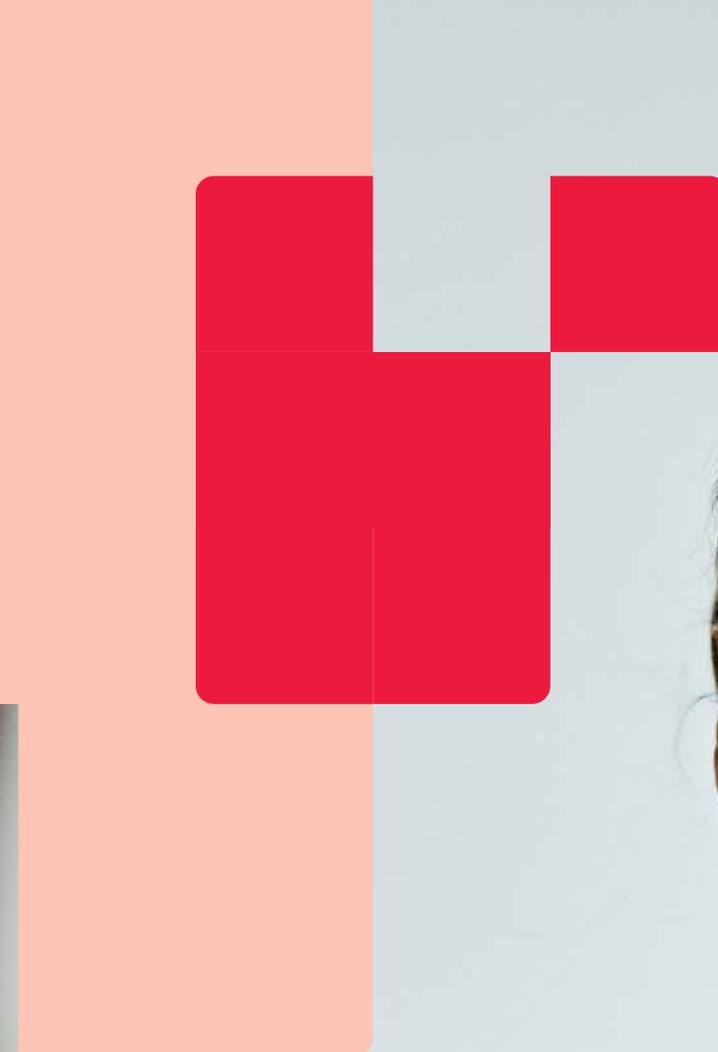
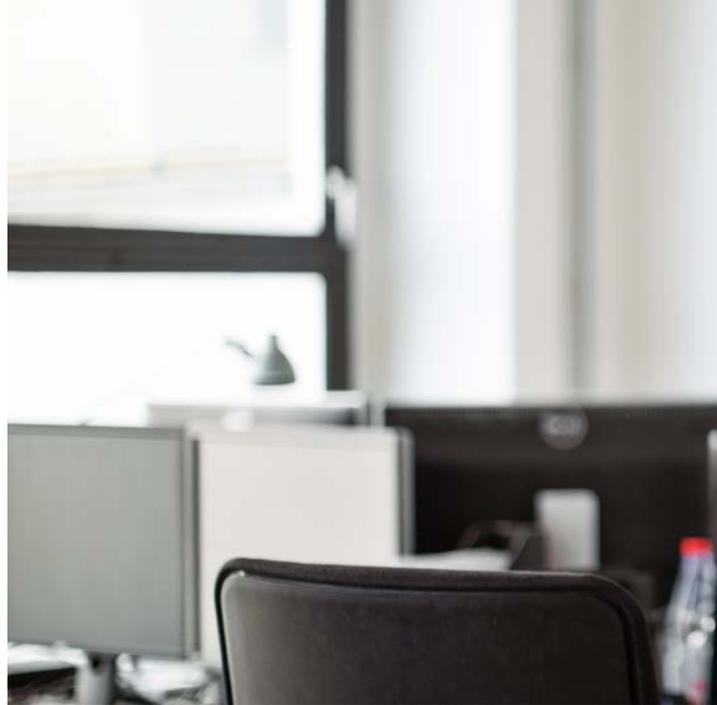


A portrait of a woman with long, wavy, light brown hair, wearing a black and white striped blazer over a black top. She is looking slightly to the right of the camera with a neutral expression. The background is a soft, out-of-focus white.A series of overlapping red and orange squares and rectangles of various sizes, creating a modern, abstract graphic element on the left side of the page.

# **Employer's guide to social insurance** 2025 edition

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## Social insurance for employers – a clear and concise overview

Social insurance is an area that calls for your expertise, sound knowledge and responsibility as an employer. This brochure is designed to help you achieve this. It provides you with a clear and concise overview of Swiss social insurance for employers.

Security for you is not only about safety regulations and the dry ins-and-outs of insurance benefits, but also the peace of mind that comes from having a capable partner whom you can rely on for support at all times. In this regard, we have a lot to offer as an insurance partner with many years of experience. As a major provider of corporate insurance, we have dealt with the ins and outs of company pension provision for decades and we constantly monitor legislative and societal changes. Our products are therefore quickly adjusted to changing societal needs and statutory requirements. We can work with you to develop a comprehensive, cost-effective and appropriate solution for your company's needs, for your security and for the benefit and well-being of your employees.

Baloise's customer advisers can provide you with further professional support in all insurance matters, be it of a work-related or personal nature. Thanks to their specialist knowledge and extensive training, they can provide the best possible answers to your insurance questions or, if necessary, put you in touch with one of our specialists. If your company wants to achieve more while taking less of a risk, simply call the Baloise branch office nearest to you.

# Federal Law on Old-Age and Survivors' Pensions (AHVG)

of 20 December 1946, in force since 1 January 1948

## Purpose

The old-age and survivors' insurance (AHV) scheme softens the blow of the financial consequences for insured persons and their dependants resulting from a reduction in, or loss of, income due to retirement or death.

## Pension benefits (as a % of the single retirement pension)

<b>Single retirement pension</b> (man and woman aged 65*) with no missing contributory years: minimum CHF 1,260, maximum CHF 2,520 per month	100%
<b>Total of the two pensions for married couples / registered partners</b>	Up to 150% of the maximum single retirement pension
<b>Children's pension</b> (man and woman aged 65*)	40%
<b>Widower's pension</b> (if there are children aged 18 or under)	80%
<b>Widow's pension</b> (if there are children or if the individual is 45 years old and has been married for at least 5 years)	80%
<b>Orphan's pension</b> Either father or mother deceased Both father and mother deceased, and children who only have a filiation with one parent	40% max. 60%

## Insured persons (also applies to the IV)

This insurance is compulsory for everyone whose residence or place of work is in Switzerland, or who is subject to the Swiss social security system as a result of the bilateral agreements with the EU. Persons who are in gainful employment and paid by a Swiss employer but who work abroad can maintain insurance cover by mutual agreement with their employer. All EU/EFTA citizens as well as Swiss citizens who are resident abroad outside of the EU/EFTA states can opt for voluntary insurance if, up to that point, they were compulsorily insured for an uninterrupted period of at least five years.

## Contributions (also applies to the IV and the EO)

The insured persons are subject to contributions as long as they are in gainful employment and their annual salary earned with one and the same employer exceeds CHF 2,500. Individuals who are not in gainful employment are subject to contributions for the first time on 1 January

of the year after they turn 20 years of age. Spouses/registered partners who are not in gainful employment are exempt from contributions if their spouse/registered partner has paid contributions corresponding to at least twice the minimum contribution (i.e. 2 × CHF 530 AHV for employed persons per year, CHF 435 AHV for self-employed persons, incl. IV CHF 70 and EO CHF 25). Contributions are levied based on the individual's total income. The employee and the employer split the payment of the contributions 50/50.

## Eligibility (pensions only)

Eligible claimants include Swiss citizens, refugees, stateless persons as defined by Swiss federal law, and foreigners as long as the latter have their place of residence in Switzerland. The place of residence requirement does not apply to EU/EFTA citizens.

## Benefit period

Children's and orphan's pensions are paid until the child turns 18 years of age. Children completing their education/training remain entitled to a pension until they complete their education/training, but until they turn 25 years of age at the latest. Widow's and widower's pensions cease upon remarriage; the divorced spouse's pension also ceases when the last of the widower's children turns 18 years of age.

## Procedure in the event of divorce, judicial separation and dissolution of a registered partnership

If a marriage ends in divorce, each spouse receives half of the income generated during the marriage, incl. any parental and care credits (excluding the year of marriage and the year of divorce), of the other spouse credited to his/her individual account. This compulsory splitting of AHV credits cannot be dispensed with in the divorce decree. If the shared household is dissolved by a court of law, the capping of any joint spouse's pension at 150% no longer applies and each spouse receives an individual pension. The same procedure applies in cases involving the dissolution of a registered partnership.

\*For women born up to and including 1961: 64 years and three months. The statutory reference age will be gradually raised to 65 by 2029.

# Federal Law on Disability Insurance (IVG)

of 19 June 1959, in force since 1 January 1960

## Purpose

The most important principle behind the disability insurance (IV) scheme is «Rehabilitation measures before pension payments». The disability insurance scheme only pays out a pension when the individual concerned can no longer be integrated into working life, either in full or in part. Also in the event of pension reviews, the aim is for disability pension recipients to return to work as soon as possible.

