BCV PILLAR 3a RESTRICTED ACCOUNTS

An essential element of your retirement savings

BCV

Switzerland's three-pillar system

Nearly 50 years ago, the Swiss Federal Constitution established a three pillar system to guarantee that Swiss taxpayers would have enough money when it came time to retire. Those three pillars are: Pillar 1, a state pension to cover your basic retirement needs and provide disability benefits; Pillar 2, an occupational pension to help you maintain your standard of living when you retire; and Pillar 3, an individual retirement account to make up for any shortfall left by the first two pillars.

New challenges ahead

With today's volatile financial markets, aging population, and uncertainty about the future of retirement benefits, the first two pillars may not be sufficient to fund your full retirement.

That's where Pillar 3 comes in. But to maximize your retirement benefits, you need to start thinking about retirement savings early on – ideally when you first start working.

Financing your retirement

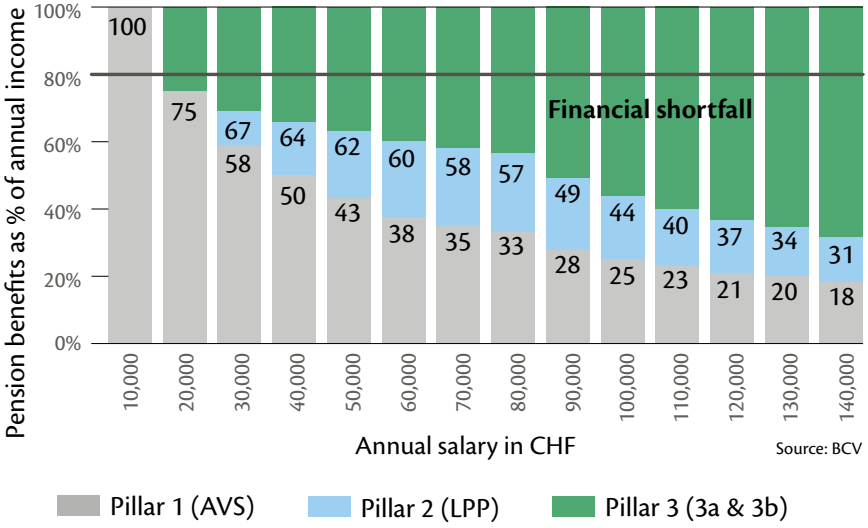
You'll probably need a pension that amounts to 80% of your pre-retirement income to live comfortably.

Once you've retired, your main sources of income will be:

- your Pillar 1 pension benefits (AVS), which pay an annual pension that is capped by a legal limit
- your Pillar 2 occupational pension benefits (LPP), which can come in the form of regular payments or a lump sum. We suggest you consult your pension fund's terms and conditions to determine your maximum possible benefits.

For most people, these two pillars will amount to only about 50% to 60% of their pre-retirement income. And the higher that pre-retirement income is, the bigger the shortfall stands to be once they stop working.

How much will you need to save for retirement?



For those who are gainfully employed, one solution for filling any gaps in your coverage – while also lowering your tax burden – is to open a Pillar 3a restricted retirement account.

Or, regardless of your employment status, you can opt for a Pillar 3b unrestricted pension product such as a life insurance policy.

Use the retirement simulator on our website to calculate your retirement assets and potential tax savings.

