

Regulations on the Use of Occupational Benefits to Promote Home Ownership (WEF)

Preliminary remarks

The term "accountholder" as used in these regulations refers to all genders. In order to enhance readability, only masculine pronouns are used throughout this text.

I GENERAL PROVISIONS

Art. 1 Scope

These regulations govern the use of pension fund assets managed by Rendita Vested Benefits Foundation (hereinafter referred to as the "foundation") in connection with the scheme to promote home ownership. It thereby supplements the regulations governing the vested benefits account.

Art. 2 Terms

1. The term "accountholder" as defined in these regulations refers to any person for whom the foundation manages at least one vested benefits account.
2. The benefit amount equals the balance of the vested benefits account and/or the proceeds of the sale of holdings in investment groups.
3. The promotion of home ownership as defined in these regulations refers to the advance withdrawal or pledging of pension assets for:
 - The purchase or construction of residential property;
 - The acquisition of shares in residential property;
 - The repayment of mortgage loans.

Art. 3 Basic principles

1. The accountholder can request an advance withdrawal of up to the full amount in vested benefits
2. The accountholder can pledge up to the full amount in vested benefits for acquiring residential property for his own use.
3. The accountholder can ask to withdraw pension fund assets for only one property at a time.
4. The only permissible types of residential property are apartments and single-family houses.
5. Permissible forms of residential property ownership are:
 - Single-owner property;
 - Property with shared ownership, namely condominiums;
 - The accountholder's property held jointly with his spouse;
 - Independent and permanent building rights.

6. Permissible forms of joint ownership are:

- Acquisition of shares in a housing cooperative;
- Acquisition of stock in a tenant stock corporation;
- Granting of profit participation loans to a charitable residential property developer.

7. The concept of "own use" refers to residential property used by the accountholder as his residence or usual place of residence. If the accountholder can show that the residence cannot be used for a specified period, he can rent out the property for that period.

II ADVANCE WITHDRAWAL

Art. 4 Restrictions

1. The advance withdrawal may not exceed the amount in vested benefits at the beginning of the current calendar year.
2. Accountholder's who have reached the age of 50 can withdraw at the most the larger amount derived from the following calculation:
 - a) The amount in vested benefits available at the age of 50, increased by any amounts repaid after the age of 50 and reduced by any amounts used in connection with advance withdrawals or pledges for residential property after the age of 50.
 - b) Half of the difference between the vested benefits at the time of the advance withdrawal and the vested benefits already used for residential property at that time.

Art. 5 Timing

Multiple advance withdrawals are possible, but at the most every five years and no later than five years before the person reaches AHV reference age.

If the insured person wants to reuse the proceeds arising from the sale of residential property to the extent of the advance withdrawal within two years for residential property, he must notify us of his intention at the time of repayment. Any further advance withdrawal must take place up to five years before reaching AHV reference age at the latest.

Art. 6 Due date and transfer

1. The foundation pays out the advance withdrawal at the most six months after receiving the request.
2. Following submission of the applicable documents and with the accountholder's agreement the foundation transfers the advance withdrawal directly to the seller, builder, or lender, or to the beneficiaries as defined in Art. 3 para. 6. Payment to the accountholder is not possible.
3. When renovating residential property, the tradespeople's invoices must be submitted to the foundation within one year of the approval of the application for advance withdrawal, but at the latest five years before the accountholder reaches the AHV reference age.

Art. 7 Sales restrictions

1. The accountholder or his heirs can sell the residential property only if they repay the proceeds to the foundation or the new employer's occupational benefits institution.
2. The foundation will notify the relevant land registry of the restriction on disposal when it pays out the amount. Any costs incurred from the land registry will be invoiced to the accountholder.

The foundation can remove the sales restriction with or without an express request to this effect from the accountholder:

- Five years after the person reaches the AHV reference age, when a benefit case occurs, or if vested benefits are paid out in cash.
 - When it is proven that the amount invested in the residential property has been transferred to the accountholder's occupational benefits institution or to a vested benefits institution.
3. If the accountholder uses the advance withdrawal to acquire shares in a housing cooperative or similar organization, he must lodge them with the foundation until the amount is repaid, or a benefit case occurs, or the amount is paid out in cash.

Art. 8 Reductions in benefits

If an advance withdrawal is made, entitlement to regulatory benefits is reduced in line with the remaining assets.

Art. 9 Repayment of the advance withdrawal

1. The accountholder or his heirs must repay the advance withdrawal to the foundation or to the occupational benefits institution of the new employer if
 - The residential property is sold;

- Rights to the property that are equivalent to a sale are granted.

2. The accountholder can repay the advance withdrawal voluntarily until:
 - Five years before reaching AHV reference age,
 - Another benefit case (disability or death) occurs, or
 - The vested benefits are paid out in cash.