## Insured persons and contributions

(cf. AHV)

## What does disability mean?

Disability is defined as a presumed permanent or long-term earning incapacity due to a physical, mental or psychological health impairment caused by a congenital disorder, illness or accident in the relevant balanced employment market under consideration.

## Pension benefits (as a % of the single retirement pension)

<b>Single disability pension</b>	100%
<b>Total of the two pensions for married couples/registered partners</b> (both spouses/registered partners disabled)	up to 150% of the maximum single retirement pension
<b>Single children's pension</b> (if the father or mother is disabled)	40%
<b>Double children's pension</b> (both parents disabled)	60%

## Benefits

The IV benefits largely consist of pensions and occupational rehabilitation measures.

## Occupational rehabilitation measures

The rehabilitation measures include:

- medical measures;
- measures of a work-related nature (careers advice, initial vocational training, retraining and new job placement);
- integration measures to prepare for integration into working life;
- the provision of aids;
- the payment of daily allowances (80% of last earnings, max. 80% of CHF 148,200 per year).

As well as pension recipients, disabled individuals and insured persons faced with the immediate threat of disability are entitled to rehabilitation measures insofar as these measures are necessary and appropriate in order to restore, improve or maintain their earning capacity.

## Pensions

The disability pensions are equal in amount to the AHV retirement pensions and are based on the degree of disability that has been ascertained:

Degree of disability	Pension entitlement (expressed as a fraction of a full pension)
40%	25,0% (quarter pension)
41–49%	plus 2.5% in each case
50–69%	percentage based on degree of disability
From 70%	100% (full pension)

Insured persons who are at least 40% incapacitated for work on a permanent basis or were 40% unfit for work on average over a period of one year without any significant interruption and who are still incapacitated for work to the same extent are entitled to pensions.

## Benefit period

The disability pension is paid out when individuals turn 18 years of age at the earliest, and no earlier than six months after the assertion of the benefit entitlement. The entitlement ceases when the eligible claimant is no longer deemed disabled (in some cases only after (re)integration measures have been completed), dies or when AHV pension payments start. Children's pensions are paid up until the child turns 18 years of age. Children who have not yet completed their vocational training or studies are entitled to a pension until they complete their training or studies, but until they turn 25 at the latest.

# Federal Law on Compensation for Loss of Earnings for Persons on Military Service or Maternity Leave (EOG)

of 25 September 1952, in force since 1 January 1953

## Purpose

The Federal Law on Compensation for Loss of Earnings (EOG) provides adequate compensation for the loss of salary or earnings due to military service, civilian service or participation in other forms of service set out in the Law. The EOG also defines the duration and amount of compensation for loss of earnings paid to mothers in gainful employment during their maternity leave.

## Contributions

Employees and employers subject to AHV contributions are subject to contributions and each bear half of the contribution rate of 0.50% of earned income.

## Benefits

### Minimum/maximum amount in CHF per day

#### Basic compensation irrespective of marital status:

• in general	69/220
• during time spent as an NCO or officer after basic military training	124/220
• recruits and conscripts who do not have children	69

#### Child allowance:

• for each child	22
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Total amount of the total compensation 275\*

Care cost allowance max. 75

Business allowance 75

\*This maximum amount applies even if the total amount of the basic compensation and child allowances exceeds CHF 275.

## Compensation for loss of earnings for eligible claimants on military/civilian service

Individuals are eligible if they have their place of residence in Switzerland or abroad and are:

- on military service in the Swiss army or are serving in the Red Cross, for each paid day of service;
- performing civilian service, for each qualifying day of service;
- serving in the civil defence service for each full day for which they receive remuneration;
- taking part in federal and cantonal youth + sport coaching courses as part of the Jugend+Sport programme or in youth marksmanship courses, for each full course day;
- conscripts during recruitment days.

## Benefits

The total compensation comprises the basic compensation and the child allowances. The allowances for care costs and business costs are paid in addition to the total compensation and are never reduced.

## Compensation for loss of earnings during maternity leave

Women in gainful employment are entitled to 14 weeks of paid maternity leave, provided they were compulsorily insured in accordance with the AHVG for the nine months prior to the birth and were in gainful employment for at least five months during this period. The maternity leave compensation is paid via the employer as a daily allowance. The daily allowance amounts to 80% of the mother's average earnings from gainful employment before giving birth. The maximum amount is CHF 220 per day.

## Paternity leave allowance

Any man who is the legal father at the time of the child's birth, or who will be the legal father of the child within the following six months, is entitled to take paternity leave. He must have been compulsorily insured under the AHV scheme for the nine-month period before the birth of the child and have been gainfully employed for at least five months during this nine-month period, whether as an employee, a self-employed person or an employee at his wife's company receiving earnings in cash. The claim to paternity leave allowance will begin on the date of the birth of the child. The amount will correspond to 80% of the average income from gainful activity earned before the commencement of the claim to paternity leave allowance, but will not exceed CHF 220 per day.



### **Compensation for parents caring for a child with a severe health impairment**

Entitled persons include the parents of a minor with a severe health impairment caused by illness or accident who interrupt their gainful employment to care for the child and who, at the time when the gainful employment is interrupted, are employees within the meaning of Art.10 ATSG or self-employed persons within the meaning of Art. 12 ATSG or are employees of their husband's or wife's company and receive their earnings in cash.

A child is considered to have a severe health impairment if

- there has been a drastic change to the child's physical or mental state;
- the progress or outcome of this change is difficult to predict or if a permanent or increasing level of impairment or death is likely to occur;
- there is an increased need for the parents to provide care; and
- at least one of the parents is required to interrupt their gainful employment to care for the child.

There is only one entitlement per illness case or accident. An 18-month reference period applies to the receipt of the care compensation. The daily allowance is 80% of the average earned income received before the entitlement to the care compensation arose.

### **Adoption allowance**

Entitlement to the adoption allowance exists for persons who take in a child for adoption who is less than four years old, who were compulsorily insured under the Federal Old-Age and Survivors' Insurance scheme for the nine months prior to taking in the child, and who have been gainfully employed for at least five months and, at the time of taking in the child, are employees, self-employed or work in their spouse's business and receive a salary. A qualifying period of one year applies to the entitlement to and receipt of the adoption allowance, which begins when the child is adopted.

The daily allowance amounts to 80% of the average income earned before the start of the entitlement, but not more than CHF 220.

# Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG)

of 25 June 1982, in force since 1 January 1985

## Purpose

In addition to the AHV/IV (Pillar 1) benefits, the BVG (Pillar 2) benefits are intended to enable the elderly, survivors and the disabled to cover the general cost of living in an appropriate manner. The minimum statutory benefits are described below. Pension funds may offer additional benefits.

## Insured persons

### Compulsory insurance

Employees who receive more than CHF 22,680 in annual salary from an employer are insured against death and disability starting on 1 January of the year after they turn 17 years of age. They also have old-age pension coverage starting on 1 January of the year after they turn 24 years of age. Secondary employment activities are not eligible for compulsory cover if the individual concerned is already insured as part of his/her main occupation under a compulsory occupational pension plan or if his/her main occupation is a self-employed activity.

### Retirement assets consist of:

- retirement credits
- portable benefits transferred into the fund
- purchases of additional pension benefits
- amounts received under divorce settlements
- interest earned on all the amounts above

Retirement credits are calculated on an annual basis as a percentage of the coordinated salary. The following rates apply:

Age for women/men	25 – 34	35 – 44	45 – 54	55 – 65*
Rate as a % of the coordinated salary	7%	10%	15%	18%

### Voluntary insurance for the self-employed

Self-employed individuals who have employees take out insurance cover for themselves with their employees' pension fund, their professional association's pension fund or the Substitute Occupational Benefit Institution. Self-employed individuals who do not have employees can choose between the last two options.

## Pensionable salary

The insurance covers annual salaries between CHF 26,460 and CHF 90,720. This means that the maximum salary that can be insured is CHF 64,260. This is known as the coordinated salary. A minimum amount of CHF 3,780 is insured for annual salaries between CHF 22,680 and CHF 30,240. If an insured person is partially disabled based on the IV criteria, the thresholds (CHF 22,680 and CHF 64,260) are reduced by a fraction of the full disability pension in proportion to the degree of disability.

## Contributions

The employer must pay at least half of the total contributions for all staff. The contributions consist of the retirement credits, the risk premium and the additional costs that must be levied by law (adjustments for inflation and contributions to the BVG Guarantee Fund). The employer transfers the full contributions to the pension fund.

## Benefits

### Retirement benefits

#### ● Retirement pension

Entitlement to a BVG retirement pension begins at the age of 65\*. The Pension Regulations of the individual pension fund may allow for early retirement and continued insurance cover until the age of 70. The retirement pension is calculated as a percentage of the retirement assets that the insured person has accumulated up to retirement age. On retirement at 65\*, the conversion rate applied to assets under the compulsory scheme is 6.8%. Pension funds may apply different conversion rates to the non-compulsory components of the retirement assets.

#### ● Pensioners' children's pensions

Insured persons entitled to a retirement pension are further entitled to a pensioner's children's pension for each child who could claim an orphan's pension in the event of their death. This pension corresponds to 20% of the retirement pension.



