

UBS Mortgages.

How to make your retirement funds work for you.



We would be happy to meet with you personally to explain how you can best use your savings capital from your private or occupational retirement savings.



If you do not have enough liquid capital to meet the 20% down-payment requirement, you can use the accumulated assets in your occupational and private retirement plans to help you purchase a primary residence. This can be done in several ways.

Financing with the help of "Pillar 3"

The "Pillar 3" private retirement savings plan is doubly valuable in that it can also be used to purchase a

home. You have two options for using the savings you have accumulated: you can withdraw assets early to make up the shortfall on your mortgage. Or you can pledge the assets in return for a larger mortgage.

Early withdrawal of your "Pillar 3" assets

The savings accumulated in your "Pillar 3a" account may be withdrawn early to pay for an owner-occupied property. You are permitted to withdraw funds every five years. These funds are subject to taxation, but at a reduced rate.

Financing with personal capital from retirement savings plans: advantages and disadvantages at a glance

	UBS Fisca ("Pillar 3")		Pension fund ("Pillar 2")	
	Early withdrawal	Pledge	Early withdrawal	Pledge
Advantages	<ul style="list-style-type: none"> Smaller mortgage, lower interest payments 	<ul style="list-style-type: none"> Additional tax savings Capital remains in the "Pillar 3a" account and therefore receives interest/increases in value 	<ul style="list-style-type: none"> Smaller mortgage, lower interest payments 	<ul style="list-style-type: none"> Additional tax savings Full entitlement to "Pillar 2" benefits Preferential interest rate on financing above 80%
Disadvantages	<ul style="list-style-type: none"> No additional tax savings Less liquid capital because of tax on amount withdrawn 	<ul style="list-style-type: none"> Larger mortgage, higher interest payments 	<ul style="list-style-type: none"> No additional tax savings Creates a pension provision shortfall Less liquid capital because of tax on amount withdrawn 	<ul style="list-style-type: none"> Larger mortgage, higher interest payments

Pledging your "Pillar 3" assets

Your retirement assets may be used as collateral to finance a larger mortgage. You can pledge assets from your account to mortgage more than the standard 80% of the purchase price of your property. The advantage to you is that these assets continue to work for you, tax-free. They can be invested in the UBS Fisca account, with its attractive interest rate, in the UBS Fisca custody account, with its appealing range of UBS Vitainvest investment funds in UBS Fisca custody account, or in UBS Fiscalife.

Financing with the help of "Pillar 2"

The Promotion of Home Ownership Act makes it possible for you to use the assets of your "Pillar 2" public pension fund (BVG) account to finance your home purchase. There are two ways of doing this: by withdrawing funds early from the vested-benefit capital in your account; or by pledging the capital. You can find out how much vested-benefit capital is available in your account by contacting your pension fund.

Early withdrawal of your "Pillar 2" assets

With this variation you tap into your available vested-benefit capital to pay a part of the purchase price of your home. The money withdrawn from your account is taxable. To take advantage of this method you must be able to make up the resultant pension provision

shortfall through private retirement savings. The tax on the withdrawal is calculated independently of your normal income and cannot be paid out from the sum withdrawn, which means that a separate sum of money must be in your possession to settle the tax owed. Depending on the municipality and canton, and the amount withdrawn, the tax can constitute up to 10% of the early withdrawal. The early withdrawal is subject to a restriction on the right of disposal, which means that you are not at liberty to sell or lease your new property until the sum advanced to you has been paid back to the pension fund. With this method you are advised to plan ahead: depending on which company your pension plan is with, it can take months to effect the early withdrawal.

Pledging your "Pillar 2" assets

With this variation your vested-benefit capital remains intact in your pension fund account, and you use it as mortgage collateral. The advantage to you is that you preserve the full benefits of your occupational pension plan and are able to enjoy its preferential rate of interest.

Do you have any questions?

Please contact your UBS advisor. They will be happy to give you more detailed information on how you can make the best use of your retirement funds.



UBS AG
P.O. Box
CH-8098 Zurich

www.ubs.com/hypo