

# Retirement Planning

Useful Retirement Tips for Americans in Switzerland

American Women's Club Switzerland



# About White Lighthouse

- Independent Financial Planning Firm
- Specialization: Financial & Retirement Planning for Americans in Switzerland
- Retirement Planning, Tax Planning, Investment Management and more
- See [www.white-lighthouse.com](http://www.white-lighthouse.com) or email: [jwanvig@white-lighthouse.com](mailto:jwanvig@white-lighthouse.com)

## Disclaimers

- This presentation is general information. Investments can lose money.
- This advice may not apply to your situation. Seek professional advice to verify the best steps for you.
- Past performance is no guarantee of future results.
- Retain qualified professionals to determine proper tax planning for your specific needs.

# Retirement Planning for Americans Living in Switzerland

## Agenda

1. Planning is Everything
2. Your Retirement Number
3. Swiss Pension System
4. Investing For Retirement
5. Summary of Useful Tips

“ The PLAN has little value,  
BUT PLANNING IS EVERYTHING! ”

- Dwight D Eisenhower

# Retirement Planning

## Are These Questions Keeping You Up At Night?

1. At what age can I retire?
2. Will I have enough money to retire well?
3. How much do I need to save now?
4. Can I buy a Beach House?



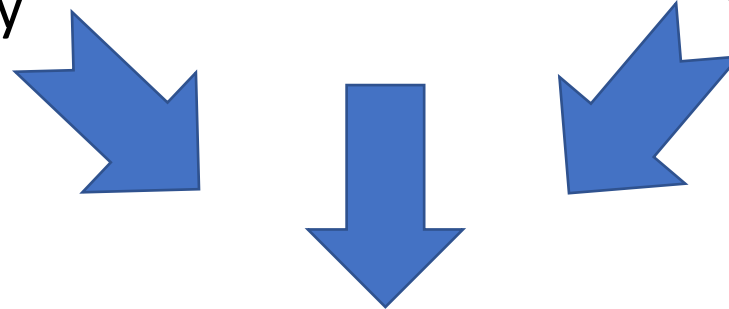
# ONE NUMBER WILL HELP YOU ANSWER THOSE QUESTIONS

- Your Money

- Investments and Saving
- Pensions
- Social Security

- Retirement Expenses

- Annual Budget- Lifestyle
- Taxes, Inflation, Life Expectancy
- Beach House Costs



**YOUR RETIREMENT NUMBER**

**The Amount of Money you Need to Support the Retirement you Want!!**

# On-line Tools to Help create a Savings Plan

## 1. Retirement Calculators\*

- a. [www.Calculator.net](http://www.Calculator.net) Then click on Retirement Calculator
- b. [www.white-lighthouse.com](http://www.white-lighthouse.com) Then click on Resources and Simple Retirement Calc
- c. [www.financialmentor.com](http://www.financialmentor.com) Then click on Calculators and Ultimate Retirement Calc

Be careful, it can be complicated to take into account taxes, pension income and the time value of money.

*\* The results from these tools are rough estimates and may not apply to your situation.*