- **Lump-sum settlements**  
Insured persons can request that a quarter of their retirement assets be paid out as a single lump-sum settlement. If permitted by the individual pension fund's Pension Regulations, insured persons can also request a lump-sum settlement instead of a retirement pension. Benefits resulting from additional voluntary contributions must not be withdrawn in the form of a lump-sum payment for a period of three years after the additional voluntary contribution.

#### Disability benefits

- **Disability pension**  
Individuals are entitled to a disability pension provided they are at least 40 % disabled according to the IV criteria and were insured when they became incapacitated for work as a result of the same cause that led to the disability. The entitlement ceases when the insured person dies or is no longer disabled.

#### Disability pension amount

Disability pensions are calculated using the same conversion rate that is used to calculate retirement pensions.

The underlying retirement assets consist of:

- the retirement assets accumulated by the insured person up to the date on which he/she became entitled to the disability pension;
- the total retirement credits for the years remaining until retirement age; excluding interest.

Often, however, the disability pension is defined as a percentage of the pensionable salary.

The pension fund can reduce the disability pension if the total benefits and other qualifying income exceed 90 % of the loss in earnings.

- **Disabled person's children's pension**  
Insured persons entitled to a disability pension are further entitled to a disabled person's child pension for each child who could claim an orphan's pension in the event of their death. This pension corresponds to 20 % of the disability pension.

#### Entitlement to children's pensions

Entitlement to children's pensions' ceases with the death of the child or when the child turns 18 years of age.

However, the pension is paid to children up to the age of 25:

- until they complete their education/training;
- until they are able to work, if they are at least 70 % disabled.

\*For women born up to and including 1961: 64 years and three months. The statutory reference age will be gradually raised to 65 by 2029.



### Survivors' benefits

#### ● Widow's and widower's pensions

The surviving spouse is entitled to a widow's or widower's pension if, at the date of the spouse's death, he or she is:

- responsible for the maintenance of one or more children or
- at least 45 years of age and the marriage lasted at least five years.

If the surviving spouse fails to meet any of these conditions, he or she is still entitled to a one-off settlement equal to three annual pension payments. The surviving spouse is entitled to the widow's or widower's pension from the date of the insured person's death but no earlier than the date when full continued salary payments are stopped. The entitlement ceases when the widow or widower remarries or dies. Upon the insured person's death, the widow's or widower's pension is equal to 60% of the full disability pension that the insured could have claimed. Upon the death of an insured person who has drawn a retirement or disability pension, the widow's or widower's pension is equal to 60% of the last retirement or disability pension paid out. Surviving registered partners have the same legal status as widows or widowers.

#### ● Orphan's pension

Children of a deceased insured person are entitled to orphans' pensions; foster children can only claim a pension if the deceased person was responsible for their maintenance. The orphan's pension amounts to 20% of the full disability pension.

#### ● Pension paid to the divorced spouse

Divorced spouses are treated the same way as widows or widowers after the death of their former spouse as long as the marriage lasted at least 10 years and the divorced spouse was awarded a pension in the divorce settlement under Art. 124e(1) or 126(1) Swiss Civil Code. The pension can, however, be reduced by the amount by which, in conjunction with the benefits from other insurance schemes, in particular the AHV and IV benefit, it exceeds the entitlement under the divorce settlement. Former registered partners are treated the same as divorced spouses after the death of their former registered partner.

#### ● Lump-sum settlements

If permitted under the Pension Regulations, the widow or widower can request a lump-sum settlement instead of a widow's or widower's pension. The surviving spouse must submit the declaration requesting the lump-sum settlement to the pension fund before the first pension payment. The same applies to surviving registered partners.

### **Additional statutory costs**

#### **Adjustment for inflation**

Survivors' and disability pensions that have been paid for a period of more than three years are adjusted for inflation until the age of 65\* as mandated by the Swiss Federal Council.

#### **BVG Guarantee Fund**

The BVG Guarantee Fund pays subsidies to pension funds with an unfavourable age structure (average retirement credits of more than 14%) and covers expenses incurred by compensation funds. It guarantees the benefits according to the regulations of insolvent pension funds that exceed the legal statutory benefits based on an applicable AHVG salary amounting to one-and-a-half times the upper BVG limit (CHF 136,080).

Contributions to the Guarantee Fund include:

- 0.13% of the coordinated salaries of all insured persons paying retirement pension contributions to cover subsidies for funds with an unfavourable age structure;
- 0.002% of the regulatory withdrawal benefits for all insured persons; as at
- 31 December and the same percentage of ten times the total amount of all pensions reported in the operating statement to cover insolvency and other benefits.

### **Portable benefit**

Employees with a BVG retirement pension plan who change their employer receive a withdrawal benefit (portable benefit) from their former employer's pension fund. If the employees remain subject to the BVG at their new company, they must transfer their withdrawal benefits into the new pension fund. Otherwise, they have the right to transfer the withdrawal benefits into a portable benefits account or a portable benefits policy. Employees who permanently change their place of residence from Switzerland to an EU or EFTA country can receive the non-compulsory part of the withdrawal benefits as a cash payment. If employees establish their place of residence outside the EU or EFTA, they can have their entire withdrawal benefits paid out in cash.

### **Promotion of home ownership**

Insured persons can withdraw or pledge occupational pension fund assets to finance the purchase of a residential property for personal use up to three years before they become entitled to a retirement pension. Within this context, the available assets are not limited to the BVG compulsory scheme. However, additional voluntary contribution amounts cannot be used for the purposes of financing home ownership for a period of three years after the voluntary contribution was made. Withdrawals and pledges are governed by the BVG and the provisions on promotion of home ownership out of occupational pension funds.

### **Compulsory insurance for unemployed persons**

Unemployed persons who receive a daily allowance of at least CHF 84.70 are insured with the Substitute Occupational Benefit Institution for the minimum BVG benefits in the event of death and disability. The unemployment insurance fund deducts the insured person's contribution from his/her daily allowance and transfers it to the Substitute Occupational Benefit Institution along with the employer's contribution, which the unemployment insurance fund pays.

### **Divorce**

As a rule, claims to withdrawal benefits that are accumulated during the period of marriage until the initiation of the divorce proceedings are divided equally. Purchases of pension benefits classified by law as own property under the statutory matrimonial property regime are not subject to splitting. Depending on whether the claim to pension benefits arises on the basis of disability or retirement, the benefit owed is paid into the pension of the entitled spouse or paid out to the entitled spouse directly. The rules governing divorces also apply, *mutatis mutandis*, to legal dissolutions of registered partnerships.

### **Continued insurance coverage for individuals who have turned 58 after leaving the compulsory insurance scheme**

Insured persons who cannot be blamed for or accused of causing the termination of their employment relationship can take out voluntary insurance. Under Art. 47a of the BVG, they have the right to continue with their occupational pension, meaning the employer's consent is not required. Pension coverage is granted in its previous scope, meaning the continued insurance coverage will include, as a maximum, the most recently declared salary. Depending on the previous insurance coverage, the insured person may also have the option to continue their non-compulsory insurance coverage (comprehensive pension provision under Art. 49(2) of the BVG). The insured person must finance the contributions themselves, covering the risk contributions (death and disability) as a minimum, while savings contributions can also be paid. Applications must be submitted to the pension fund directly. The deadline for applications is set by the pension fund.

# Federal Law on Compulsory Unemployment Insurance and Insolvency Compensation (AVIG)

of 25 June 1982, in force since 1 January 1984

## Purpose

Unemployment insurance provides reasonable loss of earnings compensation in the event of unemployment and provides financial benefits to finance measures to prevent and combat unemployment.

## Insured persons

This insurance covers employees who are compulsorily insured under the AHV scheme and pay AHV contributions on income from employment. Family members who work on a family farm are not subject to compulsory insurance, but are treated as self-employed farmers. Self-employed individuals cannot take out unemployment insurance.

## Contributions

Insurance contributions depend on the AHV salary and are capped at the maximum earnings subject to compulsory accident insurance and converted into months (CHF 148,200 per year / CHF 12,350 per month). The contribution rate is set at 2.2% and the employee and employer each pay half of the contribution. If the employer is not required to pay contributions, the employee pays the full amount.

## Benefits

### Unemployment benefits

Insured persons are entitled to receive unemployment benefits if they meet all of the following criteria:

- they are fully or partially unemployed;
- they have been affected by a qualifying event resulting in a loss of work;
- they are resident in Switzerland;
- they have completed their compulsory education, have not reached the AHV reference age and are not drawing an AHV retirement pension;
- they have completed the contributory period or are exempted from completing it;
- they are employable;
- they fulfil the controlling requirements of the employment office.

Contributory periods spent in an EU/EFTA country also count towards the completion of the contributory period for Swiss and EU/EFTA citizens employed under permanent or multi-year contracts.

Insured persons must look for new employment immediately after receiving notice of termination – that is, during the notice period – and during the entire period of unemployment. They must regularly show copies of applications, notes of verbal applications, etc., to the employment office as proof of their efforts.

### Allowance for reduced working hours

Employees whose normal working hours have been shortened or whose work has been discontinued entirely are entitled to an allowance for reduced working hours if:

- they are liable to pay insurance contributions or they have not yet reached the minimum age at which they are obliged to pay contributions in the AHV;
- the loss of work is considered a qualifying event;
- the employment relationship has not been terminated;
- the loss of work is presumed to be temporary and a shorter working hours model is expected to save jobs.

The introduction of a shorter working hours model requires the verification and approval of the cantonal employment office.