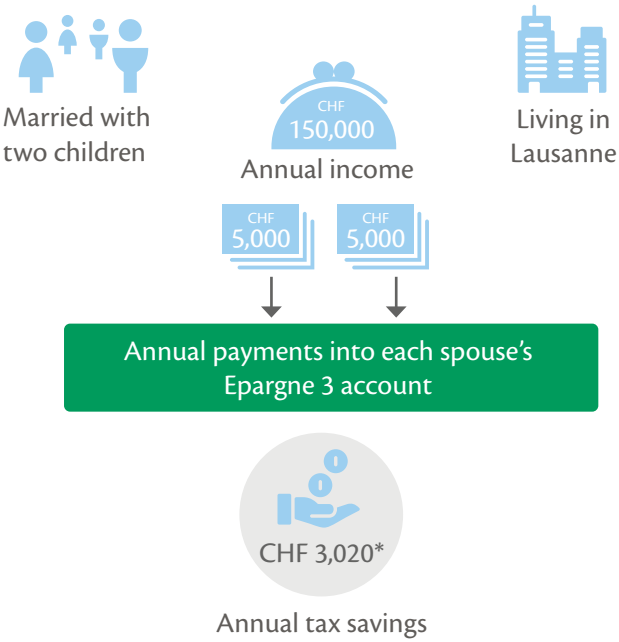
www.bcv.ch/en/Personal-Banking/Helpful-tools/Retirement-simulator

The flexibility you need

Pillar 3a accounts are simply retirement savings accounts that can help you make up for any gaps in your retirement income.

With this type of individual retirement account, you decide when, how often, and how much you want to save (within a legal limit).

And unlike a traditional savings account, you get immediate tax benefits.



In this example, assuming an average interest rate of 1% and deducting the tax paid when the couple cashes in their Pillar 3a accounts, the couple would save CHF 327,352 over 30 years.

* Based on 2026 tax rates

If you're between 18 and 30

We'll match up to CHF 100

Check out our Epargne 3 Youth account at:
www.bcv.ch/en/home/youth-students/produits/save-today-for-a-brighter-tomorrow/epargne-3-youth-accounts3.html

It's better to start paying into an Epargne 3 Youth account as soon as you receive your first paycheck, since the interest earned can really add up over time.

You'll also enjoy immediate tax savings. Say you're unmarried, have no children, live in Lausanne, and have taxable income of CHF 60,000. You'll save CHF 1,768 in taxes if you pay the maximum annual amount of CHF 7,258 into your Epargne 3 Youth account.*

And by opening a Portfolio 3 investment account at the same time, you can potentially boost the return on your retirement savings. You can choose from six investment strategies.

Plus, until you turn 30:

- we'll pay a higher interest rate than a traditional savings account
- we'll match up to CHF 100 on your first deposit into your Epargne 3 Youth account if you open it at the same time as a Portfolio 3 account that you regularly pay into with a standing order.

* Based on 2026 tax rates

With our Epargne 3 Account, you get:

- an individual retirement account held with BCV Fondation Epargne 3
- a higher interest rate than a traditional savings account
- no fees
- the opportunity to pay into your retirement from the time you're 18 until the reference age for retirement (you can also pay into the account for an additional five years if you continue to be gainfully employed)*
- the freedom to decide how much you want to set aside, within an annual limit
- the ability to withdraw money from the account starting no more than five years before the reference age for retirement, or up to five years after if you continue working.

The account is intended to let you save for retirement throughout your career. In the event of divorce, the funds will be divided according to your marriage contract. In the event of bankruptcy, your Epargne 3 account will be protected, provided that it hasn't been pledged as collateral. Pillar 3 benefits passed on to your heirs will not be considered part of your estate (although this may be contested by any forced heirs whose inheritance would be reduced).

***You can find the maximum annual contribution to a Pillar 3 account at:**
www.bcv.ch/en/home/personal-banking/products/pension-and-disability-coverage/troisieme-pilier.html

Not just for retirement

In some circumstances you can withdraw your Epargne 3 account savings before you retire:

- For instance, you can use the money to purchase or renovate your primary residence.
- You can use your savings to pay down your mortgage and enjoy special tax breaks (see p. 11).
- If you plan to set up your own business or change businesses, you can withdraw money from the account for up to 12 months from the creation date.
- If you're leaving Switzerland permanently, you can take your Epargne 3 account savings with you.
- If you receive full disability benefits from the Swiss social security system, you can make withdrawals from your Epargne 3 account at any time.
- You can also take the money out starting five years before the reference age for retirement.

