

# Private pension – 3rd pillar

## Plan your retirement flexibly and save taxes.

### Useful facts about the Private pension – 3rd pillar

The Private pension – 3rd pillar augments your pensions from state and employee benefits insurance, which together only cover part of the income you were receiving immediately prior to retirement. The Private pension – 3rd pillar helps you to close any gap in your pension provision and to maintain your standard of living after retirement. But you also derive numerous benefits straight away.

### Flexible investment options

- No account management fees.
- Higher potential returns from Saving with securities – 3rd pillar.
- Flexible contribution options (without any commitment to pay regular amounts) up to the statutory maximum.  
Maximum amounts in 2024:
  - CHF 7,056 for those with employee benefits insurance (second pillar)
  - 20% of net income up to a maximum of CHF 35,280 for those without employee benefits insurance
- Easy payment option with the Standing order – 3rd pillar, free of charge: option to change the amount automatically whenever the Pillar 3a maximum amount changes.
- Automatic investment of your retirement savings of more than CHF 200 in a selected investment group with the Investment plan – 3rd pillar.

### Optimize taxes

- Pillar 3a contributions can be deducted in full from your taxable income.
- No wealth, income, or withholding tax for the entire duration of the investment.



- The payout is taxed at a reduced rate, separately from your other income.
- Opening two or three Pension accounts – 3rd pillar gives you more flexibility at the time of payout and generally reduces your overall tax burden.

### Example 1<sup>1</sup>

(single person, Protestant, taxable income: CHF 60,000)

	without Pillar 3a (in CHF)	with Pillar 3a (in CHF)	
		Part payment	Maximum contribution
Annual payment		3,000	7,056
Total tax	7,192	6,554	5,764
<b>Annual tax saving<sup>2</sup></b>		<b>638</b>	<b>1,428</b>

Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. This material does not contain tax advice of any kind. Any tax related general information provided with this material is not a substitute for comprehensive individual tax advice. You should consult with a professional tax advisor as you deem necessary.

Only tax-exempt pension funds domiciled in Switzerland are permitted as direct investors in accordance with the Investment Foundation's Articles of Incorporation.

1 The examples in this brochure are based on the income tax rates of the City of Zurich for 2022 and the maximum amounts in 2024 for gainfully employed persons with a second pillar.

2 The payout is taxed at a reduced rate, separately from your other income.

### Example 2<sup>3</sup>

(married couple, Protestant, taxable income: CHF 120,000)

	without Pillar 3a (in CHF)	with Pillar 3a (in CHF)	
		Part payment	Maximum contribution
Annual payment		3,000	7,056
Total tax	18,023	17,264	16,247
<b>Annual tax saving<sup>4</sup></b>		<b>759</b>	<b>1,776</b>

### Flexible withdrawals

- You withdraw your retirement savings as soon as you reach AHV<sup>5</sup> reference age. However, if you remain in work, you can continue your Private pension – 3rd pillar for a further five years.
- Early payout is possible in the following cases:
  - At the earliest, five years before you reach the AHV reference age.
  - If you become self-employed.
  - If you leave Switzerland permanently (i.e. emigrate).
  - To purchase benefits in your pension fund.
  - If you are in receipt of a full disability pension from the Federal Disability Insurance (IV) scheme.
- Should you die before withdrawing your retirement savings, they will be paid out to your beneficiaries.

### Financing your own home

You can also request an early payout<sup>6</sup> to finance your own home:

- Direct repayment (advance withdrawal): Accrued retirement capital (or a portion thereof) can be used as a down payment.
- Indirect repayment (pledging): Instead of paying your mortgage off directly, you can pay your mortgage installments into your Private pension – 3rd pillar.

### Your needs

You would like to accrue retirement savings and, at the same time:

- Invest your pension capital on attractive terms
- Save on taxes
- Realize your dream of owning your own home
- Have the option of making flexible payments
- Close gaps in your pension provision
- Make the most of opportunities to earn good returns

### Your benefits

- Attractive tax benefits.
- No account management fees.
- Higher long-term potential for returns with Saving with securities – 3rd pillar.
- Attractive choice of actively managed or indexed securities solutions with broad diversification.
- Flexible contribution options with no savings obligation.
- High level of investor protection with Saving with securities – 3rd pillar (separate assets, regulation).
- Retirement savings can be used for home financing.

### Private pension – 3rd pillar products

#### Pension account – 3rd pillar

The Pension account – 3rd pillar lays the foundations for good pension provision.

#### Saving with securities – 3rd pillar

Saving with securities – 3rd pillar offers you a long-term opportunity to generate returns that exceed the interest on a Pension account – 3rd pillar. Depending on your investor profile and the investment period, you select one of several investment groups that differ mainly in terms of equity exposure and the investment horizon. You can choose between actively managed and indexed investment groups. You can switch within investment groups as well as between a Pension account – 3rd pillar and Saving with securities – 3rd pillar at any time.