### Inclement weather allowance

The inclement weather allowance is only paid in certain industry sectors where losses of income due to meteorological conditions are common (mainly in construction, civil engineering and related trades).



### **Allowance for employer insolvency**

Employees are entitled to an allowance in the case of employer insolvency if:

- they have earnings claims against their employer when the employer files for bankruptcy;
- their employer does not file for bankruptcy because, due to its indebtedness, no creditor is prepared to advance the costs; or
- they have filed a seizure request for earnings claims against their employer.

### **Labour market measures**

Labour market measures (e.g. further training) are intended to help integrate insured persons who are harder to place, due to the state of the labour market, into the workplace.

### **Amount of benefits**

#### **Unemployment**

Insured persons receive a full daily allowance of 80% of the insured salary if they are at least 40% disabled or obligated to pay maintenance to children under 25 years of age or if the full daily allowance amounts to CHF 140 or less (corresponds to pensionable earnings of CHF 3,797). In all other cases, the daily allowance corresponds to 70% of the pensionable earnings.

Entitlement to the daily allowance is limited to salary components of up to CHF 12,350 per month/CHF 148,200 per year. Insured persons can claim five daily allowances per week. In addition to the daily allowance, claimants receive a supplement equal to the lost child allowances. AHV contributions must be paid from the daily allowance in order to avoid AHV contribution gaps. Two thirds of the premium for compulsory non-occupational accident insurance at the most also have to be paid. Contributions for the compulsory occupational pension are also deducted from the daily allowance, ensuring the provision of insurance cover in the event of disability and death. The unemployment insurance fund takes all the necessary steps in all cases.

For persons under 25 who are not obligated to pay maintenance to children and who have pensionable earnings of at least CHF 3,000 per month, no daily allowance is paid for the 5, 10, 15 or 20 days, depending on the amount of the pensionable earnings. If the insured person is obligated to pay child maintenance, no five-day waiting period applies, provided the pensionable earnings do not exceed CHF 5,000 per month.

**Allowance for reduced working hours  
and inclement weather allowance**

The allowance for reduced working hours and inclement weather allowance are each equal to 80% of the qualifying loss of earnings.

**Allowance for employer insolvency**

The allowance for employer insolvency covers salary claims from the last four months prior to the declaration of bankruptcy or the seizure request, but only up to CHF 12,350 per month.

**Labour market measures**

The insurance pays daily allowances to insured persons for the days they spend planning their self-employment or participating in a training or employment programme as per a decision made by the competent authority. Under certain circumstance, the Federal Council may extend the maximum period for receiving benefits by up to six accounting periods.

**Benefit period and reference period**

The number of daily unemployment allowances to which an insured person is entitled generally depends on the person's age and a contributory period (see box) of at least twelve months during a two-year reference period. The reference period commences two years before the date on which all of the requirements for receiving daily allowances are met for the first time (generally the first day of registered unemployment).

**Entitlement to unemployment benefits**  
(ranked by age and contributory period)

Contributory period of at least twelve months	Up to 260 daily allowances
Contributory period of at least 18 months	Up to 400 daily allowances
Contributory period of at least 22 months and at least 55 years of age	Up to 520 daily allowances
Contributory period of at least 22 months and drawing an IV disability pension of at least 40%	Up to 520 daily allowances
If unemployed during the four years prior to reaching AHV reference age	120 additional daily allowances
Persons exempted from the contributory period	Up to 90 daily allowances
Persons aged 25 or under, without child support obligation and a contributory period of at least twelve months	Up to 200 daily allowances

# Federal Law on Military Insurance (MVG)

of 19 June 1992, in force since 1 January 1994

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## Purpose

The military insurance scheme provides people with benefits due to inability to work/occupational disability occurring while they are serving in the security and peace services (army, civil defence, civilian service, disaster relief, etc.). This is a comprehensive assumption of risk to ensure social security.

## Insured persons

Insurance cover is provided specifically to:

- members of the army and civil defence service who are serving compulsorily or voluntarily;
- people rendering civilian service;
- members of the Instruction Corps, the Military Police and the Swiss Humanitarian Aid Unit;
- participants in recruitments and inspections, off-duty firearms training, voluntary off-duty military activities or military sports activities, and peacekeeping missions and Switzerland's Good Offices,
- people providing support to a civil defence organisation as a third party within the meaning of the Federal Act of 20 December 2019 on Civil Protection and Civil Defence (BZG).

## Contributions

The insurance is non-contributory. The Swiss federal government bears all costs. The maximum insured earnings are CHF 152,276.

## Insurance period

Insurance cover is provided for the entire duration of the service or training. The insurance also covers the journey to and from the service/training site as long as it is completed within a reasonable period. The insurance is suspended while the insured person remains compulsorily covered by the Federal Law on Accident Insurance (UVG) and in gainful employment.

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## The main benefits

### Daily allowance

Insured persons who are incapacitated for work due to a health impairment are entitled to a daily allowance. In cases involving individuals who are fully incapacitated for work, the daily allowance is equal to 80% of the pensionable earnings. If they are partially unable to work, the daily allowance is reduced accordingly.

### Occupational rehabilitation measures

Disabled individuals or insured persons faced with the immediate threat of disability are entitled to rehabilitation measures insofar as these measures are necessary and appropriate in order to maintain or improve their remaining earning capacity or social integration. As a rule, the rehabilitation measures are provided in Switzerland. Apart from medical arrangements and the provision of aids, the rehabilitation measures consist of organising and financing occupational and social integration programmes, as well as providing compensation for any loss of earnings for the duration of the measures.

### Disability pension

In cases involving full disability, the annual disability pension is equal to 80% of the insured earnings. This is paid until the reference age AHV is reached. The pension is reduced accordingly in cases involving partial disability. The pensions of beneficiaries, depending on their age, are adjusted to salary trends and inflation by the Federal Council.



### Survivors' pensions

The spouse, children, parents and divorced spouse of a deceased insured person may be entitled to a survivors' pension depending on the individual circumstances. The pensions of beneficiaries, depending on their age, are adjusted to salary trends and inflation by the Federal Council.

#### Survivors' pensions

(as a percentage of the pensionable earnings)

Spouse	40%
Divorced spouse (the pension corresponds to the maintenance amount no longer payable)	max. 20%
Orphans who have lost one parent	15%
Orphans who have lost both parents	25%
Parents: only if a need is recognised	max. 20%

### Compensation for the self-employed

If self-employed individuals suffer an additional loss associated with ongoing fixed operating costs due to the structure of their business while they are incapacitated for work, then this loss is reasonably compensated provided it is deemed unavoidable despite the diligent management of the business. Self-employed persons may receive additional compensation payments if their health impairment prevents them from maintaining their business using the daily allowance and any compensation that they may be receiving. However, the combined total of the additional compensation payments and the regular compensation must not exceed double the maximum qualifying annual earnings.

#### Other benefits

- Medical treatment (medical care)
- Assumption of travel expenses and rescue costs
- Compensation for funeral costs
- Allowances for home care and health resort treatments and helplessness allowances
- Aids
- Settlements and payment of damages for pain and suffering
- Retirement pensions of disabled insured persons
- Pensions for physical and mental impairment
- Assumption of loss of or damage to property

# Federal Law on Accident Insurance (UVG)

of 20 March 1981, in force since 1 January 1984

## Insurer

Compulsory and voluntary accident insurance is provided by:

- private insurance companies and public accident insurance funds;
- the Swiss National Accident Insurance Fund (Suva) for the companies for which it is responsible;
- recognised health insurance funds, although the pensions have to be provided by a private insurer in this case. This means that health insurance funds have to agree to partner with private insurance companies for this purpose. Except for persons to be insured through Suva, employees have a right to participate in selecting the insurer.

## Purpose

Accident insurance provides reasonable loss of earnings compensation for income lost due to occupational accidents, occupational illnesses or non-occupational accidents. Accident insurers also take action to prevent occupational accidents and illnesses at companies.

## Insured persons

### Compulsory insurance

This insurance is compulsory for all employees working in Switzerland. This also includes:

- farm workers;
- household domestic staff;
- cleaners working in private households;
- people working from home;
- apprentices, interns, volunteers and individuals working for an employer in order to explore a prospective career, for the duration of this activity (individuals on work experience);
- people working in training or sheltered workshops,
- people in secondary employment who pay AHV contributions for this activity;
- the employer's family members working in the employer's business if they receive earnings in cash and/or pay AHV contributions;
- retirees (AHV recipients) who continue to work as employees, even if no AHV contributions are paid.

## Individuals not subject to the compulsory scheme

In addition to the self-employed, the following persons are not subject to compulsory insurance:

- family members working in the family business who do not receive earnings in cash and do not pay AHV contributions or persons who are treated as self-employed farmers;
- members of boards of directors who do not work at the company;
- persons carrying out activities in the public interest who do not have a contract of employment (e.g. members of parliament, public agencies and commissions);
- Swiss government employees subject to military insurance;
- persons residing in an EU/EFTA country who work in that country and in Switzerland.

## Voluntary insurance

Self-employed Swiss residents and family members working in the family business who are not subject to compulsory insurance can take out accident insurance voluntarily. Voluntary insurance is not available for non-employed employers who merely employ household domestic staff. If the business falls within Suva's sphere of responsibility, voluntary insurance must be taken out with Suva, regardless of whether any staff are employed. If the business is not subject to Suva, then voluntarily insured persons must be included in the employees' contract. If there are no employees, insurance can be taken out with a private insurer or a health insurance fund.