*Seek professional advice to verify the best steps for you.*

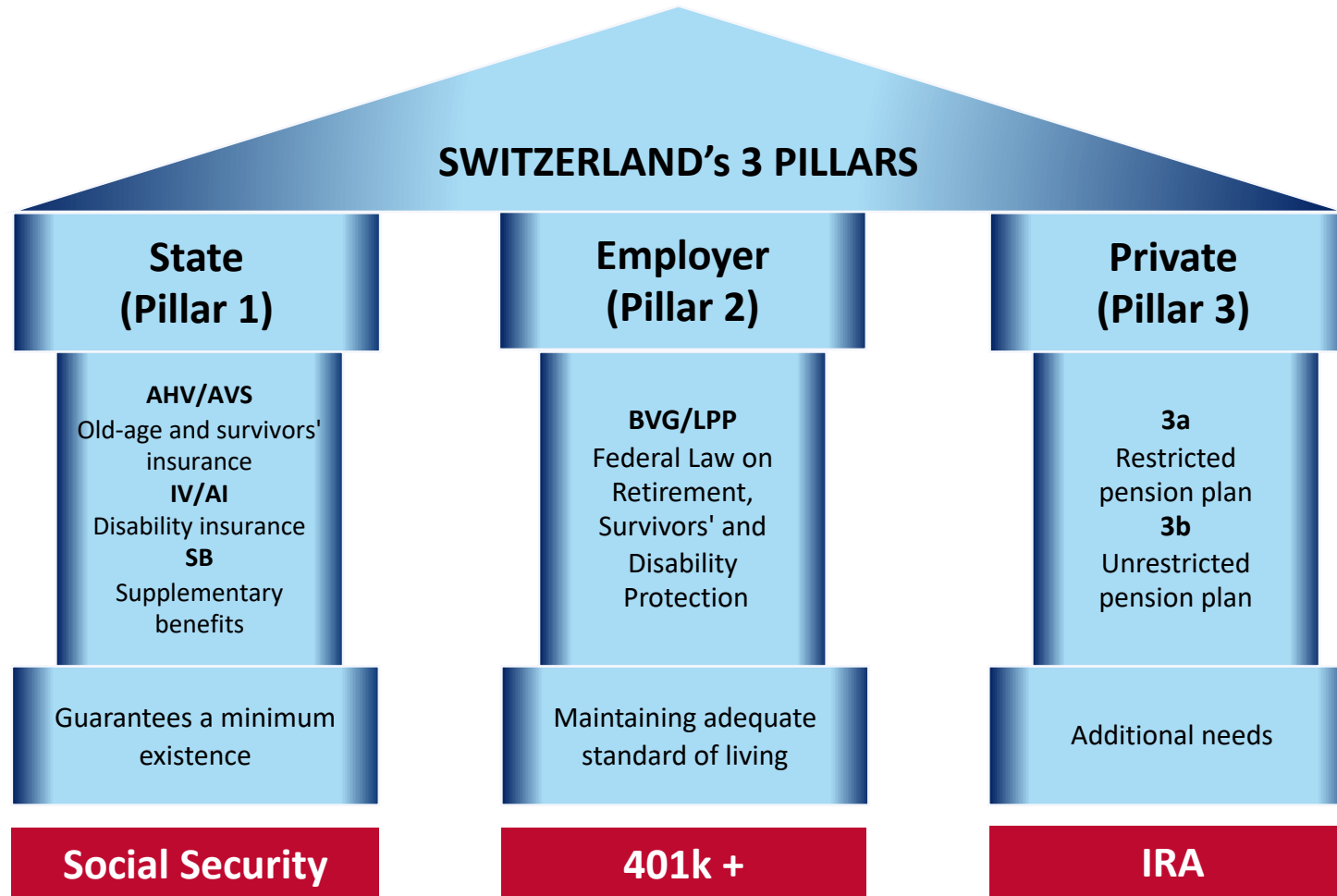
# HOWEVER: MONEY IS NOT EVERYTHING

1. What will you do in retirement?
2. Where do you want to retire?
3. What resources do you need beyond money?
4. How many bedrooms in the Beach House?





# Swiss 3 Pillar Pension System



# Key Points on Swiss Pension System

1. Good and Safe – Comes with Insurance but it has low returns
2. Track the basis in your Pillar 2 (Americans pay tax on contributions)
  - Key to avoid double taxation of Pillar 2
3. High earners might be able to use a Pillar 1e program
4. Don't do buy-backs (Usually not a good investment for Americans)
5. Lump sum is usually best if retiring outside of Switzerland
6. If American: Avoid the Pillar 3 but do invest in an IRA

**Key: Complement Swiss System with U.S. Retirement Tools**

# How to Invest for Retirement

## KEY PRINCIPLES

1. Low Cost Investing
2. Diversify
3. Long Term Discipline
4. Use available US Retirement Tools
  - a. IRA's, Brokerage Account, 401K, etc.



# Which Brokerage – New Laws - Choices Limited

## To Invest on your own: (currently)

1. Interactive Brokers (Stocks and ETF's)
2. Charles Schwab (only individual securities)
3. Swissquote (only stocks, expensive)

## With the Help of a Investment Manager:

1. Interactive Brokers ( Stocks and ETF's)
2. Charles Schwab ( Stocks and ETF's)
3. Swissquote and most Swiss Banks (Stocks, ETF's, Expensive)



# How to Invest for Retirement: Action Steps

1. Low-Cost
  - **U.S. Brokerage Firm:** Free Accounts, Free Trades, Free IRA's
  - **ETF's:** Very low cost, tax efficient (better than most Mutual Funds)
  - **UCITS:** **DON'T BUY**
2. Diversify
  - **Index ETF's:** Broad diversification by Asset Class
  - **Global ETF's:** Developed & Emerging Markets
  - **Asset Classes:** Bonds, Equities, Gold, International, etc.
3. Long Term Discipline
  - **Disciplined:** Asset Allocation, tax-loss harvest, rebalance
  - **Stay invested:** do not buy and sell, 10 to 20 year timeframe
4. Invest Regularly
  - **Pay yourself first**
  - **Automatic:** Create a simple almost automatic system to save

