

THINK ABOUT YOUR FUTURE AS PARTNERS

Acquisition



Context:

Jonathan and Etienne have been a couple for 10 years. They are not married and are considered cohabitants. They wish to buy an apartment in the center of Fribourg and therefore get advice concerning their mortgage, their taxation and their providence.

Reminder about cohabitation:

As cohabitants, Jonathan and Etienne pay less taxes than if they were married.

However, in case of death, the surviving spouse will not be entitled to any 1st pillar benefits because cohabitation is not recognized by the Federal Law on Old Age Insurance.

As for the 2nd pillar, the rules depend on each pension fund. However, they are obliged to respect the law on occupational benefit plans, which indicates that the survivor benefits from a pension if, at the time of the death of the spouse, a child remains dependent. This is also the case if the survivor has reached the age of 45 and the marriage/ common-law relationship has lasted at least 5 years.

Since cohabitation is not recognized, any donation will be taxed in the same way as a gift of money to an unrelated person, at a tax rate that can reach up to 50% in some cantons.

Strike solution:

We studied their situation as a whole in order to anticipate any eventuality and proposed to them:

- The setting up the **necessary insurance coverage** in addition to their mortgage
- They will be able to **keep their apartment even in the event of a problem** and will **save on their taxes**.

Do you need personalized advice?
We are here to help and support you!

[Contact an advisor](#)