### Scope of cover and premiums

Insured benefits are paid in the event of occupational accidents, occupational illnesses and non-occupational accidents. Part-time employees are only insured against non-occupational accidents if they work for the same employer for at least eight hours per week. The premium is levied on all earnings that are subject to premiums. This is equal to the insured salary. The premium for occupational accidents and occupational illnesses is borne by the employer; the premium for non-occupational accidents is charged to the employee unless other arrangements have been made in the employee's favour. The employer owes the entire premium amount and deducts the employee's share from his/her salary.

### Insured salary

The insured salary is equal to the AHV salary, subject to a limit of CHF 148,200 per year/CHF 406 per day. The insured salary is also understood to mean earnings on which no contributions to the AHV are payable due to the insured person's age, and family allowances granted as children's, training or household allowances.

### Insurance period

Insurance begins on the day the employment contract's relations commence or when the right to salary arises, in either case, from the point of time when he/she sets out to travel to work. The cover terminates on the 31st day after the date on which entitlement to at least half the salary ceases. The insurance cover for non-occupational accidents can be extended by a maximum of six months by taking out interim accident insurance within the 31-day extension of coverage period. The insurance cover continues if at least 50% of the earnings or daily allowances are paid, i.e. also in the event of illness and accidents. Unemployed individuals entitled to

daily allowances under unemployment insurance have compulsory accident insurance with Suva. The insurance remains in force for two years and can be extended to up to six years if employees are transferred abroad and were compulsorily insured in Switzerland immediately before their transfer. Insurance cover can continue for two years after the employee has been transferred to an EU/EFTA country. This period can be extended with official approval. Insurance cover is suspended for as long as the insured person is subject to military insurance or foreign compulsory accident insurance.

### Benefits

#### Care allowance and reimbursement of costs

##### ● Medical treatment

The insurance pays the costs of:

- outpatient treatment by a doctor, dentist or medical assistants acting on a doctor's or dentist's orders, or by a chiropractor and outpatient treatments in a hospital;
- drugs and tests prescribed by a doctor or dentist;
- treatment, food and accommodation in the general ward of a hospital;
- convalescence and health resort treatments prescribed by a medical practitioner;
- any remedies and objects required for medical recovery.

##### ● Medical treatment abroad

For necessary medical treatments, the insured person receives refunds of up to twice the amount of the expenses that would have been incurred for treatment in Switzerland. Medical treatment in EU and EFTA countries is subject to special provisions.

- **Home care**  
Contributions for home care are paid as long as the treatment is provided by approved home nursing staff within the meaning of Art. 18 UVV.
- **Aids**  
The insured person is entitled to aids that compensate for physical impairments or functional deficiencies (e.g. prostheses).
- **Loss of, or damage to, property**  
Reimbursement is provided for the cost of repairing damage, caused as a result of an accident, to property that acts as a replacement for a part of the body or a physical function (e.g. damage to prostheses in use). Indemnity can only be claimed for glasses, hearing aids and dentures in connection with a bodily injury requiring treatment.
- **Travel expenses, transport and rescue costs**  
Compensation is paid for any necessary rescue and recovery costs and the cost of medically required travel and transportation. Rescue, recovery, travel and transportation costs incurred abroad are reimbursed to the value of up to 20% of the maximum amount of insured annual earnings.
- **Transport of deceased persons**  
As a rule, the costs necessary for transporting deceased persons to the place of bury are reimbursed.
- **Funeral costs**  
Compensation is paid for funeral costs provided that they do not exceed seven times the maximum amount of the insured daily salary.

### **Cash benefits**

- **Daily allowances**  
Insured persons who are incapacitated for work, either in full or in part, due to an accident are entitled to a daily allowance. The daily allowance is paid as of the third day after the date of the accident for each calendar year. It corresponds to 80% of the insured salary in cases involving full incapacity for work or is reduced accordingly in cases involving partial incapacity for work. The daily allowance is not granted for as long as an individual is entitled to an IV daily allowance or to maternity allowance, paternity leave allowance, care compensation or adoption allowance under the Federal Law on Compensation for Loss of Earnings (EOG). For stays at hospitals, the following deductions are made from the daily allowance to cover the maintenance expense covered by the accident insurance:
  - 20% of the daily allowance, but no more than CHF 20, for single people with no maintenance or support obligations,
  - 10% of the daily allowance, but no more than CHF 10, for married individuals and single people with maintenance or support obligations, provided that the paragraph below does not apply.No deduction is made for married individuals or single people who are responsible for minors or children who are studying/completing vocational training.
- **Disability pension**  
If insured persons are left at least 10% disabled due to an accident, they are entitled to a disability pension provided the accident occurred before they reached the ordinary reference age. It corresponds to 80% of the pensionable salary in cases involving full disability or is reduced accordingly in cases involving partial disability. If insured persons are entitled to an IV or AHV pension paid out by a Swiss or foreign institution, they will be granted a supplementary pension to bring the IV or AHV pension up to as much as 90% of the insured salary; the maximum amount paid will correspond, however, to the amount paid for full or partial disability. If the pension recipient's degree of disability changes considerably, then the pension will be increased or reduced accordingly with effect for the future, or will be cancelled completely if they become fully able to work again.



- **Allowance for physical, psychological and mental impairment**  
If insured persons suffer permanent and significant damage to their physical, psychological or mental integrity due to the accident, then they are entitled to an appropriate allowance for physical and mental impairment in the form of a lump sum. An allowance for physical and mental impairment can also be granted without a pension being awarded at the same time.
- **Helplessness allowance**  
If insured persons require permanent assistance from third parties or personal supervision in order to perform day-to-day tasks due to health impairments, they are entitled to a helplessness allowance.
- **Survivors' pensions**  
If the insured person dies as a result of the accident, his/her surviving spouse and children are entitled to survivors' pensions. The survivors' pensions correspond to the following amounts, as a percentage of the pensionable salary:
  - widows and widowers 40% (subject to certain conditions only);
  - orphans who have lost one parent 15%;
  - orphans who have lost both parents 25%;
  - several survivors combined, no more than 70%;
  - divorced spouses 20%, but no more than the maintenance amount owed.If the survivors are entitled to an AHV or IV pension, they will be granted a joint supplementary pension to bring the AHV or IV pension up to as much as 90% of the insured salary; the maximum amount paid will correspond, however, to the amount calculated as set out above.

**Adjustment of pensions for inflation**

The pensions will be adjusted for inflation in accordance with the Swiss consumer price index at the same time as the AHV pensions are adjusted.

### **Reduction in, and denial of, benefits**

The disability pensions, allowances for physical, psychical and mental impairment and survivors' pensions will be reduced if the health impairment or death was only partially caused by an accident. If the insured person caused the health impairment or his/her death deliberately, there will be no entitlement to insurance benefits with the exception of funeral costs. If the insured person caused the accident through gross negligence, daily allowances paid under the insurance scheme for non-occupational accidents during the first two years after the accident will be reduced. Monetary benefits can be reduced or, in particularly serious cases, denied if an accident results from a deliberate criminal act or offence on the part of the insured person. All insurance benefits will be denied for accidents that happened while the insured person was serving in the military abroad or participating in acts of war or terrorism or gang crime. The monetary benefits will be reduced by at least half for accidents that happen:

- due to the insured person becoming involved in brawls or fights, unless the insured person was injured, without being involved in the brawl or fight him/herself, by the individuals involved in the brawl or fight or while trying to help a defenceless individual;
- in connection with risks that insured persons expose themselves to by significantly provoking others;
- due to the insured person becoming involved in riots.

The monetary benefits will be reduced by half or, in particularly serious cases, denied, in cases involving non-occupational accidents that occur due to hazardous exposure to risks. Hazardous exposure to risks includes actions that expose the insured person to a particularly high level of danger, where the insured person did not or was not able to take the precautions needed to limit the risk to a sensible level. (e.g. motorcycle races, climbing buildings, etc.). Efforts to rescue people, however, remain insured even if these efforts can be considered a hazardous exposure to risks per se.

# Federal Law on Supplementary Benefits to Old-Age, Survivors' and Disability Insurance (ELG)

of 6 October 2006, in force since 1 January 2008

## Purpose

Supplementary benefits were introduced to ensure that, in accordance with the constitutional mandate, all AHV/IV pension recipients and recipients of IV daily allowances receive sufficient income to cover their basic subsistence needs. In order to achieve this objective, the Swiss federal government and the cantons award supplementary benefits to cover the basic subsistence needs of persons who meet the qualifying conditions.

## Persons entitled to benefits

Persons have an individual entitlement to supplementary benefits if they are domiciled and habitually resident in Switzerland. The habitual residence will be deemed interrupted if a person resides abroad for a continuous period of more than three months or for more than three months in total in a calendar year. Foreigners must have lived in Switzerland for a continuous period of ten years (qualifying period) immediately prior to the date on which the supplementary benefit is claimed. If a foreigner resides abroad for a continuous period of more than three months or for more than three months in total in a calendar year, the new qualifying period will commence upon their return to Switzerland. The qualifying period for refugees and stateless persons is five years. Special provisions exist for nationals of countries with which Switzerland has concluded a social security agreement.

