

Regulations concerning the encouragement of home ownership using vested pension accruals

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I. General provisions

Art. 1 Purpose

These regulations regulate the execution of measures to encourage home ownership for own use using vested pension accruals between the “Integral Stiftung für die berufliche Vorsorge” foundation, hereinafter the “Foundation”, and its insured persons.

Art. 2 Foundations

¹ These regulations are based on the following:

- Art. 30a to 30g of the Swiss Federal Law on Occupational Retirement, Surviving Dependants' and Disability Pensions (BVG),
- The Swiss Ordinance concerning the Encouragement of Home Ownership using Vested Pension Accruals (WEFV) and
- Art. 54 and 55 of the Pension Regulations.

² Current provisions of federal and cantonal tax law concerning the taxation of capital payments from pension funds must also be taken into consideration.

Art. 3 Scope of validity

The provisions of these regulations apply to the entire scope of occupational pension schemes, including both mandatory and voluntary elements.



II. Early withdrawal

Art. 4 Application for early withdrawal

- ¹ The insured person must submit their application for early withdrawal to the Foundation in writing. They must use the application form provided for this purpose.
- ² The insured person must verify the usage purpose for pension assets being withdrawn early and provide the documents required to prove this.
- ³ The applicant has no claim to immediate processing of the application.

Art. 5 Required attachments to the application for early withdrawal

- ¹ Direct ownership (home or condominium):
 - Purchase contract, dated and signed,
 - Mortgage agreement, dated and signed,
 - Excerpt from the land register,
 - In the case of new-builds and renovations, dated and signed contracts for services plus legally binding building permits.
- ² Indirect ownership (shares in a housing cooperative or similar holdings):
 - Proof that such shares have been purchased,
 - The articles of association of the institution from which the shares have been purchased,
 - Rental contract, dated and signed.
- ³ Should it not be possible to provide all the required attachments when the application is submitted, then the Foundation may issue promises of payment in favour of the creditor subject to the conditions for the application being fulfilled.

Art. 6 Verification of the application for early withdrawal

- ¹ The application will only be reviewed if the application form has been completed in full and all the required attachments are on hand.
- ² As a general rule, fully completed applications will be processed within 3 weeks of submission.
- ³ The following facts in particular will be reviewed in more detail:
 - Fulfilment of the legal conditions for an early withdrawal,
 - Completeness of the documents to be supplied,
 - Permissibility of the transfer of the early withdrawal sum to the designated account.



Art. 7 Decision on the verified application

¹ In the event of a positive decision, the insured person will receive an early withdrawal agreement. This will include, among other things:

- Amount of the early withdrawal sum,
- Payment arrangements,
- Information about benefit reductions,
- Note regarding risk compensation insurance,
- Note regarding notification to the tax authorities and tax implications,
- Notification to the land registry office regarding recording of the restriction on sale,
- Repayment option,
- Repayment arrangements for insured persons with a property financed by early withdrawal which is located abroad,
- Processing fee.

² The agreement must be signed using a legally binding signature within 30 days of receipt. Should this deadline expire unsuccessfully, then a new procedure to re-review the application must be commenced.

³ In the event of a negative decision regarding the application submitted, the insured person must be notified in writing and reasons for the decision must be given.

Art. 8 Paying out of the early withdrawal sum

¹ The early withdrawal sum can only be paid out if the Foundation has a signed copy of the early withdrawal agreement on hand.

² As a general rule, the early withdrawal sum will be paid out in accordance with the arrangements agreed in the early withdrawal agreement, at the latest 6 months after the insured person has asserted their claim.

Art. 9 Notification of the early withdrawal to the land registry office

The Foundation must notify the early withdrawal to the land registry office at the same time as the early withdrawal sum is paid out so that the land registry office can record the restriction on sale.

Art. 10 Depositing of share certificates

Should the purchased property take the form of ownership of shares in a housing cooperative or similar holdings, the purchased share certificates must be deposited with the Foundation as security for the purpose of the early withdrawal prior to paying out of the early withdrawal sum.



Art. 11 Notification of the early withdrawal to the Federal Tax Administration

The Foundation must notify any paid-out early withdrawal sum to the Federal Tax Authority within 30 days of payment. In the case of insured persons who are domiciled and own property abroad, the Foundation must pay a withholding tax.

Art. 12 Transfer of the repayment

¹ The repayment will be agreed between the insured person and the Foundation; the minimum repayment sum is CHF 10 000.

² The insured person will, in particular, inform the Foundation regarding which vested benefits institution the repayment should be transferred to, should repayment not be made to the Foundation itself.

³ The Foundation must notify the repayment to the Federal Tax Administration with 30 days of payment.

Art. 13 Increase of benefits

¹ After an insured person has repaid the early withdrawal sum to the Foundation, the latter must grant the former a correspondingly higher benefit claim in line with regulatory provisions.

² The Foundation will, for this purpose, issue the insured person with a new benefit document stating the sum by which the benefit claim has been increased.

Art. 14 Reclaiming of taxes

¹ Following completion of repayment of an early withdrawal the insured person may submit a written request for refund of the taxes paid to the relevant cantonal tax authority.

