



# Financial planning

Look forward to a relaxing future.

# Financial planning is life planning

Whatever your future plans, appropriate financial planning is the best way to overcome the financial challenges that life throws at you. Each phase of your life – from education to starting a family, and right through your professional career to retirement – has its own requirements. The financial consequences of important decisions you make are not always apparent at first glance. If your goals and needs change, it is always worth carrying out a comprehensive and professional review of your situation.

With our financial planning service, we provide an all-round, future-oriented perspective on your finances. We look at your income and expenditure, your assets, tax burden, pension situation or succession planning and balance them against your needs. Wherever you are in your life, we will help you on the path to your future.

## **Financial planning is an individual and personal matter.**

Depending on your individual goals, financial planning can involve a lengthy process from the first personal meeting to specific implementation recommendations. First of all, we analyse your background situation together with you and determine your goals and wishes. We then draw up a personal financial plan for you, which is tailored exactly to your needs. This sets out not only the opportunities available to you, but also the risks. In the implementation phase, it is important to put the plan into action quickly with short decision-making paths. This means you benefit from expert advice and can efficiently target your goals thanks to our up-to-date range of services.

# We are delighted to provide you with expert support

We would be pleased to help you realise your goals. Discuss your situation with us. We address all the issues that matter to you and ensure that all the individual aspects of the solution we present are properly coordinated. Zuger Kantonalbank places great emphasis on providing individual and personal client advice from a single source. Our committed expert advisors are on hand to help you on the path to a successful future.

# It is worth planning your pension carefully

## Make sure you are properly prepared.

Life can take many different unexpected turns. Your personal requirements are constantly changing, whether you are embarking on a successful professional career, starting a family or about to retire. At the same time, sudden misfortunes, such as disability or death, can cause serious financial problems for you and your family. The same applies whatever your stage in life: If you wish to maintain your current standard of living, it is important that your pension situation matches your financial needs in all life situations.

No matter what questions you may have about pensions, you should look at them on a holistic basis and discuss any issues you have with us. We would be pleased to help you realise your financial goals.

- Am I sufficiently insured in the event of permanent disability?
- What would the financial situation look like for my family if I were to die?
- Will my expected retirement benefits allow me to maintain my current standard of living?

# Solid home ownership financing provides a stable foundation

## Put the financing of your home on a solid foundation.

When you stop working, your income declines as your pension covers only part of your income from gainful employment. To ensure that you can continue to service the mortgage on your home during the third phase of your life, you must take the correct decisions at an early stage. A detailed analysis is a good idea, particularly for people who wish to take early retirement.

Are you thinking of changing your living situation?

We will show you how much capital you can invest in the purchase of a new home in the long term and how to best structure the loans you will need to take out. The long-term effects of the tax policies applied by the different municipalities are also interesting.

We are the right people to contact for all questions concerning real estate. We help you take the right decisions for your financial future.

- What size of mortgage can I serve after my retirement?
- Should I pay off the capital on my mortgage or invest my money elsewhere?
- What is the maximum amount for which I may purchase real estate?

# Professional tax planning always pays off

## Benefit from our experts' specialist knowledge.

It is often the case that at the end of the year, taxes determine how much money we have available. It is therefore essential for sustainable financial planning to test all conceivable solutions for their tax implications.

Because many financial decisions have unexpected consequences on the tax that is payable, we put our heads together with you to define a suitable strategy based on an integrated analysis of the relationships between retirement planning, home ownership, assets and succession planning.

- What opportunities do I have to reduce my tax burden?
- How can I pay as little tax as possible when drawing my pension?
- What is a marginal rate of tax, and how high is it in my case?
- How large is the tax benefit if I make voluntary contributions to my pillar 3a or pension fund?