Entitlement to supplementary benefits is limited to:

- recipients of an AHV old-age or survivor's pension;
- recipients of an IV disability pension or daily allowance (that has been received for a minimum of six months);
- recipients of an IV helplessness allowance who have turned 18 years of age;

whose pension, daily allowance or helplessness allowance does not fully cover their basic subsistence needs.

## Contributions

The annual supplementary benefits are not financed by deductions from salary, but are paid for by the federal government (five eighths) and the cantons (three eighths).

## Benefits

The annual supplementary benefit is a cash benefit. It corresponds to the amount by which the approved expenditure exceeds the applicable income.

### The approved expenditure amounts are as follows: in CHF per year

Amount for the general living expenses of:	
• single persons	20,100
• married couples	30,150
• for children who have turned 11	
• for the first two children	10,515
• for two additional children	7,010
• for every additional child	3,505
• for children who have not yet turned 11	7,380
• For every additional child, the amount is reduced by $\frac{1}{3}$ .	
• The amount for the 5th child applies to every subsequent child.	
Actual amount of rent for a home, but up to a maximum of:	
• For a person who lives alone	
• in region 1	17,580
• in region 2	17,040
• in region 3	15,540
• For several persons in the same household	
• for the 2nd person add:	
in the region 1 and 3	3,240
in the region 2	3,180
• for the 3rd person add:	
in region 1	2,280
in regions 2 and 3	1,920
• for the 4th person add:	
in region 1	2,100
in region 2	1,980
in region 3	1,680
• If a wheelchair-accessible residence needs to be rented add:	6,420

Region 1 consists of the five large city centres Bern, Zurich, Basel, Geneva and Lausanne. Municipalities in the categories of «urban» and «intermediary» are allocated to region 2, and municipalities in the category of «rural» are allocated to region 3.

Expenditure to secure earned income (costs to obtain income from gainful activity)	Actual costs
Building maintenance costs, if applicable	Actual costs
Social insurance contributions	Actual costs
Flat-rate amount (varies by canton) for compulsory health insurance	As stipulated by the canton
Any maintenance contributions made under family law	Actual costs



For persons in shared forms of living and for whom a joint calculation as spouses or as persons with orphans entitled to a pension or children who can justify entitlement to an AHV or IV children's pension is not made, the maximum annual amount of approved rental costs for one person in a household with two persons applies.

Relevant income includes a proportion of the earned income and a proportion of the assets, the AHV/IV pension or IV daily allowance received, as well as any family allowances and maintenance payments received.

#### **Adjustment of benefits for inflation**

As a rule, the Federal Council reviews the approved expenditure and relevant income amounts every two years and adjusts them if required. As a result, the supplementary benefit amount paid out may be adjusted upwards or downwards.

#### **Distinction between supplementary benefits and social welfare**

Social welfare also serves to cover basic subsistence needs. However, this is primarily intended for people who do not receive an AHV/IV pension or IV daily allowance and who are therefore not entitled to supplementary benefits. If the income or financial situation of a person receiving social welfare improves significantly, the social welfare received must be repaid. In contrast, supplementary benefits that have been paid out do not have to be repaid under any circumstances.

# Federal Law on Health Insurance (KVG)

of 18 March 1994, in force since 1 January 1996

## Purpose

The Federal Law on Health Insurance sets out the provisions governing social health insurance. This includes compulsory health insurance and voluntary daily allowance insurance. The social health insurance scheme grants benefits in the event of illness, accidents (if the accident is not covered by any accident insurance) and maternity.

## Insured persons

Cover is provided to all individuals who are resident in Switzerland as a general rule. Individuals who move to Switzerland from abroad must take out cover within three months of taking up residency in Switzerland. Cross-border commuters in individual EU/EFTA countries and persons resident in these countries who are drawing a Swiss pension, as well as their relatives, are also subject to compulsory insurance. Employees posted to an EU country remain insured for two years. Employees posted to other countries remain insured for two years. This period can be extended with official approval.

## Premiums

All adult insured persons living in the same region pay the same premium to their health insurance fund. In addition, they pay some of the costs of the benefits they receive with a deductible (2020: minimum of CHF 300) and a retention fee of 10%, limited to a maximum of CHF 700. There is no deductible for maternity benefits. Special provisions apply to the deductible rate and the retention fee in cases involving insured persons living in an EU/EFTA country. Contractually agreed restrictions on the choice of service provider (e.g. doctor) or an increase in the deductible rate results in the reduction of the premium or the retention fee. The cantons award premium discounts to insured persons in modest financial circumstances.

## Benefits (compulsory basic insurance)

The benefits include:

- examinations, treatment and nursing care;
- analyses, drugs and diagnostic or therapeutic services and equipment;
- a contribution to the costs of health resort treatment prescribed by a doctor;
- medical rehabilitation measures;
- stay in the general ward of a hospital or semi-hospital establishment;
- a contribution to medically necessary transport costs and rescue costs.

## Health insurance under the Federal Law on Insurance Contracts (VVG)

Supplementary health insurance can be taken out on the basis of the Federal Law on Insurance Contracts (VVG) for benefits that are not financed by the compulsory health insurance scheme. This supplementary health insurance can be used, for example, to cover the costs of alternative treatment methods, emergency treatment abroad, medication not covered by the compulsory health insurance scheme, dental treatment, transport and rescue costs, accommodations in a single-bed or two-bed ward (private/semi-private), the right to freely choose one's doctor, home helps, cosmetic procedures and other services. In many respects, e.g. premium adjustments, termination period, etc. the rules that apply to supplementary insurance are different to those that apply to compulsory insurance under the Federal Law on Health Insurance (KVG).

# Benefits

## AHV/IV/EO

Federal Law on Old-Age and Survivors' Pensions (AHVG, in force since 1 January 1948)

Federal Law on Disability Insurance (IVG, in force since 1 January 1960)

Federal Law on Compensation for Loss of Earnings for Persons on Military Service or Maternity Leave (EOG, in force since 1 January 1953)

### Group of insured persons

This insurance is compulsory for everyone whose place of residence or work is in Switzerland (subject to certain exceptions) and for Swiss citizens working in government service for the Swiss Confederation abroad. Persons subject to the Swiss social security system due to bilateral agreements with the EU are also insured.

### Insured salary

The salary subject to contributions is the AHV salary. The insured salary is the AHV salary up to a maximum of CHF 90,720.

### Benefits

#### Treatment, care, recovery

Medical and occupational rehabilitation measures, aids, helplessness allowance.

#### Temporary incapacity for work

IV daily allowance during the rehabilitation measures corresponding to no more than 80% of the pensionable salary up to CHF 148,200. Daily allowances to cover the loss of earnings for persons on military service (CHF 69 to CHF 275 per day) and maternity leave (max. CHF 220 per day).

#### Permanent earnings incapacity

Pension based on degree of disability

40%	25% (quarter pension)
41–49%	plus 2.5% in each case
50–69%	percentage based on degree of disability
from 70%	100% (full pension)
children's pension	40% of the IV pension

### Survivors' benefits

The pension amounts to the following (as a percentage of the retirement pension):

For widows and widowers	80%
For orphans who have lost one parent	40%
For orphans who have lost both parents max	60%

Special conditions apply to widows and divorced spouses.

### Retirement benefits

The pension entitlement arises when an individual turns 65\*. Pensions can be drawn one or two years early, with a deduction of 6.8% being made in such cases. The pension can also be deferred by up to five years, increasing the retirement pension accordingly.

#### Reference age

The reference age for women is:

- 64 years for women born up to and including 1960
- 64 years and three months for women born in 1961
- 64 years and six months for women born in 1962
- 64 years and nine months for women born in 1963
- 65 years for women born in 1964 or later

### Adjustments for inflation

The Federal Council generally adjusts the ordinary pensions to reflect salary trends and inflation every two years at the beginning of the calendar year.

### Financing

#### Costs

##### Costs

AHV	8,7%
IV	1,4%
EO	0,5%

##### Self-employed individuals:

AHV	8,1%
IV	1,4%
EO	0,5%

#### For income under CHF 60,500:

the contribution rate is reduced in accordance with the falling contribution scale.

#### Individuals not in gainful employment:

special provisions apply.

#### Distribution of costs

All contributions are levied as a percentage of the AHV salary (with no upper limit). The employee and the employer each pay half, with subsidies paid by the federal government and the cantons.

## Compulsory occupational pension provision

Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG, in force since 1 January 1985)

Group of insured persons	Pensionable salary
<p>Insurance is compulsory for:</p> <ul style="list-style-type: none"> <li>• Employees subject to AHV contributions as of 1 January of the year after they turn 17 who receive an annual AHV salary of more than CHF 22,680.</li> <li>• Individuals who are entitled to unemployment benefits, for disability and death, where the daily allowance is more than CHF 84.70.</li> </ul> <p>The self-employed and employees not subject to compulsory insurance can opt to take out voluntary cover.</p>	<p>Cover is provided for the annual AHV salary between the limits of CHF 26,460 and CHF 90,720, i.e. a maximum salary of CHF 64,260. If the coordinated salary is less than CHF 3,780 a year, it must be rounded up to this amount.</p>

### Benefits

Treatment, care, recovery	Temporary incapacity for work	Permanent earnings incapacity								
No benefits insured.	No benefits insured.	<p>Pension based on degree of disability</p> <table border="1"> <tbody> <tr> <td>40%</td> <td>25% (quarter pension)</td> </tr> <tr> <td>41–49%</td> <td>plus 2.5% in each case</td> </tr> <tr> <td>50–69%</td> <td>percentage based on degree of disability</td> </tr> <tr> <td>from 70%</td> <td>100% (full pension)</td> </tr> </tbody> </table> <p>The full pension for men and women is currently 6.8% of the projected retirement assets, excluding interest. Disabled person's children's pension = 20% of the disability pension paid to the insured disabled parent.</p>	40%	25% (quarter pension)	41–49%	plus 2.5% in each case	50–69%	percentage based on degree of disability	from 70%	100% (full pension)
40%	25% (quarter pension)									
41–49%	plus 2.5% in each case									
50–69%	percentage based on degree of disability									
from 70%	100% (full pension)									

### Survivors' benefits

On the death of an insured pension = widow's/widower's pension 60%, orphan's pension 20% of the full disability pension.

