



Voluntary pension fund buyback application
(under article 79 of the Occupational Benefits Act (LPP) and article 60a
of its second implementing ordinance (OPP2))

Surname/forename:.....

Date of birth:.....

Marital status:.....

Phone:.....

E-mail:.....

Company/employer:.....

1. What sum do you intend to pay in? CHF.....
2. Do you belong to another pension fund besides FTP? Yes No
3. Are there 2nd-pillar other vested benefits policies/accounts registered in your name? Yes No
4. Have you already withdrawn assets for a primary residence? Yes No
5. Have you ever been self-employed? Yes No
6. Have you moved to Switzerland from abroad in the past 5 years? Yes No
7. Are you currently unfit to work? Yes No
8. Do you stand to benefit from or have you benefited from 2nd pillar retirement benefits? Yes No
9. Have you already reached OASI retirement age? Yes No

If you have answered no to all the questions and the requested buyback is less than or equal to the amount indicated in the insurance certificate, you may pay the requested sum without any problem into the account indicated below and send us this form duly filled in and signed. Once we have received the payment, we will send you a certificate for your tax return.

If you have answered yes to at least one of the questions above, please return this form to us with the details and documentary proof of the circumstances. We will then be able to examine your specific situation and inform you on your maximum allowable buyback.

We remind you that to make a buyback you will in any case have to return this application to us and that, in order for the payment to be registered in the current year, it must be received by 15 December.

I hereby certify having answered truthfully and fully to all the questions.

Place and date:

Member's signature:

.....

.....

Details for payment:

Please pay to: Banca Popolare di Sondrio (SUISSE) 6901 Lugano
IBAN: CH13 0825 2011 2630 C000 C
Account: 69-10314-2

In favour of: Fondazione Ticinese per il secondo pilastro, Via Peri 6, 6900 Lugano
Purpose of payment: voluntary buyback

NOTE TO MEMBERS

Voluntary payments into the pension fund (buybacks)

On certain conditions you can make extraordinary payments to **bolster your retirement savings and risk coverage**.

Synopsis

What is a buyback?

Depending on your personal situation (age, insured salary, pension plans, years of contributions, etc.), you may be entitled to pay extraordinary contributions into your FTP savings account. Such contributions may be paid at any time and are directly added to your accumulated assets. This results in improved coverage for your future benefits.

What is the maximum sum a member may pay in?

The maximum buyback amount is indicated in your occupational insurance certificate or can be obtained at your request directly from FTP.

What are the main advantages?

The biggest gain is improved coverage of future benefits (via added savings). Pension fund buybacks are in principle tax deductible (thereby reducing your taxable income), and for each such voluntary payment FTP issues a certificate to enclose with your tax return. Depending on your pension plan, you may be also able to increase your benefits in case of disability or the benefits of your survivors in the event of death.

What do you need to consider?

- To be entitled to make a buyback, you must first pay back any sum you may have withdrawn to buy a primary residence;
- If you own vested benefits accounts/policies, or if you belong to other pension funds, these must be taken into account;
- account must be taken of any Pillar 3a assets that exceed the limit described in Art. 60a para. 2 OPO 2;
- There are restrictions for persons who have moved to Switzerland from abroad and have belonged to a 2nd-pillar plan for less than five years;
- There are special provisions for persons who have been self-employed in the past;
- If you make a voluntary payment, for the three following years there will be restrictions on withdrawals of capital.

What are the steps involved?

Before making a buyback, you must send a "Voluntary pension fund buyback application" to FTP, which will check and confirm whether you may proceed with the payment. It is not possible to make a buyback without FTP's go-ahead. For organisational purposes, buybacks must be made by 15 December.

NOTE TO MEMBERS

More details

How is the maximum buyback calculated?

For each pension plan, the pension fund's actuary draws up a schedule of maximum buybacks based on the members' ages and insured salaries.

Scope for voluntary payments arises, for example, when your salary increases during the course of your career or when you change pension plans and the new plan provides for larger contributions to savings.

Tax deductibility

Once FTP has received the payment, we will send you a certificate for your tax return.