# Long-term financial planning is worth its weight in gold and avoids unnecessary risks

## Let us help you achieve your individual investment goals.

When it comes to asset management, trust is the basis for any successful working relationship. Long-term success relies on the key pillars of investment expertise, experience and modern technology. At Zuger Kantonalbank you benefit from the comprehensive know-how offered by leading investment and research specialists with global expertise. We identify opportunities that arise in the global economy and financial markets and protect you against unnecessary risks. Your advisor will help you achieve your financial goals. Providing you with clear and transparent information at every step along the way, he or she will act as your expert point of contact.

All solid financial advice begins with an assessment of your investment profile. This involves looking at your financial risk capacity and personal risk tolerance. Once this has been determined, you can be sure that any financial decisions taken will only involve risks that you are able and prepared to bear. Your investment profile is particularly important when it comes to structured asset consumption in the third phase of your life. The assets required to maintain your individual standard of living will be invested with a view to systematically drawing on this capital in future, ensuring that the required level of liquidity is always available and the level of assets is maintained over the long term.

- Does the structure of my assets match my risk capacity and risk tolerance?
- How do I organise my assets if I am reliant on drawing on my capital after I retire?
- Will my capital reserves last me into old age?
- How can I protect my assets against potential losses?

# Forward-looking pension planning allows you to enjoy your retirement to the full

## Let us help you plan your future.

Retirement involves major changes – both personal and social, but also financial. If you wish to look forward to your retirement in the confidence that your finances are secured, you have to address a number of important questions early on. We show you the pension benefits you can expect and what additional funds you will require to maintain your accustomed standard of living.

If you decide to take early retirement, there will be a shortfall in income for the years you don't work until you reach ordinary retirement age. You can eliminate some of this shortfall by withdrawing benefits early from your pension fund, but doing so would result in reductions elsewhere. If you want to avoid this, you must cover these shortfalls with your own funds. In addition, if you take early retirement, you must still continue to make AHV contributions until you reach ordinary retirement age.

The issue of whether you should withdraw the assets in your pension fund as a lifelong annuity, as a one-off lump-sum payment or as a combination of the two options has far-reaching consequences. After making this decision, you cannot change your mind. As such, the relevant advantages and disadvantages have to be individually weighed up and the financial consequences compared. We can help you find the optimum solution.

- Can I afford to take early retirement?
- What form of pension fund withdrawal best suits my life situation?
- Is it possible to retire in partial steps?
- What options are there to optimise my situation and how can I take advantage of them?
- Can I minimise my tax burden up to retirement?

# Retirement planning: pension annuity or lump sum?

On retiring, should I withdraw my pension assets as a lump sum, draw a life-long pension annuity or choose a combination of both? Each option has its advantages and disadvantages. As this decision is one of the most important you will make in terms of retirement, an in-depth analysis of your family, health and financial situation should first be carried out.

Which of the following applies to you?

## Drawing a pension

- I am dependant on a regular income.
- I want guaranteed payments for life.
- My top priority is long-term security.
- My parents and grandparents all lived to an old age and I enjoy excellent health.
- My spouse is considerably younger than me.
- I don't have any other assets of note.
- I don't want to manage my assets myself.
- I want my spouse to receive a lifelong pension after my death.

## Withdrawing a lump sum

- I wish to have free access to my capital.
- I wish to make use of investment opportunities where there is a chance of higher returns.
- I wish my spouse and children to inherit something after my death.
- I would like my cohabiting partner to inherit in the event of my death.
- I have experience in investing money.
- My standard of living is largely secure even without a pension.
- I wish to be flexible and reduce my debts if required (e.g. mortgages).
- I wish to optimise my tax situation (drawing on existing capital is not taxable).

There are also disadvantages for each option

## Disadvantages of a pension

- Only some of the pension can be transferred in the event of death
- Pension cannot be inherited in the event of death (with the exception of a spouse)
- Pension is 100% taxable income
- No flexibility

## Disadvantages of a lump sum

- No guaranteed income
- You bear any investment risks yourself
- Administrative burden
- One-off tax on capital (separate from other income at a reduced tax)

## Mixed form

Since it is quite possible that your situation may not be clear, a third option can also be considered in addition to a pension annuity or lump-sum payment. In other words, it is also possible to have some of your retirement assets paid out as a lump sum and to draw the other part as a pension annuity. Since the first BVG revision, pension funds with regulations not permitting a lump-sum withdrawal have, on request, to pay out at least ¼ of the BVG retirement assets as a lump sum.