III PLEDGING

Art. 10 Restrictions

1. A pledge can relate to the current or future vested benefits capital.
2. In either case, the amount cannot exceed the level of vested benefits at the time that the pledge is realized.
3. For accountholder's over the age of 50, the right to pledge vested benefits is defined by extension in Art. 4 para. 2.
4. Gradual adjustment of the pledge to the maximum amount as defined in paras. 2 and 3 is permissible.

Art. 11 Restrictions on disposal

1. If the pension assets have been pledged in part or in full,
 - Cash payment as vested benefits,
 - Payment as pension benefit, or
 - Transfer of part of the vested benefits to another occupational benefits institution of the spouse following divorce

is possible only with the pledge holder's written consent. The accountholder and/or eligible claimants are responsible for obtaining this consent.

2. If the pledge holder withholds his consent, the foundation must secure the amount in question.
3. On transfer of the vested benefits to an occupational benefits institution or another vested benefits institution, the foundation informs the pledge holder of the identity of the recipient and the amount transferred.

Art. 12 Consequences if the pledge is realized

If a pledge is realized, the amount in question is treated in the same way as an advance withdrawal and the regulations covering advance withdrawals apply by extension.

IV JOINT PROVISIONS

Art. 13 Procedure and processing fee

1. An accountholder who wants to make an advance withdrawal or pledge his vested benefits must submit a written request to the foundation. In the case of married persons, any such request must be also signed by the applicant's spouse and must include the following information:
 - Amount of the advance withdrawal or pledge;
 - Use of the assets for a purpose defined in Art. 2 para. 3;
 - The property and type of ownership or share as defined in Art. 3 paras. 4 to 6;
 - Property for own use pursuant to Art. 3 para.7;
 - The payment address in the case of an advance withdrawal.
2. Requests for an advance withdrawal or pledge must include all the documents (e.g. plans, purchase agreement, mortgage agreement, regulations, and contracts with housing cooperatives and similar developers) that are required for evaluating the situation. The foundation has the right to request additional documents from the accountholder.
3. The foundation must inform the accountholder of its decision as quickly as possible, at the latest, three months after receiving the request. In its decision on the request, the foundation must inform the accountholder at least about the points set out in Art. 14 para. 1 letters a to d.
4. Under Art. 17 of the foundation regulations for the vested benefits account, the foundation charges a processing fee of CHF 400 for requests for the early withdrawal of vested benefits.

Art. 14 Disclosure obligations

1. In the event of an advance withdrawal, pledge, or written request the foundation informs all accountholder's about:
 - a) The pension capital available for purchasing residential property;
 - b) The reduction in benefits that will result from the advance withdrawal or pledge;
 - c) The tax liability incurred as a result of the advance withdrawal or pledge;
 - d) The entitlement to a tax refund and the period that must be observed if the advance withdrawal is repaid or the pledge is realized early.

2. When transferring vested benefits, the foundation informs the accountholder's new occupational benefits institution about the amount in vested benefits that has been pledged or withdrawn in advance.
3. The foundation uses a special form to notify the Federal Tax Administration about any advance withdrawals or realizations of pledges involving vested benefits capital and about the repayment of any advance withdrawals.

Art. 15 Tax law

1. Advance withdrawals and the proceeds of realized pledges of vested benefits are subject to tax immediately if paid out as a lump sum. The foundation must meet its statutory tax obligations, in particular as regards withholding tax and tax at source under federal and cantonal law, and must report corresponding amounts to the tax authorities responsible, together with the address and social security numbers of the recipients, or – if payouts are made to recipients who are resident abroad – must retain the tax amounts due.
2. Taxpayers can request refunds of tax paid in connection with advance withdrawals or realized pledges within three years of repaying the amount withdrawn or the proceeds of the pledge. The request must be submitted to the tax authority of the canton which collected the tax.
3. If asked to do so in writing by the accountholder, the Federal Tax Authority will confirm the amount in vested benefits being used for residential property at the time of the request. Furthermore, it will confirm the taxable lump sum benefits, the not yet refunded tax amounts for the federal, cantonal, and local authorities, and the authorities responsible for making the refund.

V FINAL PROVISIONS

Art. 16 Situations not covered under the regulations

The Board of Trustees will settle any cases that do not expressly fall under these regulations by applying the provisions by analogy and in compliance with the law.

Art. 17 Changes to the regulations

1. The Board of Trustees can change these regulations at any time by guaranteeing the accountholders' entitlements and, in particular, by adjusting them to reflect changes in statutory or supervisory provisions.
2. Any changes to these regulations must be notified to the supervisory authority.

Art. 18 Entry into force

These Regulations enter into force on January 1, 2024.