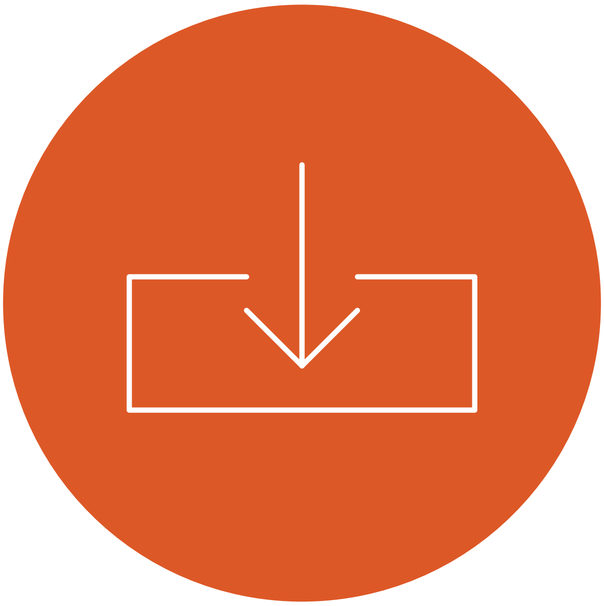
SVE
Sulzer Vorsorgeeinrichtung



Information sheet

Purchases of additional insurance benefits

For your social security

Purchases

(voluntary investments pursuant to SVE Pension Fund Regulations, art. 15 para. 1)

According to the **provisions on purchases of additional benefits, the pension fund may only allow insured to purchase the maximum regulatory benefits. These provisions mainly concern the tax aspects** (prevention of tax abuse through the application of different tax charges, for example full deduction of the purchase amount for the purposes of ordinary income tax and privileged taxation of a benefit payment to the insured at a later stage).

The objective of a purchase is to improve the insured's pension cover, i.e. to close any 'gaps' in insurance cover which may arise due to too few contribution years, salary increases, divorce or early retirement.

The maximum possible voluntary purchase is calculated on the basis of the insured's age, the insured salary at the time of the purchase, selected savings plan (Basic Plan, Comfort Plan or Super Plan) and the purchase rates shown in the table below (see Appendix to the Pension Plan).

Maximum possible purchase amount as a percentage of the insured salary according to age
(Example, table Basic Plan, Classic Pension Plan)

Age		Age		Age	
25	14.8	39	277.4	53	681.0
26	29.9	40	300.2	54	716.9
27	45.3	41	323.6	55	753.5
28	61.0	42	349.8	56	790.9
29	77.0	43	376.6	57	829.0
30	93.4	44	404.0	58	867.9
31	110.0	45	431.8	59	907.5
32	129.5	46	460.3	60	948.0
33	149.4	47	489.3	61	989.2
34	169.7	48	518.9	62	1 031.3
35	190.4	49	549.0	63	1 074.3
36	211.5	50	579.8	64	1 118.0
37	233.0	51	611.2	65	1 162.7
38	255.0	52	645.7		

Example

	CHF
Age	46
Purchase rate according to table Basic Plan of the Classic Pension Plan	460.3%
Insured salary	73,000
Maximum possible retirement capital (460.3% of CHF 73,000)	336,019
Retirement capital accumulated	80,000
Maximum purchase amount	256,019

The following must be noted when making a purchase

Partial crediting of Pillar 3a assets

This serves to prevent the 'tax-privileged pension assets' from being doubled by maximum Pillar 3a purchases followed by a purchase of 'full' Pillar 2 benefits (which can be done by people who were previously self-employed and contributed to a Pillar 3a scheme instead of a Pillar 2 pension fund for a while).

Crediting of vested benefits accounts and policies

An insured holding Pillar 2 assets with a vested benefits institution may not at the same time make tax-privileged purchases of benefits with a Pillar 2 pension fund in this amount. This concerns insured who have not changed pension funds since the introduction of Art. 4 par. 2bis of the Federal Law on Vesting in Pension Plans (FZG) and who were not obliged under the old provisions to transfer all their vested benefits to their new pension fund when they last changed pension funds.

Insured who moved to Switzerland from abroad after 1 January 2006

As there is no general way in which to check whether the insured had foreign pension cover equivalent to the Swiss occupational benefits system, the legislator introduced a provision to prevent abuse by persons who have never been insured with a Swiss pension fund. **In the first five years of membership** of a Swiss pension plan, **such persons may not exceed an annual purchase limit equal to 20% of their regulatory insured salary.** If the insured changes jobs or pension funds during this period, a pro rata restriction also applies to the new pension fund. Full regulatory benefits can only be purchased after the first five years.

Purchases and advance withdrawals to finance property

If pension assets were used to finance private residential property for own use, the law requires the insured to **repay the entire advance withdrawal before any additional benefits can be purchased.** If the insured's age (three years before retirement) means that he/she can no longer legally repay the advance withdrawal, the regulatory provisions of the pension fund will apply to any voluntary purchase of benefits.

Benefits purchased voluntarily may not be drawn in lump-sum form during the next three years

Please note that according to law, amounts used to purchase additional benefits plus the interest on these purchase amounts cannot be withdrawn in the form of a lump sum for the next three years (e.g. advance withdrawal under the promotion of home ownership scheme, retirement etc.). In virtue of a judgment of the Federal Supreme Court, even not any withdrawal in the form of a lump-sum can be made for the next three years following a purchase. Otherwise tax savings must be repaid. Responsibility of possible tax debts is beard by the insured person. SVE does not give any guarantee for the tax deductibility of the benefits purchased.

Divorce and voluntary purchases

In the event of divorce, the retirement assets accrued during the marriage are divided between the spouses. If the funds used to purchase additional benefits fall in the category 'joint ownership of acquired property' (e.g. savings from salary), the purchase amount is divided pro rata between the spouses when they divorce.

Repurchase of benefits after divorce

A divorced insured can at any time voluntarily repurchase the retirement capital transferred to the divorced spouse; such repurchases are not subject to the three-year blocking period that applies to lump-sum withdrawals. However, an early withdrawal of such repurchases can perhaps effect tax implications.

Interested in purchasing additional benefits – how do I go about it?

The item 'Maximum voluntary purchase' on your personal insurance certificate shows you whether there is a 'gap' in your retirement capital that could be closed with a voluntary purchase. The name and address of your customer advisor can also be found on the certificate. Please contact her. She will be pleased to confirm in writing for you the maximum possible purchase amount

To ensure that the pension fund can monitor compliance with the legal provisions as delegated by the legislator, you must submit a 'self-declaration' before any purchase. To this end you must complete the form 'Purchase of additional pension fund benefits - Confirmation'.

After the transfer has been made, we will send you a confirmation of receipt which serves as proof of a valid purchase. This confirmation must be included with your tax return.

The insured is responsible for checking whether a purchase is tax-deductible. Please contact your tax office if you have any questions.

A voluntary purchase has positive effects

Apart from the tax advantages, a purchase increases retirement capital that was reduced as a result of years spent abroad, a career break, or divorce, etc. However, please remember that voluntary purchases cannot be reversed.

Contact your customer advisor for more information.

The name of the person in charge of your affairs is given in your personal insurance certificate.

Visit our website: **sve.ch**
This website contains interesting information on the SVE.

Sulzer Pension Plan (SVE)
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