## What shall I do?

The issue of whether to take a pension annuity or lump-sum payment should be clarified at an early stage. By law, any decision to draw a (partial) lump sum must be communicated to the pension fund in writing at least three years before retirement. In many cases, this decision is binding and cannot be reversed. Each pension fund's regulations provide information on the various options permitted. Zuger Kantonalbank would be happy to help you find your ideal solution.

# Individual succession planning leaves no questions unanswered

## Benefit from an individual solution.

Sooner or later, everyone comes into contact with inheritance law. It is often the case, however, that any problems or risks are only identified when it is already too late to change the situation. For married couples, marital property law largely governs each spouse's financial situation, but in many cases an individual arrangement can nevertheless be beneficial. The situation is different for cohabiting partners. They are not covered by marital property law and do not have a statutory inheritance claim. In the absence of a will or inheritance agreement and in the event of the death of one partner, the surviving partner would be at a disadvantage. No matter what your situation, we have the right solution for your needs.

- What is the difference between marital property law and inheritance law?
- What matrimonial property regime do we have and what does it mean for us?
- How can I plan my succession as I wish?
- What can I leave in a will or inheritance agreement?
- Why do I need a marriage contract?

# Your personal budget

## Income (in CHF)

	Monthly	Annual
Net income wife (incl. 13th month salary)		
Net income husband (incl. 13th month salary)		
Family and care allowances		
Bonus (wife)		
Bonus (husband)		
Alimony up to		
Other income		
<b>Total income</b>		

## Expenditure (in CHF)

	Monthly	Annual
<b>Living costs – renting</b>		
Rent (incl. utilities and garage)		
<b>Living costs – home owner</b>		
Mortgage interest		
Amortisation of mortgage up to		
Utilities (heating, electricity, water, other)		
Maintenance / repairs / renovations fund		
<b>Communication and media</b>		
Telephone / internet / mobile		
Radio / TV		
Newspapers / magazines		
<b>Taxes</b>		
Cantonal and municipal tax		
Direct federal tax		
<b>Insurance and pension contributions</b>		
Health insurance		
Car (third-party liability, full comprehensive, road taxes)		
Household contents / third-party liability / building		
Pillar 3a		
Life insurance		
Other insurance policies (travel, legal protection, other)		

Expenditure (in CHF)

		Monthly	Annual
<b>Work-related expenditure</b>			
Wife	Food / drink away from home		
	Commuting costs		
	Costs of work clothes		
Husband	Food / drink away from home		
	Commuting costs		
	Costs of work clothes		
<b>Household</b>			
Food / drink			
Daily consumer goods			
Pets			
<b>Personal expenses</b>			
Wife	Clothes / shoes / personal hygiene		
	Other expenditure, hobbies		
	Car, public transport		
Husband	Clothes / shoes / personal hygiene		
	Other expenditure, hobbies		
	Car, public transport		
Child 1	Clothes / shoes / personal hygiene		
	Other expenditure, hobbies		
	Car, public transport		
	Childcare costs	up to	
	Education / training	up to	
Child 2	Clothes / shoes / personal hygiene		
	Other expenditure, hobbies		
	Car, public transport		
	Childcare costs	up to	
	Education / training	up to	
<b>Miscellaneous</b>			
Alimony	up to		
Healthcare costs and deductibles			
Gifts / donations			
Purchases			
Holidays			
<b>Total expenditure</b>			
<b>Your annual savings contribution (excl. pillar 3a)</b>			

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**Wir begleiten Sie im Leben.**

 **Zuger Kantonalbank**