On death of a person who has drawn a retirement or disability pension = widow's/widower's pension's 60%, orphan's pension 20% of the retirement or disability pension.

Divorced spouses are deemed equivalent to widows or widowers following the death of their former spouse (special conditions). Surviving spouses who are not responsible for children only receive a pension if they are aged 45 or above and the marriage lasted at least five years.

### Retirement benefits

Retirement age:

Men	65 years of age
Women	65* years of age

Retirement pension = for men and women, currently 6.8% of the projected interest-bearing retirement assets.

Children's pension = 20% of the retirement pension.

Early retirement, or deferred retirement up until the individual turns 70 at the latest, is possible. The benefits are reduced or increased accordingly.

### Adjustments for inflation

Survivors' and disability pensions whose term has exceeded 3 years are adjusted for inflation, as mandated by the Federal Council; thereafter, the same as AHV/IV.

### Financing

Costs		Distribution of costs
Costs for retirement credits (as a percentage of the pensionable salary):	Costs for death and occupational disability benefits, contributions to the Guarantee Fund, costs associated with adjustments for inflation.	The employer's contribution must correspond to at least as much as the total contributions made by its employees.
Age women/men:		
25–34	7%	
35–44	10%	
45–54	15%	
55–65*	18%	

## Unemployment insurance

Federal Law on Compulsory Unemployment Insurance and Insolvency Compensation (AVIG, in force since 1 January 1984)

Group of insured persons	Pensionable salary
Insurance is provided for individuals who are resident in Switzerland and are subject to contributions based on income from employment, or are exempted from compulsory contributions, from the time at which they complete their compulsory education until they reach the AHV reference age.	AHV salary up to a maximum of CHF 148,200.

### Benefits

#### Treatment, care, recovery

In case of illness, accident or pregnancy: entitlement to a maximum of 44 daily allowances within the two-year reference period.

#### Temporary incapacity for work

Allowance for reduced working hours, inclement weather allowance, allowance for employer insolvency, financial benefits for labour market measures.

#### Permanent earnings incapacity

Unemployment benefits: max. 520 daily allowances (depending on the age of the insured person and the contributory period) corresponding to 80% of the pensionable salary up to CHF 148,200 (70% for certain insured persons).

### Survivors' benefits

Unemployment insurance does not, for its part, pay out any survivors' benefits. If, however, the daily allowance is more than CHF 84.70, individuals receiving unemployment benefits receive disability and survivors' benefits under the occupational pension scheme (BVG).

### Adjustments for inflation

As unemployment insurance pays daily allowances over a fixed term as opposed to pensions, the legislator has opted not to make any automatic adjustments for inflation.

### Financing

#### Costs

2.2% of the insured salary up to CHF 148,200.

#### Distribution of costs

Contributions split 50/50 by the employee and the employer.

## Military insurance

Federal Law on Military Insurance (MVG, in force since 1 January 1994)

Group of insured persons	Pensionable salary
Insurance is compulsory for members of the army and civil defence service who are serving compulsorily, individuals performing civilian service, individuals performing off-duty military activities and participants in off-duty firearms training.	AHV salary up to a maximum of CHF 152,275.

### Benefits

#### Treatment, care, recovery

Medical, hospital or home care, rehabilitation measures, aids, helplessness allowance.

#### Temporary incapacity for work

Daily allowance of up to 80% of the insured salary until the time at which disability pension payments start or the individual is able to work again.

#### Permanent earnings incapacity

Pension corresponding to 80% of the insured salary in cases involving full earnings incapacity; supplementary pension to the IV pension corresponding to up to 90% of the insured salary.

**Survivors' benefits**

(as a percentage of the pensionable salary)

Widows and widowers	40%
Orphans	15%
Orphans who have lost both parents	24%

Special conditions apply to the parents of the insured person and divorced people.

**Adjustments for inflation**

Adjustments for inflation are made at the same time as the adjustments to the AHV/IV pensions.

**Financing****Distribution of costs**

The expenses are covered by the Swiss federal government.

**Accident insurance**

Federal Law on Accident Insurance (UVG, in force since 1 January 1984)

**Group of insured persons**

Insurance is compulsory for

- employees working in Switzerland (subject to exceptions);
- individuals who are entitled to unemployment benefits.

Self-employed people and family members working for the company can take out voluntary insurance (special regulations apply to family members who work on a family farm).

**Pensionable salary**

AHV salary up to a maximum of CHF 148,200 (subject to deviations).

**Benefits****Treatment, care, recovery**

Medical, hospital or home care, aids, helplessness allowance.

**Temporary incapacity for work**

Daily allowance of up to 80% of the insured salary as of the third day and up until the time at which disability pension payments start or the individual is able to work again.

**Permanent earnings incapacity**

Pension corresponding to 80% of the insured salary in cases involving full earnings incapacity. The total AHV/IV and UVG benefits must not exceed 90% of the insured salary (supplementary pension).

**Survivors' benefits**

(as a percentage of the pensionable salary)

Widows and widowers	40%
Orphans who have lost one parent	15%
Orphans who have lost both parents	25%
Maximum total	70%

Special conditions apply to surviving divorced spouses.

**Adjustments for inflation**

Adjustments for inflation are made at the same time as the adjustments to the AHV/IV pensions.

**Financing****Costs**

The premiums depend on the type of business and the company's situation.

**Distribution of costs**

The costs associated with occupational accidents and illnesses are to be borne by the employer. The costs associated with non-occupational accidents are (generally) borne by the employee.

## Supplementary benefits

Federal Law on Supplementary Benefits to Old-Age, Survivors' and Disability Insurance (ELG, in force since 1 January 2008)

### Group of insured persons

Eligible claimants include persons resident in Switzerland who are drawing AHV/IV pensions and, in some cases, IV daily allowances, as well as foreigners who have been resident in Switzerland for an uninterrupted period of ten years/based on international treaties, refugees and stateless persons who have been resident in Switzerland for an uninterrupted period of five years.

### Pensionable salary

Income and capped expenditures (minimum subsistence level) are compared based on clearly defined guidelines. The entitlement to benefits only applies in cases involving a surplus of expenditure (special provisions apply to care home residents).

### Benefits

#### Treatment, care, recovery

Payments are made to cover the following additional services: dental costs, health resort treatment prescribed by a doctor, health insurance fund (general division), etc., as well as nursing care and aids.

#### Temporary incapacity for work

No benefits insured.

#### Permanent earnings incapacity

The supplementary benefits guarantee cover for the minimum subsistence level based on the necessary expenses in the case in question (for the individual's home, cost of living, etc.) by supplementing the existing pension(s) or daily allowance.

### Survivors' benefits

The supplementary benefits guarantee cover for the minimum subsistence level based on the necessary expenses in the case in question (for the individual's home, cost of living, etc.) by supplementing the existing pension(s) or daily allowance.

### Retirement benefits

The supplementary benefits guarantee cover for the minimum subsistence level based on the necessary expenses in the case in question (for the individual's home, cost of living, etc.) by supplementing the existing pension(s). The maximum payment is CHF 20,100 for single people, CHF 30,150 for married couples and CHF 10,515 for orphans and for children who have turned 12.

### Adjustments for inflation

Increase in income thresholds pursuant to the Federal Council's decision when the AHV pensions are reassessed.

### Financing

#### Costs

The Swiss government and cantons pay for the supplementary benefits.

#### Distribution of costs

The annual supplementary benefits are paid for by the federal government (five eighths) and the cantons (three eighths). Different arrangements apply to the distribution of costs in individual areas.

## Health insurance

Federal Law on Health Insurance (KVG, in force since 1 January 1996)

### Group of insured persons

Insurance is compulsory for individuals who are resident in Switzerland (subject to exceptions) and for cross-border commuters in individual EU/EFTA countries. Certain groups of people can take out voluntary insurance.

### Benefits

Treatment, care, recovery	Temporary incapacity for work	Permanent earnings incapacity
<p>The insurance pays the costs of:</p> <ul style="list-style-type: none"> <li>• Visits to the doctor</li> <li>• Stays in hospital</li> <li>• Home care</li> <li>• Aids</li> <li>• Transport and rescue costs</li> <li>• Health resort treatment</li> </ul>	No benefits insured.	No benefits insured.

### Survivors' benefits

No benefits insured.