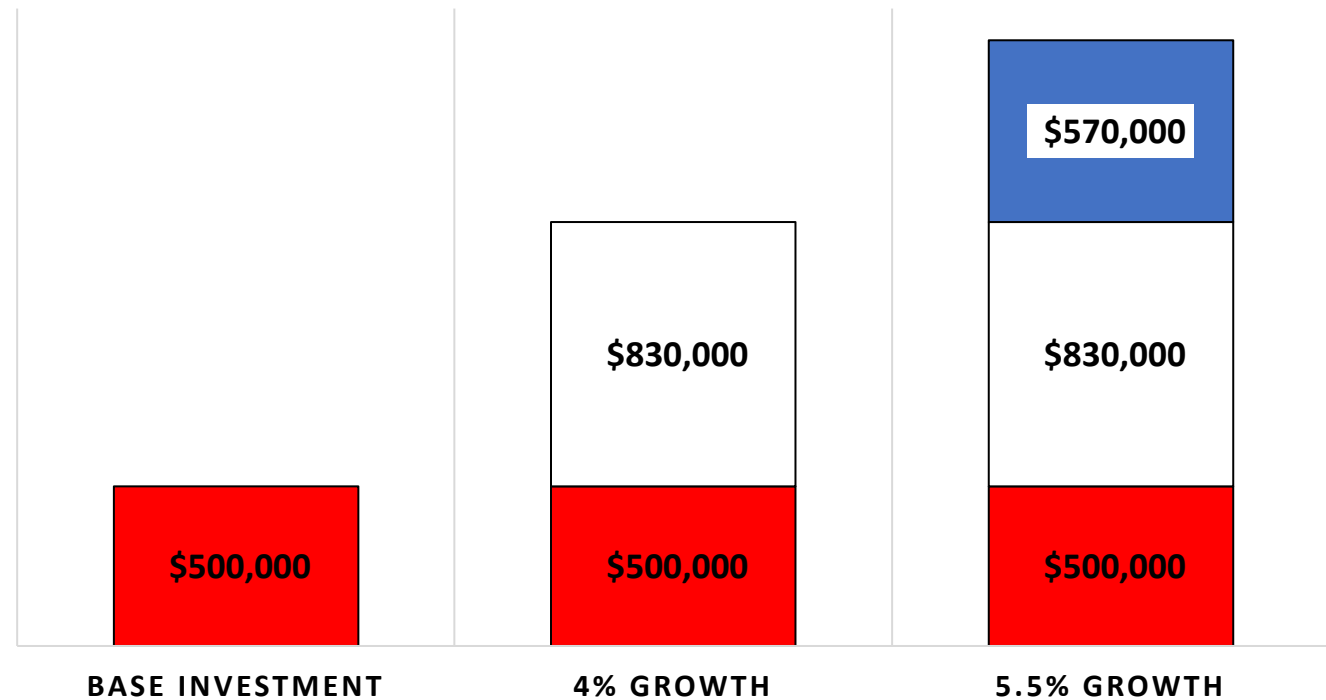
# Low-Cost Investing Buys the Beach House

## Low Cost Investing Means!!!

1. No Account Fees
2. No Trading Fees
3. No Fees for Statements, etc.
4. Low ETF Fees
5. Tax Efficiency

***Total Benefit could be 1.5%/year***

**1.5%/YR - 25 YEARS: \$570,000 PROFIT**



\*\*Past performance no guarantee of future performance. Investments can lose money. All numbers above for demonstration purposes only.

# SUMMARY: TIPS FOR RETIREMENT PLANNING

1. **Planning is critical to retirement success**
2. The Swiss Pension system is good and safe BUT NOT ENOUGH
3. Know your RETIREMENT Number
4. Professional Financial and tax help can pay off significantly over time.
5. Low-Cost Investing: Free Accounts, Free Trades, ETF's, Tax Efficient, IRA's
6. Create an Investment Strategy: Asset Class Allocation and proper Mgmt
7. Diversify: Globally and by Asset Class
8. Don't try to time the market: Stay in the market and Invest regularly

# AND BUY YOUR BEACH HOUSE!!!





# Questions



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