



Summary sheet

Withholding tax on pension benefits

Basic principle

1

The federal government's and the cantons' tax-law provisions provide for withholding tax to be imposed in the following cases:

- for people who have their place of residence abroad or are currently living abroad (the time of the payment is decisive)
 - on lump-sum payments
 - on pension benefits if the entitled person lives in a country that does not have a double taxation agreement with Switzerland.
- for non-Swiss employees who do not have a permanent residence permit for Switzerland (C permit) and for employees who do not live in Switzerland (cross-border commuters/ short-term residents/weekly residents)
 - on substitute income (see section 3).

If a benefit recipient does not agree to the deduction of withholding tax, he/she can request a decision from the relevant tax authority by the end of March of the calendar year following the due date of the benefit.

Residence abroad

2

In the case of benefits for recipients abroad, the provisions of the canton in which the pension scheme is domiciled apply with regard to withholding tax.

A withholding tax deduction on lump-sum payments may be reclaimed if

- the entitled person lives in a country that maintains a double taxation agreement with Switzerland and
- the lump-sum payment has been reported to the tax authority in the country of residence.

An application for reimbursement must be submitted to the relevant tax authority within 3 years of the benefit due date.

The form „Application to refund the withholding tax on payments by pension funds domiciled in Switzerland“ can be obtained from the tax authority of the canton in which the pension scheme is domiciled.

Substitute income

3

Substitute income includes partial disability pensions (including a lump-sum withdrawal) and disabled persons' child's pensions.

The withholding tax deduction is made in accordance with the provisions of the canton in which the entitled person resides. For entitled persons who do not live in Switzerland, the provisions of the canton in which the occupational benefits institution is domiciled apply.

Responsibility

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The pension scheme is responsible for deducting the withholding tax.