

Employee's guide to social insurance

2020 edition



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This brochure is designed to provide you with more information on the Swiss social insurance system.

The Swiss social insurance system is extremely complex. In-depth knowledge allows you to assess your own insurance situation. This is exactly the sort of knowledge that this brochure aims to provide you with, showing you the precautions that you can take to ensure that you always have the protection you need. There are many scenarios, for example if you change job, become unemployed unexpectedly or retire, that leave you confronted with a new situation that you were not prepared for. This brochure provides you with clear, straightforward information about the insurance cover you have by law in various life situations. While the Swiss pension system, featuring old-age, survivors' and

disability pensions (AHV/IV) and compulsory occupational pension provision (BVG), covers your basic subsistence needs and the general cost of living, you can only safeguard the quality of life that you, as an individual, have become accustomed to by making use of the third pillar: your individual provision. Our government is counting on you to arrange this supplementary provision – here at Baloise, we have customised solutions to offer you and are here to provide support whenever you need us.



Change of job

Starting a new job within 30 days

AHV/IV

Pillar 1

What does the insurance cover?

The contribution period is not interrupted when you change job. This means that you are still entitled to a full pension as long as your contribution period is complete, i. e. there are no gaps in your contributions.

Please note:

Full pension = complete contribution period, i. e. no contribution years are missing.

Partial pension = contributions are missing for one or several years (e. g. stay abroad).

Maximum pension = maximum possible pension amount (based on a complete contribution period with the contributions paid corresponding to the maximum total amount).

Three factors are decisive in determining the amount of your pension:

- Contribution period (full or incomplete contribution period),
- Contribution amount (total amount of the contributions made),
- Parental and care credits counting towards your contributions.

Provided that no contributory years are missing, the full pension corresponds to at least CHF 1,185 but no more than CHF 2,370 per month (maximum pension). If your average annual income, the value of which has been increased based on the pension table, is less than CHF 85,320, then, although you will be paid a full pension (provided that your contribution period is complete), this pension will be less than the maximum pension of CHF 28,440 per year or CHF 2,370 per month (maximum single AHV retirement pension).

What you need to do

Pass on your personal, thirteen-digit AHV number to your new employer.

BVG

Pillar 2

What does the insurance cover?

You remain insured for the risks of death and disability for a period of one month after leaving the pension fund (= temporary extension of cover). You are entitled to a withdrawal benefit (portable benefit), the amount of which depends on the provisions of the Federal Law on Vesting in Pension Plans or your Pension Regulations.

When you start your new job, you enjoy insurance cover provided by your new employer's pension fund. You have to pay your withdrawal benefit into the new employer's pension fund. If you permanently change your place of residence from Switzerland to an EU/EFTA country, you can only receive the non-compulsory part of the withdrawal benefits as a cash payment. If you take up residence outside of the EU/EFTA, you can ask for the entire withdrawal benefit to be paid out in cash.

What you need to do

Notify your previous employer's pension fund of your new employer's pension fund so that the withdrawal benefit can be transferred.

AVIG

Unemployment insurance

What does the insurance cover?

There is no entitlement to unemployment benefits.

UVG

Accident insurance

What does the insurance cover?

If you have worked at least eight hours a week at the same employer, your insurance cover for non-occupational accidents ends 31 days after the date on which your entitlement to at least half of your salary ends (extension of cover period). When you start your new job, and provided you will be working more than eight hours a week, your new employer's accident insurer will provide you with cover for occupational and non-occupational accidents, as well as occupational illnesses, again.

Part-time employees working less than eight hours a week are only insured for occupational accidents and occupational illnesses (including cover for the journey to and from work). This insurance cover lapses when you stop working, i. e. after your last day at work.

What you need to do

If you are working less than eight hours a week, you should keep your existing individual accident insurance cover with a private insurer or a health insurance fund, or take this sort of cover out if you do not have it already.

Private daily sickness allowance insurance

What does the insurance cover?

The insurance cover lapses when you leave the group of insured persons at your former employer. There is no temporary extension of cover. The benefits set out in the policy terms and conditions will be provided for pre-existing illnesses.

Ask your new employer whether it provides daily sickness allowance insurance. If so, your insurance cover will begin on the day you start your new job. You do not need to register. The information above remains subject to the provisions of international agreements.