² The Foundation must provide the insured person with all the information required to submit a request for a refund.

Art. 15 Withdrawal

In accordance with the Swiss Federal Law on Vesting in Pension Plans (FZG) a leaving accounting statement must be compiled. This will be based on the reduced pension benefits.



III. Pledging

Art. 16 Application

¹ The insured person must submit their application for pledging to the Foundation in writing. They must use the application form provided by the Foundation for this purpose.

² The insured person must verify the usage purpose for pension assets being pledged and provide the documents required to prove this.

³ The applicant has no claim to immediate processing of the application.

⁴ Should the verification be carried out solely by the pledgee and no application be made to the Foundation, then no responsibility will be accepted for any and all consequences resulting from requirements not being on hand. The Foundation may, in particular, refuse payment in the event the pledge is enforced.

Art. 17 Required attachments

¹ Direct ownership (home or condominium):

- Purchase contract, dated and signed,
- Mortgage agreement, dated and signed,
- Excerpt from the land register,
- In the case of new-builds and renovations, dated and signed contracts for services plus legally binding building permits,
- Pledge agreement with the pledgee, dated and signed.

² Indirect ownership (shares in a housing cooperative or similar holdings):

- Proof that such shares have been purchased,
- The articles of association of the institution from which the shares have been purchased,
- Rental contract, dated and signed,
- Pledge agreement with the pledgee, dated and signed.

Art. 18 Verification

¹ The application will only be reviewed if the application form has been fully completed and all the required attachments are on hand.

² As a general rule, fully completed applications will be processed within 3 weeks of submission.

³ The following facts in particular will be reviewed in more detail:

- Fulfilment of the legal conditions for pledging,
- Completeness of the documents to be supplied,



- Legal validity of the pledge agreement with the pledgee.

Art. 19 Decision

¹ In the event of a positive decision, the insured person will receive a pledging confirmation in favour of the pledgee.

² In the event of a negative decision regarding the application submitted, the insured person must be notified in writing and reasons for the decision must be given.

Art. 20 Notification to the pledgee

The Foundation will, after the pledge agreement has been presented, inform the pledgee regarding the legal validity of pledging of the pension assets.

Art. 21 Prior notice of the pledge

The Foundation must take appropriate measures to record prior notice of the pledge to ensure that the creditor's claims arising from the pledging agreement can be met.

Art. 22 Notification obligations in the event of pledge enforcement

¹ The Foundation must, in the event the pledge is enforced, make notification of the note regarding the restriction on sale in the land register.

² In addition to this, the Foundation must notify any enforcement of the pledge to the Federal Tax Authority within 30 days of payment. In the case of insured persons who are domiciled and own property abroad, the Foundation must pay a withholding tax.

Art. 23 Notification of cancellation

The insured person and the pledgee may notify the Foundation in writing regarding cancellation of the pledge at any time.

Art. 24 Withdrawal

¹ In accordance with the Swiss Federal Law on Vesting in Pension Plans (FZG) a leaving accounting statement must be compiled. This will be based on the full regulatory benefits insofar as no pledge enforcement is under way or has taken place.

² The Foundation will inform the pledgee regarding completion of the transfer of the leaving benefit.



IV. Further provisions

Art. 25 Consent of spouse or civil partner

¹ Should the insured person be married or living in a civil partnership, then early withdrawal or pledging will only be permissible if the spouse or civil partner consents in writing.

² Should the insured person not be able to obtain consent or if it is refused, then they may petition the relevant court.

Art. 26 Processing of applications

¹ As a matter of principle, applications for the granting of an early withdrawal or a pledging of pension assets are handled in the order in which they are received by the Foundation.

² Should there be a risk of the Foundation experiencing a liquidity shortage, then first priority will be giving to reviewing of, and deciding on, applications which will facilitate the financing of new (not yet existing) residential property.

Art. 27 Deletion of the prior notice in the land register

¹ Should the requirements for deletion of the restriction on sale be on hand, then the Foundation must, upon application of the insured person, apply for deletion of the restriction of sale from the land register.

² The insured person must provide all the information required to submit the application for deletion.

Art. 28 Administrative fees

¹ The Foundation will charge administrative fees for processing of applications for early withdrawal or pledging of pension assets as well as for processing of further services in this context.

² The rates are stated in the cost regulations.

Art. 29 Definitive language

These regulations will, where necessary, be translated into other languages. The German version is definitive for interpretation of the regulations.



Art. 30 **Loopholes in the regulations; Disputes**

¹ Any circumstances and exceptional cases not expressly regulated by these regulations will be decided upon by means of logical application of the regulations and taking legal regulations into consideration.

² In cases of dispute, the relevant court can be petitioned in accordance with Art. 73 Federal Law on Occupational Retirement (BVG).

Art. 31 **Coming into force**

¹ These regulations will come into force on 1 January 2018. They will replace the previous regulations dating from 2011.

² The regulations must be presented to the relevant supervisory authority for verification.

³ The Foundation's board may, within the scope of legal regulations and the Foundation's purpose, amend these regulations at any time. The amendments must be presented to the relevant supervisory authority for verification.

Chur, 27 October 2017

The Foundation Board