

Savings 3

Enjoy looking forward to a bright future!

Attend to your personal savings target

Savings 3 with Zuger Kantonalbank is the individual savings plan that is not only an important way to supplement the so-called 1st pillar (state old-age and invalidity insurance schemes – AHV/IV) and 2nd pillar (occupational and accident insurance schemes – IV/UVG), but also offers numerous interesting advantages.

The goal of the dedicated provisioning (pillar 3a), together with the 1st and 2nd pillar, to preserve the accustomed standard of living in retirement and to finance further individual requirements such as early retirement. In addition, with this state-promoted pension scheme you can also close any gaps in provision, benefit from tax relief and build up your assets faster thanks to attractive interest

rates and/or an investment in securities. At the same time, you can make flexible deposits up to a specified maximum amount and withdraw or pledge capital before you retire in order to acquire residential property.

The three-pillar concept

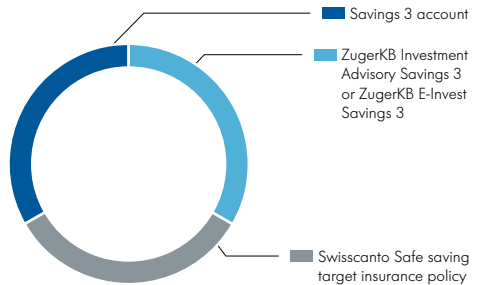
1st pillar		2nd pillar		3rd pillar	
Securing your basic needs		Maintaining your accustomed standard of living		Individual needs	
State pension		Occupational provision		Private pension provision	
State old-age / invalidity insurance	Supplementary benefits	Occupational pension scheme	Accident insurance scheme	"Tied" pension provision 3a	Free-access pension provision 3b

"Tied" pension provision (pillar 3a) means that, in contrast to free-access pension provision (pillar 3b), you may withdraw your pension savings prior to retirement only under certain conditions. For this reason it also enjoys preferential tax treatment.

Overview of the benefits

Zuger Kantonalbank Savings 3 offers you a comprehensive service covering the following needs:

- Use the Savings 3 account to build up retirement assets and save taxes.
- Build up retirement assets with ZugerKB Investment Advisory Saving 3 and/or ZugerKB E-Invest Savings 3, save taxes and invest.
- Build up retirement assets, save taxes and provide security with the Swisscanto Safe savings target insurance policy.



Savings 3 account

- Asset growth thanks to attractive interest rates
- Save taxes
- Flexible payments up to the maximum amount
- Capital can be used for purposes such as acquiring residential property

ZugerKB Investment Advisory Savings 3

- Securities-based investment advisory on the basis of your personal investor analysis
- Building up assets through attractive investments
- Opportunity to generate higher long-term returns
- Independent investment strategy with individual risk classification
- Professional asset management

ZugerKB E-Invest Savings 3

- Invest independently online, without advisory services
- Building up assets through attractive investments
- Opportunity to generate higher long-term returns
- Independent investment strategy with individual risk classification
- Professional asset management

Swisscanto Safe savings target insurance policy

- Savings target guarantee
- Individual risk protection in the event of death or incapacity for work
- Security for the family
- Attractive risk premiums

Even today, you have plenty to look forward to

You can benefit from the advantages of tied pension provision if you have an income that is subject to AHV contributions¹. Your savings plan can be individually structured according to your current situation in life and future plans.

Make flexible deposits

Adjust the level of your annual deposits in accordance with your current financial situation.

- For employed persons with a pension fund the maximum annual deposit is CHF 7,056². In the case of dual-income couples, both spouses may deduct their pension contributions from their taxable income.
- Employed persons without a pension fund may deposit up to 20% of their earned income but no more than CHF 35,280².

Save taxes, year by year

With Savings 3 you can enjoy tax relief every year. In addition to the income tax deduction, withholding tax, wealth tax and income tax on interest income are also waived. When the sum is paid out, tax is levied at a reduced rate and separately from your other income. The following examples show you what impact retirement savings can have on your budget.

Examples of annual tax savings in Swiss francs

Taxable income		Total taxes (federal, canton, municipal, church)		Tax savings per annum
Without Savings 3a	With Savings 3a	Without Savings 3a	With Savings 3a	
CHF 90,000	CHF 82,944	CHF 5,919	CHF 5,084	CHF 835
CHF 120,000	CHF 112,944	CHF 10,194	CHF 8,932	CHF 1,262
CHF 150,000	CHF 142,944	CHF 16,858	CHF 14,806	CHF 2,052

Assumptions used in the calculation: Employed person with a pension fund, deposit of CHF 7,056, married, two children, Catholic, resident in Zug, no taxable assets (tax rate federal / canton / municipality / church for 2022)

¹ Continuation beyond OASI retirement age is possible under certain conditions.