#### Actively managed investment groups

These investment groups feature active management by specialist portfolio managers. The objective is to maximize long-term performance.

#### Indexed investment groups

These groups invest in funds which precisely replicate the indices and hence the performance of various markets. Indexed investment groups are not actively managed and have low overheads, which has a positive impact on their long-term returns.

#### Sustainable pension provision with attractive potential returns

Our actively managed and indexed securities solutions have a focus on sustainability (with exception of the CSA Mixta-BVG Basic<sup>7</sup> investment group). When assessing the sustainability of an investment, we apply the ESG<sup>8</sup> criteria widely used in the financial sector. In practice, ESG criteria have been shown to be a key indicator of a company's long-term quality. ESG stands for environmental, social, and governance.

<sup>3</sup> The examples in this brochure are based on the income tax rates of the City of Zurich for 2022 and the maximum amounts in 2024 for gainfully employed persons with a second pillar.

<sup>4</sup> The payout is taxed at a reduced rate, separately from your other income.

<sup>5</sup> Id-age and survivors's insurance (OASI).

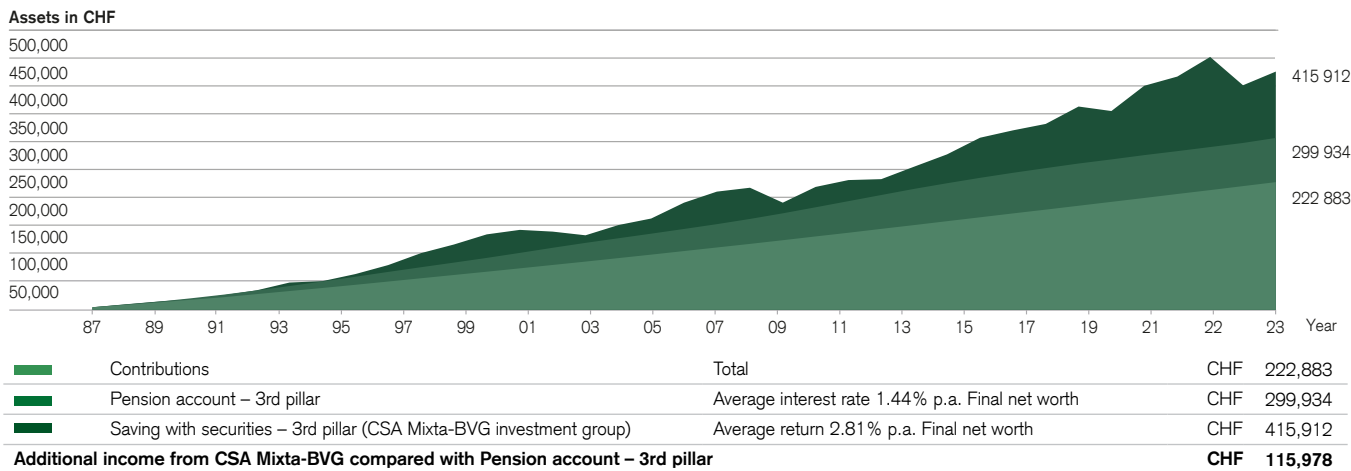
<sup>6</sup> The payout is taxed at a reduced rate, separately from your other income.

<sup>7</sup> Pursuant to BVV 2 – real estate component may be exceeded: This product aims to achieve an average real estate component of 27%. Depending on the market situation and the portfolio manager's assessment, the real estate component may fluctuate within a bandwidth of 20% to 34%. It is therefore possible that the defined category limit for real estate pursuant to Art. 55 BVV 2 will be temporarily exceeded.

<sup>8</sup> The abbreviation ESG stands for Environmental (E), Social (S) and Governance (G).

**Comparison between the CSA Mixta-BVG investment group and a Pension account – 3rd pillar (net performance)**

Between January 1, 1987, and December 31, 2023, the highest possible amount<sup>9</sup> allowed by law was paid in at the beginning of every year, which comes to a total of CHF 222,883. The additional income from the CSA Mixta-BVG investment group versus the Pension account – 3rd pillar was CHF 115,978.



Source: Credit Suisse, unless otherwise specified, 31.12.2023

Historical performance indications and financial market scenarios are not reliable indicators of current or future performance.

**Contact us**  
We will be happy to arrange a personal consultation.  
Call us at 0844 200 114\*  
For more information, visit our website at:  
**[credit-suisse.com/financialplanning](https://credit-suisse.com/financialplanning)**

\* Please note that telephone calls to these numbers may be recorded.  
We assume that, by calling us, you accept this business practice.