If you answered no to all the questions in the "Form for Voluntary Purchases", the amount repurchased is in principle tax deductible for insured persons whose tax domicile is in Switzerland.

If you have any doubts, we advise you as a precaution to clarify whether the entire sum may be deducted by getting in touch with the proper tax authority. FTP can in no circumstances guarantee that the buyback will be tax deductible, and it is up to fund members to declare such payments correctly.

What are the actual tax benefits?

The buyback may in principle be deducted from your taxable income at the municipal, cantonal and federal levels for the year in which it is paid into the pension fund. Accumulated savings in a pension fund are exempt from taxes on their value and the income they generate as well as from withholding tax. If you withdraw your assets from the fund as a lump sum, they will be taxed as such but at a reduced rate and separately from your other income. But if you ask for a pension instead, this will be taxed annually together with your other income.

Restrictions during the 3 years following a buyback

If a voluntary purchase is made, no benefits in the form of a lump sum may in principle be received in the following three years. If voluntary contributions have been made in the three years prior to retirement, the pension must in principle be received in full in the form of an annuity.

In principle, no capital may be withdrawn to promote the primary residence or finance self-employed activity in the three years following the payment. In the event of leaving the pension fund for a definitive transfer abroad, the vested termination benefit cannot in principle be withdrawn in cash. Buybacks which are made to shore up retirement assets in the wake of a divorce are exempt from the three-year restriction period.

Promotion of home ownership

If you have withdrawn money from the pension fund to fund the purchase of a primary residence, you may not make a buyback until you have repaid the sum withdrawn previously.

Moves from abroad

If you have moved to Switzerland from another country and have never belonged to a Swiss pension fund before, during the first five years of your membership any buybacks you make will be capped at 20% of your insured salary per year.

Previous self-employment

If you were self-employed in the past and paid into a 3rd-pillare plan, these assets will be taken into account when the scope for your maximum buyback is calculated, thereby lowering the cap.

Members of more than one pension fund and with vested benefits policies/accounts

Your entire personal welfare assets are considered when the scope for your maximum buybacks is calculated. If you have vested benefits policies or accounts, these will reduce the cap on your buybacks accordingly.

NOTE TO MEMBERS

In case of divorce, who owns assets paid voluntarily into the pension fund?

If you divorce and there is no marriage contract, the law provides in principle that the vested benefits acquired during the marriage will be split in half between the partners. This also applies to any voluntary buybacks you have made, unless it can be proved that they were funded with money forming part of one of the partners' "own property" as defined in the jointly acquired property regime (the standard matrimonial property settlement).

What happens when the member dies before retiring?

If an active member dies and has made voluntary repurchases to the FTP, then the assets from these payments, without interest, are paid out as a lump sum ("protection of voluntary purchases") to the beneficiaries in the order provided for in the FTP Pension Regulation. However, the following deductions are made (taking into account any reimbursements made prior to death): social security benefits already received or which have become due; withdrawals made for home ownership; and payments of benefits following divorce.

Does a voluntary buyback improve risk coverage?

Depending on the pension plan, your risk benefits can also improve if you make a voluntary buyback. This applies to plans providing for coverage near the minimum legal levels (e.g. plans 1, 2, 41 and 201).

Is it possible to make voluntary payments if you are subject to withholding tax?

To our knowledge, those who are subject to withholding tax and, more generally, those whose tax residence is in Switzerland, do not in principle have the option of deducting voluntary contributions for tax purposes. It is still possible to make voluntary contributions, but these lose their attractiveness if there is no tax incentive to do so. We strongly advise anyone interested to consult a tax specialist.

Is it possible to make voluntary payments if you are unfit for work/disabled?

Voluntary payment is possible up until the point you are unable to work. It is not possible to make repurchases for those who are unfit to work or who are the beneficiary of a disability pension.

Insured members benefiting from retirement benefits and insured members over 64 (women)/65 (men)

If an insured member receives or has received a retirement benefit (income or capital), these are taken into account in order to limit the purchasing potential.

Those who have already reached OASI retirement age but who continue their employment relationship are not allowed to make any additional purchases.