What you need to do

If your new employer does not have daily sickness allowance insurance, consider taking out daily sickness allowance insurance.

Residents of Switzerland who are unemployed under Art. 10 of the Federal Law on Unemployment Insurance can take out individual daily sickness allowance insurance without a medical examination within three months of the termination of the insurance cover provided by their previous employer's daily sickness allowance insurer.

Unemployment

Unemployment for an indefinite period

AHV/IV

Pillar 1

What does the insurance cover?

The unemployment benefits are considered the applicable salary within the meaning of the AHV. The unemployment insurance fund transfers the corresponding contributions to the AHV compensation office responsible; it assumes the employer's share. This means that individuals do not have to worry about contribution gaps while they are drawing daily unemployment allowances.

Even after your entitlement to unemployment benefits lapses, you still have to fulfil your obligation to pay AHV contributions. Otherwise, you risk losing out on contributory years and, as a result, on your entitlement to a full pension. The minimum contribution is CHF 496 (incl. IV/EO) per year.

What you need to do

Contact the cantonal compensation office or the municipal AHV branch in your place of residence as soon as your entitlement to unemployment benefits lapses.

BVG

Pillar 2

What does the insurance cover?

You remain insured for the risks of death and disability for a period of one month after leaving the pension fund (= temporary extension of cover). With regard to your withdrawal benefit, you can either apply for a portable benefits policy to be issued or request a transfer into a portable benefits account. You enjoy compulsory BVG cover for the risks of disability and death with the Substitute Occupational Benefit Institution if you are receiving a daily allowance of at least CHF 81.90 under the unemployment insurance scheme.

You can also, however, opt to either continue your entire provision, or only your retirement provision, with your current pension fund (insofar as its Pension Regulations allow) or to take out individual cover with the Substitute Occupational Benefit Institution (limited to the minimum BVG benefits).

What you need to do

If you want to continue your provision for death and disability on an individual basis with the Substitute Occupational Benefit Institution or your current pension fund, you must submit a written application to the Substitute Occupational Benefit Institution for exemption from compulsory BVG insurance for unemployed people.

You cannot pay your withdrawal benefit into the compulsory BVG insurance for unemployed people. If you wish to continue saving with the Substitute Occupational Benefit Institution at your own expense while unemployed, you can transfer the compulsory component of the retirement assets to the Substitute Occupational Benefit Institution. The remaining or total retirement assets can be transferred to a portable benefits policy or a portable benefits account.

AVIG

Unemployment insurance

What does the insurance cover?

If you meet the eligibility requirements, you will receive the following employment benefits (expressed as a percentage of the insured earnings): 80% if you have children to support, are disabled or are entitled to a daily allowance of less than CHF 140 a day, 70% for everyone else.

The number of daily allowances depends on your age and contribution period as a general rule:

Contribution period of at least twelve months	max. 260 daily allowances
Contribution period of at least 18 months	max. 400 daily allowances
Contribution period of at least 22 months and either age 55 or more or drawing a disability pension	max. 520 daily allowances
Individuals aged 25 or under with no child support obligation and a contribution period of at least twelve months	max. 200 daily allowances

If unemployed over the last four years before turning 64/65, an additional 120 daily allowances.

What you need to do

Register with the employment office at your place of residence no later than on the first day of unemployment. In order to receive the unemployment benefits, you will have to fulfil the employment office's requirements and, in particular, furnish evidence showing that you are actively looking for work.

UVG

Accident insurance

What does the insurance cover?

You have compulsory accident insurance cover with Suva. The unemployment insurance fund deducts the premium from your unemployment benefit and pays it to Suva. The insurance cover ends 31 days after the day on which you last met the eligibility requirements for unemployment benefits (= extension of cover).

What you need to do

If you have not found a new job and after losing your entitlement to unemployment benefits, you can extend your insurance cover for a maximum of six months by taking out interim accident insurance cover with Suva within the 31-day extension of cover period. Please contact your Suva agency.

Private daily sickness allowance insurance

What does the insurance cover?

The insurance cover lapses when you leave the group of insured persons at your former employer. There is no temporary extension of cover. The benefits set out in the policy terms and conditions will be provided for pre-existing illnesses. The information above remains subject to the provisions of international agreements.

