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Checklist

Cohabitation

How to protect yourself financially when living together unmarried

Living together without being married offers more legal freedom than marriage. At first glance, that may seem simpler — but it also comes with risks. When it comes to pensions, separation, illness or death, many things are not automatically regulated.

The good news: many issues can be planned and arranged in advance. You just have to take the initiative yourself. This checklist helps you keep track of the most important points.

In a cohabiting relationship, each person remains financially independent

- ☐ Create a shared inventory list and update it regularly. Keep track of who owns which belongings and who paid for what.
- ☐ For larger shared purchases, clearly document how much each person contributed.
- ☐ Discuss these questions early on:
  - ☐ Who pays which expenses?
  - ☐ How are rent and household costs divided?
  - ☐ How much is each person saving?
  - ☐ What happens if the relationship ends?
- ☐ Keep separate bank accounts or clearly define how shared accounts will be used.
- ☐ Set up a simple cohabitation agreement. It can regulate:
  - ☐ how living expenses are divided
  - ☐ ownership of property
  - ☐ debts
  - ☐ housing arrangements in case of separation
  - ☐ financial claims between partners
  - ☐ pension and retirement arrangements

When one person reduces paid work for children or care work

Reducing working hours often means building up less retirement savings. Unlike in a divorce, pension assets are not automatically divided if an unmarried couple separates.

That is why it is important to address the following points early on:

- ☐ Define who takes on how much family and care work.
- ☐ Agree on how this work will be financially compensated. Note: some payments may be taxable.
- ☐ Decide how pension gaps will be compensated:
  - ☐ pension fund buy-ins
  - ☐ contributions to pillar 3a
  - ☐ long-term investing, for example through ETF savings plans
- ☐ Regularly review whether the lower-earning partner is building sufficient retirement savings.
- ☐ Agree on whether financial support payments should continue after a separation.

When children are involved

- ☐ If the parents are not married, the father must officially recognise the child.
- ☐ rrange custody and child support agreements in writing.
- ☐ Define who takes care of what and how costs are shared.

When renting or buying property together

- ☐ Agree in writing who is listed on the lease and what happens to the home if the relationship ends.
- ☐ Decide who remains in the home and what notice periods apply.
- ☐ When buying property together:
  - ☐ document how much equity each person contributed
  - ☐ define ownership shares in the land register
  - ☐ agree how future increases in value will be divided
  - ☐ clarify what happens in case of separation, death or incapacity to work
- ☐ Important: with a joint mortgage, both partners are often jointly liable. In a worst-case scenario, one person may become responsible for the entire debt.

Important for all unmarried couples

<u>Retirement planning and death</u>

- ☐ Unmarried couples are generally not entitled to a widow’s or widower’s pension through the Swiss AHV state pension system.
- ☐ Explicitly name each other as beneficiaries:
  - ☐ in your pension fund
  - ☐ in pillar 3a
  - ☐ in insurance policies
- ☐ Inform the relevant pension and insurance institutions directly.
- ☐ Consider whether life insurance would make sense for your situation.

Legal protection

- ☐ Create a power of attorney / advance care directive specifying who may represent you if you become incapable of making decisions.
- ☐ Prepare an advance healthcare directive.
- ☐ Arrange written authorisation for medical emergencies and hospital visits.
- ☐ Regulate inheritance matters through:
  - ☐ a will
  - ☐ or an inheritance agreement

Important: Legal heirs such as children or parents are entitled to mandatory shares under Swiss inheritance law. If you want to favour your partner more strongly, this must be explicitly arranged.

Our most important tip

Most conflicts are not caused by money itself — but because couples never talk openly about it.

People living together unmarried should discuss early and openly:

- ☐ money,
- ☐ expectations,
- ☐ retirement planning,
- ☐ and what feels fair to both partners.

Having a regular «Money Date» can help couples stay financially aligned and identify imbalances early on.

Anyone wanting to learn more about pensions, investing and financial equality can find additional checklists, tools and resources in the ellexx app and on ellexx.com.