

# Explanatory note on the encouragement of home ownership (EPL) through occupational pension insurance

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CIEPP  
Caisse Inter-Entreprises  
de Prévoyance Professionnelle  
ZKBV - Zwischenbetriebliche Kasse für Berufliche Vorsorge  
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## PURPOSE AND FORMS OF HOME OWNERSHIP ENCOURAGEMENT (EPL)

Any person insured with the Fund may, up to three years before the entitlement to retirement benefits arises, use all or part of his or her occupational pension funds in the form of an advance payment of the vested termination benefit or by pledging the vested termination benefit and/or the pension benefits, to:

- Acquire or build a home;
- Acquire home ownership interests;
- Partially or fully repay mortgage loans;
- Under certain conditions, carry out works that add value to the property (excluding normal maintenance work or exterior development, garage, pool, terrace, etc.).

The property can only be a single flat or a single family home at a time and must be in the form of ownership, co-ownership (especially condominiums), joint ownership by the insured and his/her spouse or registered partner (Lpart), or separate and permanent surface rights.

Advance payments may only be used to finance the **primary residence** of the insured person and his or her family (usual place of residence or abode).

## MINIMUM AMOUNT

The minimum amount for an advance payment is CHF 20,000 (except for the acquisition of certain forms of home ownership interests).

An advance payment may only be requested once every five years.

The pledge can be made on the vested benefits and/or on future benefits. There is no minimum amount required and the amount pledged can be adjusted as often as the maximum amount shown opposite is not reached.

## MAXIMUM AMOUNT

What is the maximum advance payment that the insured person can request?

- Until the age of 50, the entire vested benefit;
- After the age of 50: the higher vested benefit to which he or she was entitled at age 50 and half of the vested benefit to which he or she is entitled at the time of the advance payment or pledge. If this is not your first EPL case, please contact the Fund's Benefits Department.

In any case, the amount of the advance payment may not include any buy-ins made in the last three years prior to the advance payment (including the related interest). It should also be noted that in the case of an advance payment for housing, the tax deductibility of buy-ins made in the last three years prior to the advance payment may be waived.

## IMPACT ON BENEFITS

In all insurance plans, an advance payment or realization of the pledge results in a corresponding reduction in the retirement savings capital and thus in the Fund's benefits in the event of retirement.

In some insurance plans (MINIMA and SUPRA), advance payment or realization of the pledge also results in a reduction of benefits in the event of death or disability. Consequently, the Fund provides a list of insurers with whom the member may, if he/she wishes, take out supplementary insurance.

## REIMBURSEMENT

The member may reimburse all or part of the advance payment to the Fund until the entitlement to retirement benefits arises, until the occurrence of disability or death, or until the cash payment of the exit benefit.

Within the same limits, the insured person is obliged to reimburse the advance payment if the home is sold or if rights equivalent to an economic sale are granted on the home. However, if within two years of the sale of the home, the insured person intends to invest the proceeds of the sale equivalent to the advance payment in the ownership of a new home, he/she can

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transfer the amount subject to the repayment obligation to a vested benefits institution.

The minimum amount of repayment is CHF 10,000, unless the balance of the withdrawal made is lower.

In the event that the member dies without the Fund having to pay benefits, the heirs of the deceased must repay the advance payment.

The transfer of ownership of the home to a beneficiary within the meaning of pension law is not considered to be a sale. However, the beneficiary of the transfer is subject to the same restrictions on the right to dispose of the property as the insured person.

### **GUARANTEEING THE PURPOSE OF THE PENSION FUND**

The Fund is obliged to register a "restriction of the right of disposal" in the land register at the time of the advance payment or the realization of the pledge, at the insured person's expense.

On request, the Fund shall have the restriction cancelled if it becomes invalid, i.e. if the entitlement to retirement benefits arises, if another pension case arises, if the termination benefit is paid out in cash, or if it is established that the amount invested in the residential property has been repaid to the Fund or transferred to a vested benefits institution.

### **TAX TREATMENT**

The advance payment or the proceeds from the realization of the pledge are subject to tax as a capital benefit. The taxation is carried out independently of other income. If the insured person or the account to which the advance payment is made is located abroad, withholding tax is deducted from the amount paid out.

In the event of reimbursement, the taxpayer may apply to the authority that levied the tax for the refund of the taxes paid on the advance payment or on the realization of the pledge within three years.

The Fund shall notify the Federal Tax Administration within thirty days of any advance payment or reimbursement.

### **TERMS AND CONDITIONS**

An insured person who wishes to take advantage of either form of home ownership encouragement must submit a written request to the Fund, which will provide all relevant information. He/she agrees to pay the Fund the costs of processing the application. He or she must also provide proof that the conditions for the use of his or her pension fund for the encouragement of home ownership have been met by providing the Fund with all the documents and information it requires.

#### **Advance payment**

The certified signature of the spouse or registered partner (LPart) (including those who are separated, divorced or in the process of dissolving a registered partnership) is required for advance payments. The signature must be certified by a civil registrar or notary public, or directly at the Fund's counter. In this case, the spouse or registered partner (LPart) must bring an identity document and the family certificate and sign the application in the presence of a Fund employee.

The Fund transfers the agreed upon amount directly to the creditor (seller, lender, etc.) after production of the required supporting documents, usually within 90 days.

#### **Full reimbursement before buy-in**

If the Fund has granted an advance payment for the purpose of encouraging home ownership, voluntary buy-ins of insurance years may only be made once the advance payment has been reimbursed in full. This restriction does not apply to the purchase of a withdrawal of termination benefits following a divorce.

#### **Pledges**

A pledge is only valid if the Fund has been informed accordingly in writing.

In addition, the written consent of the pledgee must be obtained prior to any payment of benefits due from the Fund (in the case of cash payments, transfer of part of the termination benefit to the former spouse or registered partner in the event of divorce or legal dissolution of the registered partnership).

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For the granting of benefits, only the law and its implementing ordinances, as well as the regulations available on our website [www.ciepp.ch](http://www.ciepp.ch), are authoritative.  
For any further information, the Benefits Department is at your disposal,  
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