

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 the state (1st pillar) and occupational (2nd pillar) pensions, 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

- Preferential interest rate on Pension account – 3rd pillar.
- 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 2016:
 - CHF 6,768 for those with a Pillar 2 occupational pension plan;
 - plan 20% of net income up to a maximum of CHF 33,840 for those without a Pillar 2 occupational pension plan.
- 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 1¹

(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	6,768	
Total tax	7,220	6,579	5,843	
Annual tax saving		641	1,377	

Example 2¹

(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	6,768	
Total tax	18,088	17,326	16,379	
Annual tax saving		762	1,709	

¹ The examples in this brochure are based on the income tax rates of the City of Zurich for 2015 and the maximum permitted contribution for 2016.

Flexible Withdrawals

- You withdraw your retirement savings as soon as you reach normal AHV retirement 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 regular AHV retirement 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 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 coverage gaps;
- seize opportunities to earn good returns.

Your Benefits

- Attractive tax benefits.
- Preferential interest rate on the Pension account – 3rd pillar.
- Higher long-term potential for returns with Saving with securities – 3rd pillar.
- Attractive selection of actively managed or indexed securities solutions with broad diversification.
- Flexible contribution options with no savings obligation.
- Apart from the all-in fee, no additional safekeeping fees, issuing commissions or redemption commissions are levied.
- High level of investor protection with Saving with securities – 3rd pillar (separate assets, regulation).
- Retirement savings can be used for home financing.

Potential Risks

- Market risk
- Management risk
- Foreign exchange risk

Please note the detailed information and other risks listed on page 4.

Private Pension – 3rd Pillar Products

Pension Account – 3rd Pillar

With a Pension account – 3rd pillar you benefit from a preferential interest rate – free of withholding tax – which is higher than the interest you can earn on a Credit Suisse AG savings account. 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.

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:

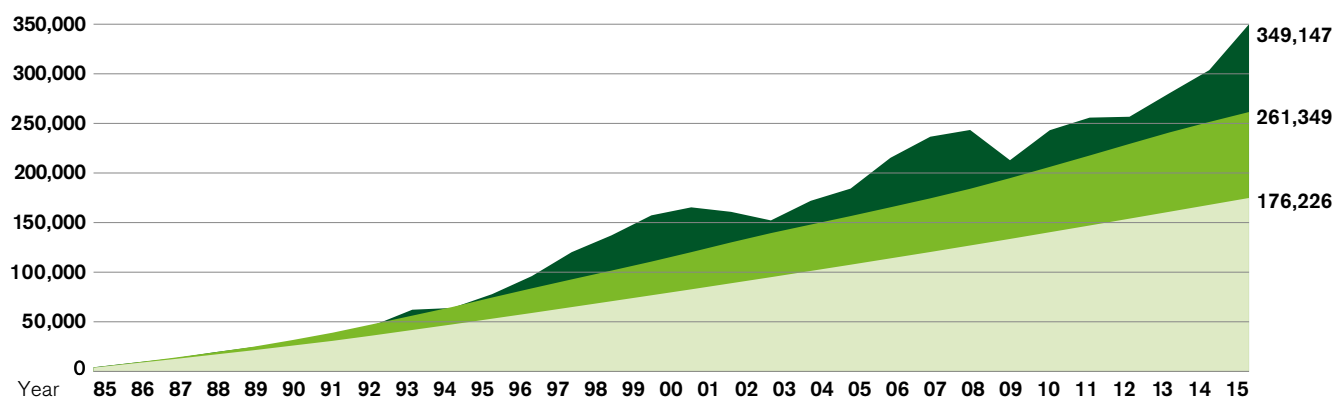
These groups invest in funds which precisely replicate the indices and hence the performance of various markets. Indexed investment groups are not actively managed and have low overheads, which has a positive impact on their long-term returns.

You can switch within investment groups as well as between a Pension account – 3rd pillar and Saving with securities – 3rd pillar at any time.

Comparison between the CSA Mixta-BVG Investment Group and a Pension Account – 3rd Pillar (net performance)

Between January 1, 1985, and December 31, 2015, the highest possible amount allowed by law was paid in at the beginning of every year, which comes to a total of CHF 176,226. The additional income from the CSA Mixta-BVG investment group versus the Pension account – 3rd pillar was CHF 87,798.

Assets in CHF







Contributions	Total	CHF 176,226
Pension account – 3rd pillar	Average interest rate 2.33% p.a. Final net worth	CHF 261,349
Saving with securities – 3rd pillar (CSA Mixta-BVG investment group)	Average return 3.85% p.a. Final net worth	CHF 349,147
Additional income from CSA Mixta-BVG compared with Pension account – 3rd pillar		CHF 87,798









Historical performance indications and financial market scenarios are not reliable indicators of current or future performance.
Source: Product Management Pensions

Finding the Right Solution for You

To help you find the right pension product for you, the various pension solutions offered by the Credit Suisse Privilegia Pillar 3 pension foundation are set out in detail below.