9 Statutory maximum amounts for gainfully employed persons with a second pillar.



Part of UBS Group

**CREDIT SUISSE (Switzerland) Ltd.**

P.O. Box

CH-8070 Zurich

**credit-suisse.com**

The information provided herein constitutes marketing material. It is not investment advice or otherwise based on a consideration of the personal circumstances of the addressee nor is it the result of objective or independent research. The information provided herein is not legally binding and it does not constitute an offer or invitation to enter into any type of financial transaction. Investment involves risks, namely fluctuations in value and yield as well as many others, including unforeseeable risks. The information provided herein was produced by Credit Suisse AG and/or its affiliates (hereafter "CS") with the greatest of care and to the best of its knowledge and belief. The information and views expressed herein are those of CS at the time of writing and are subject to change at any time without notice. They are derived from sources believed to be reliable. CS provides no guarantee with regard to the content and completeness of the information and where legally possible does not accept any liability for losses that might arise from making use of the information. If nothing is indicated to the contrary, all figures are unaudited. The information in this document is for the exclusive use of the recipient. Neither this information nor any copy thereof may be sent, taken into or distributed in the United States or to any U. S. person (within the meaning of Regulation S under the US Securities Act of 1933, as amended). It may not be reproduced, neither in part nor in full, without the written permission of CS. Credit Suisse Investment Foundation, Zurich, is the issuer and manager of CSA products. Credit Suisse (Switzerland) Ltd., Zurich, is the custodian bank. The articles of incorporation, regulations and investment guidelines, as well as the most up-to-date annual report and fact sheets, may be obtained free of charge from the Credit Suisse Investment Foundation. Only pension funds domiciled in Switzerland that are not subject to tax are permitted as direct investors. The TER KGAST ratio expresses the total of those commissions and costs that are charged on an ongoing basis to the assets of the investment group (operating expenses). It is presented as a percentage of the average net assets of the investment group. TER KGAST is calculated at the end of each financial year for the past twelve months (except for the first financial year, for which a projected TER (ex-ante TER) is quoted at the start). The composition of customized benchmarks, as well as additional explanations of linked benchmarks, can be obtained from management of the investment foundation or from the representative in Switzerland.

The underlying indices are registered trademarks and have been licensed for use. The indices are compiled and calculated solely by licensors and the licensors shall have no liability for this. The products based on the indices are in no way sponsored, endorsed, sold, or promoted by the licensors.

© 2024 MSCI ESG Research LLC. Reproduced by permission. Although Credit Suisse Asset Management information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness of any data herein. None of the ESG Parties makes any express or implied warranties of any kind, and the ESG Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to any data herein. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein. Further, without limiting any of the foregoing, in no event shall any of the ESG Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. There is currently no universal definition or exhaustive list defining the issues or factors that are covered by the concept of "ESG" (Environmental, Social, Governance). If not indicated otherwise, 'ESG' is used interchangeably with the terms 'sustainable' and 'sustainability'. Unless indicated otherwise, the views expressed herein are based on CS' own assumptions and interpretation of ESG at the time of drafting. CS' views on ESG may evolve over time and are subject to change. The impacts of sustainability risks are likely to develop over time and new sustainability risks may be identified as further data and information regarding sustainability factors and impacts become available and the regulatory environment regarding sustainable finance evolves. These developments may entail the risk of reclassification under the CS Sustainable Investment Framework. An ESG assessment reflects the opinion of the assessing party (CS or external parties such as rating agencies or other financial institutions). In the absence of a standardized ESG assessment system, each assessing party has its own research and analysis framework/methodology. Therefore, ESG assessment or risk levels given by different assessing parties to the same [investment/company/product] can vary. Further, ESG assessment is limited to considering company performance against certain ESG criteria only and does not take into account the other factors needed to assess the value of a company. Unless this has been explicitly communicated in the product or service documentation, no representation is given as to whether the product or service meets any specific regulatory framework or CS' own criteria for internal sustainability frameworks. The non-financial / ESG-performance is independent of the financial performance of the portfolio or the product. The performances depend on various factors and may differ significantly. Inclusion of ESG factors in investment strategy does not guarantee a positive sustainability impact or does not necessarily result in successfully identifying and mitigating all material sustainability risks. The Product Sustainability classification of products and services in this document reflects the opinion of CS based on the CS Sustainable Investment Framework. In the absence of standardized, industry-wide ESG classification system, CS has developed its own ESG framework. Therefore, CS' Product Sustainability Classification can vary from classification made by third-parties. Given the nascent nature of ESG /sustainability regulation and guidelines, CS may need to review the representation that is made in this document regarding the Product Sustainability classifications/descriptions in response to evolving statutory, regulatory or internal guidance or changes in industry approach to classification. This is true for Product Sustainability classification/description made by CS and third-parties. As such, any Product Sustainability classification/description referenced in this document is therefore subject to change. The impacts of sustainability risks are likely to develop over time and new sustainability risks may be identified as further data and information regarding sustainability factors and impacts become available and the regulatory environment regarding sustainable finance evolves. These developments may result in a potential reclassification of products/services under the CS Sustainable Investment Framework. In addition, due to the evolving nature of regulations, references to relevant regulations [such as SFDR], may need to be reviewed in the future and are subject to change.

Copyright © 2024 CREDIT SUISSE. All rights reserved.