



**Factsheet
Employment
in Switzerland**

Transforma AG
Olgastrasse 10
8001 Zürich
Switzerland
Phone: +41 43 222 58 48
www.transforma.ch

Transforma AG
Gartenstrasse 4
6300 Zug
Switzerland
Phone: +41 41 220 77 30
www.transforma.ch

Transforma AG
Rue de la Confédération 5
1204 Geneva
Switzerland
Phone: +41 22 700 86 68
www.transforma.ch

transformaconsulting

solutions for people, companies & entities

Employment in Switzerland

Registration Duty of Employer for Employee in Switzerland

Work permit: Foreign nationals working in Switzerland generally need a permit to work in Switzerland. Different conditions apply to the permits.

COMPULSORY	OPTIONAL	DEPENDING ON PERSONAL SITUATION
<hr/> Swiss Social Security Contribution <ul style="list-style-type: none">• State Old-age and survivors' insurance / Disability insurance• Unemployment insurance <hr/> Pension scheme <ul style="list-style-type: none">• Salary over CHF 22'050 per year <hr/> Mandatory accident insurance <hr/>	<hr/> <ul style="list-style-type: none">• Supplementary accident insurance• Daily illness allowance insurance <hr/>	<hr/> Family allowance registration <ul style="list-style-type: none">• Employee receives state family allowance minimal CHF 200 per child per month <hr/> Source tax registration & declaration <ul style="list-style-type: none">• Employee with resident permit L/B has to be registered, salary must be declared <hr/>

Swiss companies with foreign employees who do not work in Switzerland must check the situation with regard to social security liability depending on the nationality and country of residence.

Social Security in Switzerland

System of Social Security in Switzerland

As an employee in Switzerland, you are covered by Swiss social security. The various types of social insurance in Switzerland provide protection in the form of pensions, unemployment benefits and family allowances. They cover the costs of sickness and accidents. Benefits are generally funded by contributions levied on income. In many areas, half of the contributions are paid by the employer.

CONTRIBUTIONS HEIGHT ON GROSS SALARY

- State old age and survivors' insurance and Disability insurance: 10.6% (paid 50/50 by employer and employee)
- Unemployment insurance: 2.2% up to CHF 148'200 yearly salary (paid 50/50 by the employer and employee)
- Pension scheme: 10-20%, depending on pension scheme of the employer, (paid at least 50% by the employer)
- Occupational accident insurance: appr. 0.5 – 0.8 % (paid by employer)/ Non-occupational accident insurance (paid by employee): appr. 0.8% – 1.2%

Health insurance is not part of the employment contract; each person resident in Switzerland must take out their own compulsory Swiss basic health insurance.

Pension Provision in Switzerland

Pension provision in Switzerland is divided into three pillars:

1

Old-age and survivors' Insurance / Disability insurance (OASI/DI):* Everyone over 18 and under retirement age – 65 for men and 64 for women – must contribute. The maximum monthly old-age pension for a single person is CHF 2'450.

2

Pension insurance:

- The annual salary up to CHF 148'200 is subject to mandatory insurance, but the employer can insure the salary components above this amount in an extra-mandatory part. **
- When you reach retirement age, you will receive a monthly pension from the pension fund. Or you can have the pension fund paid out as capital.

3

Private, voluntary and individual pension provision, known as Pillar 3a. Pillar 3a contributions are tax deductible up to a maximum of CHF 7'056 per year.

* In German: AHV/IV, in French/Italian: AVS/AI

** Additional payments of the employee are fully tax deductible from tax income.

Employment in Switzerland

From gross salary to net salary, deductions

Annual Gross Salary

