



SUPPORTER OF YOUR

PENSION



## Taking out a cash advance

Planning to build, buy or renovate a house?

Consider taking out an advance against the cash value of your group insurance plan.

### What are the advantages of taking out an advance on your group insurance benefits?

- You get the benefit of a **very attractive interest rate**
- You can choose from among **3 types of cash advances**:
  - with annual interest payments on a fixed interest rate basis
  - with annual interest payments on a variable interest rate basis
  - with no annual interest payments
- There are no **management fees, application fees or notary fees**, which makes a cash advance a particularly enticing alternative to a mortgage loan
- You may **pay back** the cash advance **at any time**, in part or in full
- You continue to earn the same guaranteed return on your group insurance reserves, including the amount taken as a cash advance
- A dedicated team is responsible for managing the details of your cash advance

### What are the requirements for taking out a cash advance

The option to take out a cash advance must be expressly stipulated in the group insurance regulations and can only be used to:

- **purchase, build, improve, restore or renovate real estate** located and generating taxable income in the European Economic Area
- pay off a **mortgage loan** previously granted for one of the above-mentioned purposes

If you ever sell or transfer title to the property that was financed using the advance, you will have to pay back the advance.

## How much does a cash advance cost?

The interest charged will **depend on the type of cash advance**:

Type of advance	With annual interest payments	With no annual interest payments
<b>Conditions?</b>	Possible in <b>all group insurance plans</b> if expressly stipulated in the pension plan regulations	Possible in <b>all group insurance plans</b> if expressly stipulated in the pension plan regulations, with the exception of Classical Life, Lifecycle and Cash Balance product types. In addition, the group insurance plan must be a <b>Branch 21-type</b> insurance investment vehicle (with a guaranteed interest rate). <b>[Tip:</b> You will find your group insurance plan product type specified on page 2 of your benefits statement, just above the details section.]
<b>How?</b>	You withdraw your cash advance and pay <b>annual interest on it in advance</b> . Interest will be charged for the first time when the advance is paid out, and thereafter annually on the first of the month following the month you were born.  If you didn't repay your cash advance earlier, the amount taken as an advance will be deducted from your final lump-sum payout when the group insurance benefits are collected.	You withdraw your cash advance, but <b>pay no annual interest on it</b> . The interest due along with the amount taken as an advance will be deducted from the lump-sum payout when the group insurance benefits are collected.
<b>Interest rate</b>	For an <b>interest-paying</b> advance, you have the choice between a variable (not possible for Classical Life plans) or a fixed interest rate.	For an advance with <b>capitalised interest</b> , the guaranteed return and any awarded profit sharing will be taken into account for the calculation of interest.
<b>Tax benefits</b>	Depending on your personal situation, you may be able to <b>deduct the annual interest payments from your taxes</b> .	Depending on your personal situation, you may be able to <b>deduct the interest from your taxes</b> when you pay back the cash advance or <b>collect</b> your group insurance benefits.

With both types of advances, you continue to earn the same return on your group insurance contract. If your plan features a guaranteed interest rate, then any profit sharing awarded will continue to apply to your total group insurance reserves.

## Is there an upper or lower limit to the amount you can take as an advance?

- The maximum allowable cash advance will **depend on the current value of your plan reserves**, capped at the sum insured for death benefit coverage, in accordance with the applicable tax legislation, and less any outstanding cash advances and/or pledges.
- A cash advance may be taken against a group insurance contract **starting from EUR 5,000**.

## Can you pay back the cash advance early?

Full or partial repayment may be made **at any time**. A partial repayment must be at least 10% of the advance. If you prefer not to do this, the amount taken as an advance will be deducted from the final lump-sum proceeds payable upon your retirement, or from the death benefit if you should die prematurely.

## Recap

With annual interest payments	With no annual interest payments
<ul style="list-style-type: none"><li>• annual interest due</li></ul>	<ul style="list-style-type: none"><li>• single interest payment deducted when final lump-sum payout is collected</li></ul>
<ul style="list-style-type: none"><li>• annual interest payments are tax-deductible [where applicable]</li></ul>	<ul style="list-style-type: none"><li>• the combined interest payments are tax-deductible in one go [where applicable]</li></ul>
<ul style="list-style-type: none"><li>• higher maximum advance</li></ul>	<ul style="list-style-type: none"><li>• lower maximum advance</li></ul>

## Contact

Want to find out more about cash advances? Interested in applying for an advance?

E-mail us at [benefits@aginsurance.be](mailto:benefits@aginsurance.be) or call 02 664 13 23.

You can also find more information on [www.myglobalbenefits.aginsurance.be](http://www.myglobalbenefits.aginsurance.be).