When you withdraw your retirement savings, you will be taxed on the amount you withdraw at a preferential rate.

Four ways to lower your tax bill

For salaried and self-employed individuals subject to Swiss tax and social security obligations:

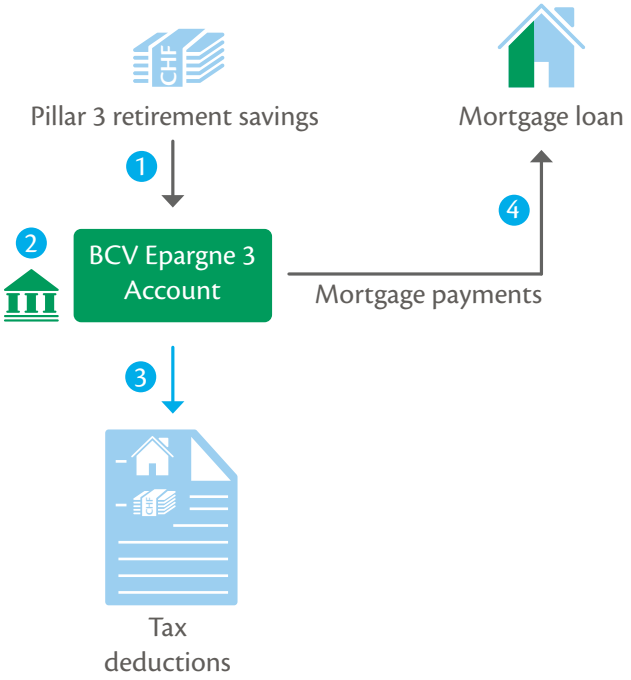
- money paid into an Epargne 3 account can be deducted from your taxable income
- money paid into an Epargne 3 account is not subject to the wealth tax
- the interest you receive is not subject to income tax
- when you withdraw your retirement savings, you will be taxed on the amount you withdraw at a preferential rate.

You can now save even more on your taxes by making extra payments into your Pillar 3a account to compensate for lower contributions made in 2025 or later, and then claiming the usual third-pillar tax deduction. Legal terms and conditions apply.

BCV Epargne 3 benefits for homeowners

Under Swiss law, you can use a Pillar 3 account to repay your mortgage loan indirectly:

1. You put money intended to pay down your mortgage for your primary residence into your Epargne 3 account.
2. Your account is then pledged as collateral to BCV.
3. Your mortgage debt will remain unchanged, allowing you to deduct more of your mortgage interest from your income than if you paid off your loan gradually.
4. At the end of the agreed term, you can use the money in your account to pay down your mortgage.



Open several accounts to maximize your tax benefits

You may want to open several Epargne 3 accounts to save even more on your taxes.

By spreading out withdrawals from the accounts over several years – starting five years before the reference age for retirement – you can lower your tax bill.

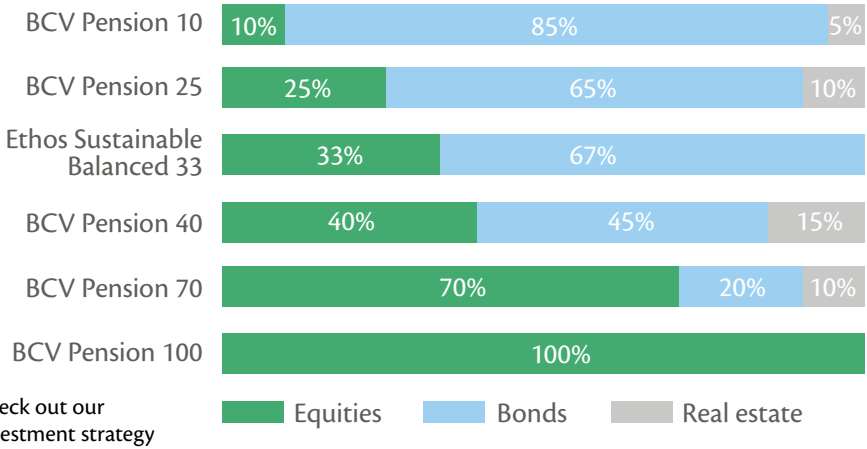
Ask your BCV advisor for more information and to start planning for your retirement today.