² As a rule, these maximum sums are reviewed by the Federal Council every two years.

This information is current as of 2023.

Use your Savings 3 capital in special personal circumstances

The capital is tied up until five years before you reach the regular (AHV) retirement age.

However, you can still draw on your Savings 3 capital:

- to buy or build your own home
- to pay off a mortgage on your own home
- to take up a self-employed activity
- to emigrate permanently abroad
- to buy into your pension fund (2nd pillar)
- in the event of full disability

Partial withdrawals may be made only to finance owner-occupied residential property (every five years).

Are you planning to finance your own home?

The Savings 3 scheme is also attractive for younger savers as it gives them the opportunity to make an early withdrawal or pledge Savings 3 assets in order to buy their own home. If you already own your own home, you can use the annual deposit sum to pay off the mortgage debt indirectly or pay down existing mortgages with the Savings 3 capital.

Do you want to generate higher returns with investments in securities?

If you are keen to generate higher returns, we will be happy to support and advise you on investing in securities with ZugerKB Investment Advisory Savings 3. For independent investment decisions, you can use Zuger Kantonalbank's online solution in the form of ZugerKB E-Invest Savings 3. Depending on your personal investment objective and level of willingness to take risks, the following investment funds are available with both solutions:

ZugerKB retirement savings funds

ZugerKB Fonds –
Strategie ESG Konservativ (CHF) BV

Brief description¹

The equity allocation is around 30%

ZugerKB Fonds –
Strategie ESG Ausgewogen (CHF) BV

The equity allocation is below 50%

ZugerKB Fonds –
Strategie ESG Dynamisch (CHF) BV

The equity allocation is around 65%

Investment groups (actively managed)

Brief description²

Swisscanto BVG 3 Responsible Portfolio 15 RT

Equity component: approx. 15%

Swisscanto BVG 3 Responsible Portfolio 25 RT

Equity component: approx. 25%

Swisscanto BVG 3 Responsible Portfolio 45 RT

Equity component: approx. 45%

Swisscanto BVG 3 Sustainable 45 RT

Equity component: approx. 45%

Swisscanto BVG 3 Responsible Portfolio 75 RT

Equity component: approx. 75%

Swisscanto BVG 3 Responsible Portfolio
Protection RT

Equity component: approx. 0–50%,
target volatility: 5%

Swisscanto BVG 3 Responsible Life Cycle 2025 RT

The equity component may not exceed 50% until ten years before the target date. It is then reduced to 0% until the target date is reached, while at the same time the bond and real estate components are increased.

Investment groups and retirement savings funds (passively managed)

Brief description³

Swisscanto BVG 3 Index 45 RT

Equity component: approx. 45% (passively managed)

Swisscanto (CH) Vorsorge Fonds 25 Passiv VT

Equity component: approx. 25% (passively managed)

Swisscanto (CH) Vorsorge Fonds 45 Passiv VT

Equity component: approx. 45% (passively managed)

Swisscanto (CH) Vorsorge Fonds 75 Passiv VT

Equity component: approx. 75% (passively managed)

Swisscanto (CH) Vorsorge Fonds 95 Passiv VT⁴

Equity component: approx. 95% (passively managed)

¹ Precise details about ZugerKB investment funds (strategy funds and retirement savings funds) can be found at www.zugerkb.ch

² Please see detailed information about the individual investment groups at www.swisscanto.ch

³ Please see detailed information about the individual investment groups and retirement savings funds at www.swisscanto.ch

⁴ This fund may only be used for the Savings 3 Pension Foundation of Zuger Kantonalbank; it has not been approved for the Vested Benefits Foundation of Zuger Kantonalbank.

Your risks

- Investment funds are subject to security-specific market risks (volatility), as well as country, currency and liquidity risks.
- You can find further information on the risks of investment funds in the Swiss Bankers Association's brochure "Risks Involved in Trading Financial Instruments".

Do you want to safeguard your pension provision?

Combine the Savings 3 account with the Swisscanto Safe savings target insurance policy and receive optimum risk protection for your family.

■ Pension in case of incapacity for work

If you become unable to work, the Swisscanto Safe savings target insurance policy pays the Savings 3 deposits to you in the form of a pension. Choose between the maximum annual Savings 3 sum permitted by law or a fixed sum based on your requirements.

■ Lump sum payable at death

The insurance policy covers the difference between the savings target that you have chosen and the Savings 3 capital that you have already accumulated. The insured lump sum payable at death is paid out immediately in the event of the insured person's death together with the Savings 3 capital.

Do you have any questions?

Contact us for further advice. We are looking forward to showing you just how flexibly and individually you can build up your retirement assets. Simply give us a call: +41 (0)41 709 11 11.

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 **Zuger Kantonalbank**