can bridge the gap in your pension provision.

When does a voluntary purchase of pension fund benefits make sense?

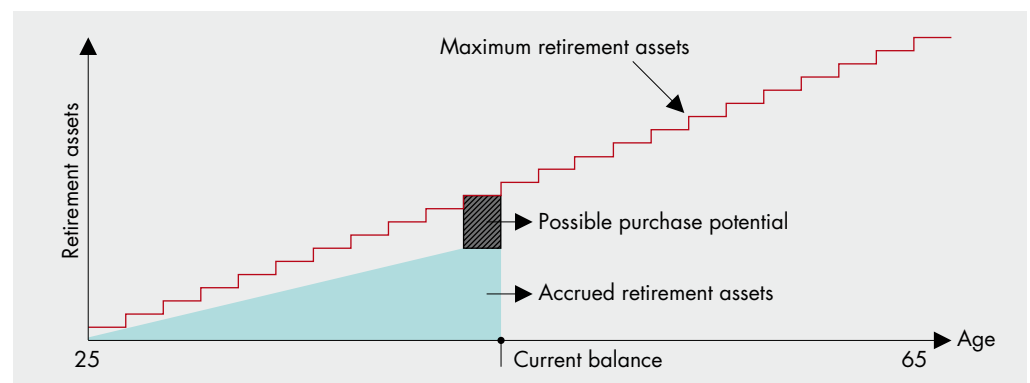
By making a voluntary purchase you can **bridge the gap in your retirement cover** and – depending on your benefit plan – even in your risk benefits. For example, gaps occur through

- salary increases,
- missing contribution years (e.g. in the case of stays abroad, an interruption in gainful employment, pregnancy or joining the employee benefits institution after the age of 25).

The regulations governing the Helvetia collective Foundations provide for this possibility as standard.

How is the amount of the purchase sum determined?

The accrued retirement assets can be supplemented by voluntary purchases up to the maximum retirement cover that is possible, subject to the statutory and regulatory provisions. You will find a table with the maximum possible retirement cover and the corresponding purchase provisions in the pension fund regulations.



Your pension fund regulations might also make provision for additional contributions to bridge the gap in retirement cover that will be caused by early retirement. This is standard in the regulations of the Helvetia collective Foundations.

What makes a purchase of pension fund benefits worthwhile?

- With a purchase you can improve your retirement benefits and, depending on your benefit plan, also your risk benefits, and your benefit coverage in general will improve. Your risk premium might also change as a result of the benefit changes.
- A purchase can have very positive tax implications. In principle, if it is made using personal assets, it can be deducted from your taxable income. This means that your taxable income is reduced.
- The insured person is responsible for requesting tax relief for any purchases of additional benefits. The decision regarding allowable tax deductions rests with the relevant tax authority. The employee benefits institution cannot assume any responsibility in this regard.

What legal restrictions must be taken into consideration?

Additional purchases are possible until you have accrued the normal benefits conform to the regulations, insofar as an option for this is provided in the pension fund regulations. In addition the following limitations apply:

- If advance withdrawals were made to finance residential property, voluntary purchases may only be made once these advance withdrawals have been repaid in full. This limitation does not apply if regular retirement will occur in less than three years. Advance withdrawals from pillar 3a (private tied benefit plan) are not affected.
- If contributions have been made, the benefits may not be withdrawn in lump-sum form in the following three years. This applies to the retirement benefits, advance withdrawals for home ownership and the cash payment of vested benefits on termination of the employment relationship.
- The funds held in existing vested benefits policies and vested benefits accounts as well as any benefits drawn while an employee who took early retirement continues to work must be deducted from the amount for which additional benefits can be purchased.
- Pillar 3a assets that exceed the statutory personal allowance must also be deducted.
- Employees who move to Switzerland from abroad and who never belonged to a 2nd pillar pension fund before may only purchase additional benefits for an amount equalling 20% of the pensionable salary per year for the first five years after moving to Switzerland.

These limitations do not apply if the purchase is actually a repurchase following a transfer of assets to a spouse due to divorce.

What else needs to be taken into consideration?

Before making a purchase you must send us an application to buy into the pension fund. You will find the applicable form on the internet at

► www.helvetia.ch/geschaeftskunden/berufliche_vorsorge/formulare_bvg.htm

The options for further contributions to fully or partially compensate for the reduction in the retirement pension in the event of early retirement are described in detail in the information sheet entitled «Early retirement». You can find this on the internet at

► www.helvetia.ch/vu_vorzeit-pension_ib_1210.pdf.

Our advisors will be pleased to help you.

So simple. Just ask us.

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