Portfolio 3 – Investing in your retirement

Another way to save for retirement is to open a BCV Portfolio 3 securities account with BCV's Fondation Epargne 3. Your Portfolio 3 account would be linked to an Epargne 3 account that you pay into.

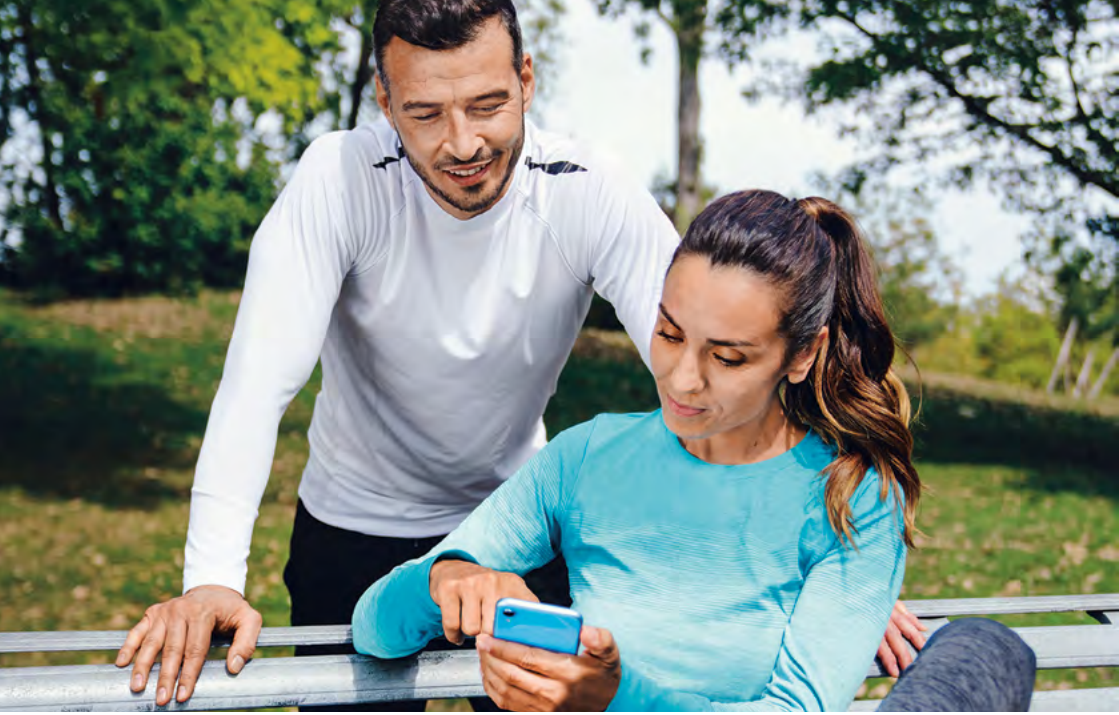
That lets you invest some (or all) of your Epargne 3 account assets in financial markets to boost the return on your savings. However, depending on the investment strategy you choose, you may be taking on a higher level of risk and may not get back all the money you invested.

Six possible investment strategies



Check out our investment strategy brochures (in French only) at:
www.bcv.ch/Private-Banking/Produits/Prevoyance/Portfolio-3

(Investments are made in accordance with the Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (OPP2).)



Want more information?

Our advisors are here to help!

- Contact our Customer Service Center on business days from 7:30am to 7:30pm.
- Get quick answers to your questions.
- Schedule an appointment with an advisor for a detailed review of your personal finances.

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