### Financing

Costs	Distribution of costs
<p>The premiums vary depending on the region in which an individual is resident. Reduced premiums apply to children (up to age 18) and young adults (19 to 25).</p>	<p>The individual insured person bears the health insurance fund premium. The Federation and cantons provide premium discounts to insured persons in modest financial circumstances.</p>

# Practical guide

## AHV/IV/EO

Federal Law on Old-Age and Survivors' Pensions (AHVG, in force since 1 January 1948)

Federal Law on Disability Insurance (IVG, in force since 1 January 1960)

Federal Law on Compensation for Loss of Earnings for Persons on Military Service or Maternity Leave (EOG, in force since 1 January 1953)

### Registering a new employee

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Immediate registration with the AHV compensation fund that is responsible (the AHV compensation fund has to issue an AHV ID card for individuals who do not have one).

### Salary changes

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Salary changes only have to be reported together with the AHV/IV annual statement. The employer must keep records on the salary deductions relating to its employees.

### Termination of employment

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The AHV compensation fund does not have to be notified; information on the duration of salary payments is evident from the annual statement and transfer of the contributions.

### Occupational disability

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Anyone claiming IV benefits must report to the responsible IV office as soon as possible to ensure that their case is recognised early on. Delays in registering mean that potential benefits will also be paid later.

### Death

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Deaths are to be reported to the AHV compensation fund that was most recently responsible for the settlement of AHV contributions.

### Retirement

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Entitlements to retirement pensions are to be reported to the AHV compensation fund that was most recently responsible for the settlement of AHV contributions (approx. 2 months in advance). If individuals retire early or defer the date as of which they wish to draw their pension, the AHV compensation fund must be contacted in good time.

### Payment transactions, premium statements

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Each employer is obliged to pay the contributions to the responsible AHV compensation fund via the cash salaries and remuneration in kind paid to its employees at periodic intervals. The contribution deducted is to be transferred to the responsible AHV compensation fund together with the employer's contribution.

### Tax

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The employer's contributions are deemed to constitute business expenses for the purposes of direct taxes. The employees' contributions are deductible for the purposes of direct taxes. The benefits are generally subject to taxation in full.

## Compulsory occupational pension provision

Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG, in force since 1 January 1985)

### Registering a new employee

Individuals who earn more than CHF 22,680 a year have to be registered with the pension fund as of 1 January in the year after they turn 17 (exception: employees with a contract of employment that is limited to a maximum period of three months). Special provisions apply to temporary assignments and consecutive fixed-term employment contracts.

### Salary changes

In general, salary changes are taken into account as at 1 January of a given year. Changes in salary during the year should only be reported if they have a material impact on the amount of pension benefits.

### Termination of employment

The pension fund must be informed without delay when an employee leaves the company so that the entitlement to portable benefits can be calculated and the transfer can be made into the new employer's pension fund.

### Occupational disability

Cases in which an individual has a full or partial occupational disability that is likely to last for a prolonged period must be reported to the pension fund.

### Death

If an insured person or a pension recipient dies, the pension fund must be notified without delay.

### Retirement

The pension fund will enquire with the insured person in good time as to where the retirement benefits are to be transferred. The pension fund must be notified in good time of the insured person's intention to retire early or defer retirement (if this is permitted by the regulations).

### Payment transactions, premium statements

Pursuant to the agreement with the pension fund concerned. The employee contributions and employer contributions are to be transferred jointly to the pension fund by the employer. The equal part of the joint contribution owed by the employee is deducted from his or her salary.

### Tax

The employer's contributions are deemed to constitute business expenses for the purposes of direct taxes. The employees' contributions are deductible for the purposes of direct taxes. The benefits are generally subject to taxation in full. Lump-sum payments are taxed at a reduced rate.

## Unemployment insurance

Federal Law on Compulsory Unemployment Insurance and Insolvency Compensation (AVIG, in force since 1 January 1984)

### Registering a new employee

Employees should be registered at the same time as they are registered with the AHV compensation office.

### Termination of employment

If the person leaving the company does not find a job, he/she must lodge a claim with the employment office without delay.

### Death

The unemployment insurance fund must be informed immediately if individuals receiving a daily allowance die.

### Retirement

Payment of the daily allowances ends automatically when the individual reaches the AHV reference age.

### Tax

Daily unemployment allowances are taxable as replacement income.

## Military insurance

Federal Law on Military Insurance (MVG, in force since 1 January 1994)

<b>Occupational disability</b>	<b>Death</b>	<b>Tax</b>
The notification is made by the doctor or the hospital administration.	The notification is made by the doctor or the hospital administration.	Pensions or lump-sum payments that started for the first time, or fall due, on or after 1 January 1994 are taxed in full as income.

## Accident insurance

Federal Law on Accident Insurance (UVG, in force since 1 January 1984)

<b>Registering a new employee</b>	<b>Salary changes</b>
There is no need to register employees separately. Instead, the total salary paid to the new hire must be included in the annual salary declaration. Exception: The first person to be insured must be registered without delay.	Changes in the salaries subject to AHV contributions are covered by the annual salary declaration in full. Employers must keep the salary records and all other documents for a period of five years.

<b>Termination of employment</b>	<b>Occupational disability</b>	<b>Death</b>
There is no need to report this separately. The fact that the employee has left the company is evident from the annual salary declaration.	Incapacity for work must be reported to the accident insurer without delay.	Death must be reported to the accident insurer without delay.

<b>Retirement</b>	<b>Payment transactions, premium statements</b>	<b>Tax</b>
The salary is to be included in the annual salary declaration up until the retirement date. Following retirement, no insurance cover is provided any more.	A provisional advance premium is set each year. The definitive premium statement is prepared at the end of the year based on the annual salary declaration. This is dispensed with if a lump-sum premium has been agreed.	The employer's contributions are deemed to constitute business expenses for the purposes of direct taxes. The employees' contributions are deductible for the purposes of direct taxes. Depending on the financing expenses, the benefits are taxable at a reduced rate/in full for the purposes of direct taxes.

## Supplementary benefits

Federal Law on Supplementary Benefits to Old-Age, Survivors' and Disability Insurance (ELG, in force since 1 January 2008)

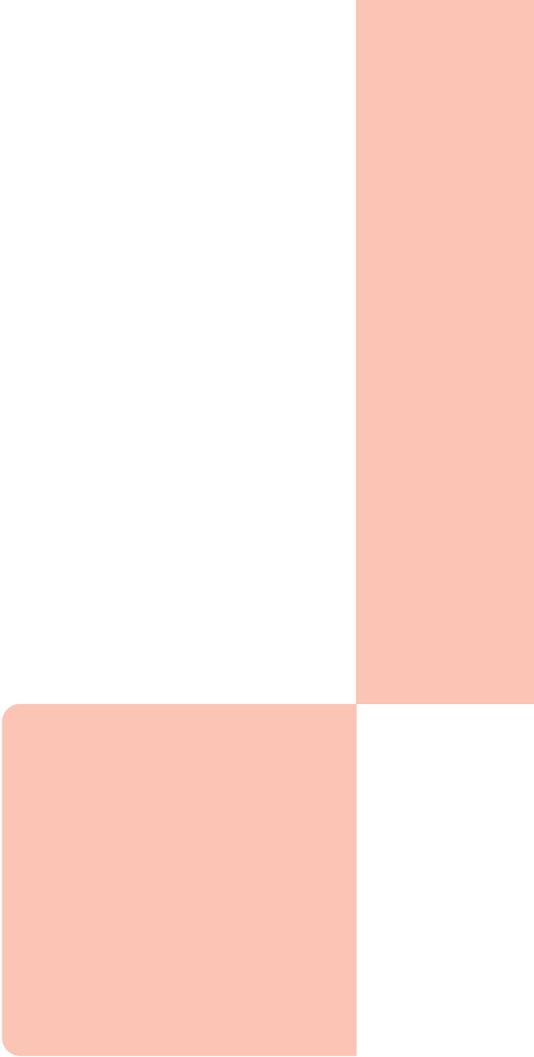
<b>Registering a new employee</b>	<b>Salary changes</b>	<b>Occupational disability</b>
Individuals claiming supplementary benefits have to report to the cantonal implementing body (generally the cantonal AHV compensation office).	Changes in the income situation and financial circumstances must be reported to the cantonal implementing body without delay.	If there is an entitlement to IV benefits, the entitlement to supplementary benefits must be reported to the cantonal implementing body.
<b>Death</b>	<b>Retirement</b>	<b>Tax</b>
If an individual drawing supplementary benefits dies, this must be reported to the cantonal implementing body without delay.	The entitlement to supplementary benefits must be reported to the cantonal implementing body.	Supplementary benefits are generally tax-exempt.

## Health insurance

Federal Law on Health Insurance (KVG, in force since 1 January 1996)

<b>Registering a new employee</b>	<b>Termination of employment</b>	
If an individual was not previously subject to compulsory insurance (e.g. because he/she has moved from abroad), he/she must register with a health insurance fund within three months.	The employer must provide the employee who is leaving the company with written information instructing him/her to include the accident risk in his/her health insurance again if he/she does not start a new job again or is insured with Suva due to unemployment pursuant to the AVIG.	
<b>Retirement</b>	<b>Payment transactions, premium statements</b>	<b>Tax</b>
The employer must provide the employee who is leaving the company with written information instructing him/her to include the accident risk in his/her health insurance again.	Each insured persons/each family receives a premium statement.	Health insurance fund premiums are deductible from an individual's taxable income up to a maximum amount.

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**Baloise Life Ltd**

Aeschengraben 21, P.O. Box  
4002 Basel  
Customer Service 00800 24 800 800  
customerservice@baloise.ch  
baloise.ch