An Overview of Pension Solutions

Your preferred asset categories for your retirement capital	<ul style="list-style-type: none"> Savings account No securities 	<ul style="list-style-type: none"> Real estate/ mortgages in CHF CHF bonds 	Securities in CHF and foreign currencies (mainly bonds and equities)	Securities in CHF and foreign currencies (mainly bonds and equities)	Securities in CHF and foreign currencies (mainly bonds and equities)
Average equity component ¹	No equities	No equities	25%	35%	45%
Your knowledge of this type of investment	–	Adequate	Adequate	Adequate	Adequate
Your experience with this type of investment	–	Once	More than once	More than once	Frequent
Potential returns	Preferential interest rate	Low to moderate	Moderate	Moderate to high	High
Risk (fluctuations in value)	None	Low	Low to moderate	Moderate	Moderate to high
Investment horizon	Up to 5 years or more	3 years or more	5 years or more	5 years or more	8 years or more
Potential needs	You are very security-conscious and want to avoid risks of any kind when saving for your retirement. Security is more important to you than potentially higher returns.	You prefer an investment group with no exposure to equities or foreign currencies as your need for security is great and you want stable performance.	In order to take advantage of potential price rises on the equity markets, you are prepared to accept low-to-moderate fluctuations in value.	You prefer a larger equity component and expect moderate-to-high returns, for which you are prepared to accept a certain amount of fluctuation.	You want the maximum equity component possible under the law and are aiming for high returns. You are therefore prepared to accept moderate-to-high fluctuations in value.
					

Possible solution (incl. portfolio composition) ¹	Account	Actively managed				
		Pension account – 3rd pillar (savings deposit with preferential interest rate)	CSA Mixta-BVG Basic (security no. 1486149)	CSA Mixta-BVG Defensiv (security no. 788833)	CSA Mixta-BVG (security no. 287570)	CSA Mixta-BVG Maxi (security no. 888066)
	 ● 100% savings deposit	 ● 30% mortgages ● 38% bonds ● 27% real estate ● 5% money market instruments	 ● 25% equities ● 58% bonds ● 8% real estate ● 9% money market instruments	 ● 35% equities ● 54% bonds ● 6% real estate ● 5% money market instruments	 ● 45% equities ● 46% bonds ● 4% real estate ● 5% money market instruments	
		Indexed				
		CSA Mixta-BVG Index 25 (security no. 11520271)	CSA Mixta-BVG Index 35 (security no. 11520273)	CSA Mixta-BVG Index 45 (security no. 10382676)		
		 ● 25% equities ● 70% bonds ● 5% real estate	 ● 35% equities ● 60% bonds ● 5% real estate	 ● 45% equities ● 50% bonds ● 5% real estate		

You can find current statistics on returns for the individual investment groups and further information on saving with securities at credit-suisse.com/pensions.

¹ These are indicative values which, depending on the market situation, may fluctuate within the bandwidths defined in the investment guidelines.

Potential Risks

Potential Loss

Under some circumstances investments in CSA Mixta-BVG investment groups may fall in value. Thanks to risk diversification across a variety of collective investments and the underlying assets contained in them, the likelihood of a total loss is very low.

Market Risk

The investor bears the risk that the value of the CSA Mixta-BVG investment groups may fall during the term. This can be the result of fluctuations in the market prices of the underlying securities. Fluctuations result from a range of causes including changes in fundamentals and unforeseeable, sometimes irrational, behavior on the part of market participants.

Management Risk

The portfolio managers of the CSA Mixta-BVG investment groups select the collective investments and determine the weightings within the defined bandwidths. These decisions can also lead to losses.

Foreign Exchange Risk

The CSA Mixta-BVG investment groups (with the exception of CSA Mixta-BVG Basic) invest some of their assets in currencies other than the Swiss franc. Exchange-rate fluctuations can therefore have an impact on investment values.

Liquidity Risk

In general, units in CSA Mixta-BVG investment groups can be subscribed and redeemed on a daily basis. In exceptional market situations, the management of CSA can temporarily limit or discontinue the redemption of units. If in a particular investment group the liquid assets for immediate payments are not adequate and if an immediate sale of inherent investments could lead to disproportionately low prices due to a lack of market liquidity, the redemption of units can be postponed for up to three weeks or staggered.

Tracking Risk

The return on a CSA Mixta-BVG investment group can be lower than the return on the underlying benchmark because the investment group is subject to management fees.

Other Risks

The investor may be exposed to other risks associated with the underlying securities in the collective investments. These can relate to counterparty/issuer risk, the use of derivatives, or investments in emerging economies or real estate.

Contact us

We will be happy to arrange a personal consultation. Call us at 0844 200 114*; Mon.–Fri., 08:00–20:00. For more information, visit our website at:

credit-suisse.com/financialplanning

* Telephone calls may be recorded.

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