

## Purchasing contribution years

In accordance with Art. 61 of PKG Pension Fund's pension regulations, under the following conditions current policyholders who have not had an insured event have the opportunity to pay for missing contribution years at a later date:

### Limit on purchases

The total amount paid in is limited to the difference between the existing retirement assets (according to the pension plan) and the maximum retirement assets possible at the time of the purchase including interest.

### Pension certificate

The maximum purchase amount permitted is listed on your most recent pension certificate. Any executive insurance, vested benefits policies and vested benefits accounts which are not with the PKG Pension Fund, as well as any retirement benefits already withdrawn from other pension funds must also be taken into account. In case of people who were previously self-employed, the pension balances of fixed personal pension provision (Pillar 3a) must be considered to a certain extent (on a case by case basis).

### Advance withdrawal for property ownership

Any advance withdrawals for property ownership must be repaid before any further amounts can be paid into the pension fund. This does not apply to pledges. Repaying an advance withdrawal for property ownership does not constitute a purchase of contribution years and is therefore not tax-deductible. The capital tax which was paid on the advance withdrawal may be claimed back.

### Tax deductibility

Purchases of contribution years can under the above-mentioned circumstances in principle be deducted from your taxable income.

### Prohibition of lump-sum payment

After making a purchase, the benefits may not be paid out as a lump sum within the following three years, but rather only in the form of a pension.

### People from abroad

Special rules apply to people who have moved to Switzerland from abroad in the last 5 years and have never been a member of an occupational pension scheme in Switzerland. Ask us for more details. We will be happy to provide you with the relevant information.

### Forms of payment

In order to ensure that the purchase can be confirmed on the official form which is sent to the tax authorities, the payment must be made from the policyholder's private assets. If you want to claim the purchase for tax purposes in the current year, the amount purchased must be paid in to the Pension Fund in the course of the current year. We advise you to make the payment in good time, but no later than mid-December. To ensure the money is transferred correctly, it is essential that you provide us with the following details: social security number, surname/first name and the comment "Purchase of contribution years". You can also request the special PKG Pension Fund paying-in slips from us. Due to the applicable fees, we kindly ask you not to pay in money at Swiss Post offices. The top-up payments may be provided in the form of a one-off deposit or spread over several years. For administrative reasons, we recommend paying in at least CHF 3,000 a year or the total purchase amount if this is smaller than CHF 3,000. The policyholder may not deduct payments made by their employer from their taxable income. It is also essential that the **purchase request form** has been signed and submitted.

Valid from 1 January 2015