What you need to do

Residents of Switzerland can take out individual daily sickness allowance insurance without a medical examination within three months of the termination of the insurance cover provided by their previous employer's daily sickness allowance insurer. Alternatively, you can also take out individual daily sickness allowance insurance cover with a private insurer or a health insurance fund.

Unpaid leave, further training, stays abroad to learn a language, etc.

Scenarios in which you temporarily opt to stop working for an indefinite period

AHV/IV

Pillar 1

What does the insurance cover?

Even if you stop working temporarily, you still have to fulfil your obligation to pay AHV contributions. Otherwise, you risk losing out on contributory years and, as a result, on your entitlement to a full pension. The minimum contribution is CHF 496 (incl. IV/EO) per year. This applies, by way of example, to students, individuals who take early retirement, disabled people, widows, divorced women, globe-trotters.

What you need to do

Contact the cantonal compensation office or the municipal AHV branch in your place of residence if you are out of work for a prolonged period.

BVG

Pillar 2

What does the insurance cover?

You can opt to either continue your entire provision, or only your retirement provision, with your current pension fund (insofar as its Pension Regulations allow) or to take out individual cover with the Substitute Occupational Benefit Institution (limited to the minimum BVG benefits).

You remain insured, however, for the risks of death and disability for a period of one month after leaving your previous pension fund (=extension of cover). With regard to your withdrawal benefit, you can either apply for a portable benefits policy to be issued or request a transfer into a portable benefits account.

What you need to do

Either apply for:

- a portable benefits policy to be issued or ask for your withdrawal benefit to be transferred into a portable benefits account; or
- your provision to be continued with your current pension fund/the Substitute Occupational Benefit Institution.

If you no longer have a pension fund, you are advised to take out additional risk cover for death and disability with a private insurer.

AVIG

Unemployment insurance

What does the insurance cover?

You are not entitled to unemployment benefits if you opt to stop working temporarily.

What you need to do

Register with the employment office at your place of residence no later than on the first day on which you resume gainful employment after your voluntary leave of absence. You are entitled to benefits if you made unemployment insurance contributions for at least 12 months during the preceding two-year reference period and meet the other conditions of Art. 8 AVIG.

UVG

Accident insurance

What does the insurance cover?

If you have worked at least eight hours a week at the same employer, your insurance cover for non-occupational accidents ends 31 days after the date on which your entitlement to at least half of your salary ends (extension of cover period). Part-time employees working less than eight hours a week are only insured for occupational accidents and occupational illnesses (including cover for the journey to and from work). This insurance cover lapses when you stop working, i. e. after your last day at work. The information above remains subject to the provisions of international agreements.

What you need to do

You can extend your insurance cover for non-occupational accidents within 31 days of leaving your previous employer's UVG insurance scheme (e. g. with Suva or a private insurer) by taking out interim insurance cover with your previous employer's UVG insurer for a maximum of six months. Once the extension of cover period or the interim cover has expired, individuals who are resident in Switzerland must ask their health insurance fund to include accident cover. You are also advised to take out individual accident insurance cover.

Private daily sickness allowance insurance

What does the insurance cover?

The insurance cover lapses when you leave the group of insured persons at your former employer. There is no temporary extension of cover. The benefits set out in the policy terms and conditions will be provided for pre-existing illnesses. The information above remains subject to the provisions of international agreements.

What you need to do

No insurance cover is provided for an incapacity for work that arises during unpaid leave.

Taking up self-employment

Applies to both men and women alike

AHV/IV

Pillar 1

What does the insurance cover?

With regard to the risks of disability and death and the retirement provision, insurance cover is the same as for individuals who are not self-employed.
If your contribution period is complete, you are entitled to a full pension. If your contribution period is incomplete, you are only entitled to a partial pension.

What you need to do

Notify the cantonal compensation office in the place where your business is based/the compensation office of your industry association of the fact that you have taken up self-employment. Inform the cantonal tax authorities of the fact that you have taken up self-employment. You will receive the necessary registration forms from the cantonal compensation office on request.

BVG

Pillar 2

What does the insurance cover?

You remain insured for the risks of death and disability for a period of one month after leaving the pension fund (= temporary extension of cover).

When you take up self-employment in Switzerland, you can

- ask for your withdrawal benefit to be paid out in cash (only with the approval of your spouse and generally only within one year of taking up self-employment) or
- apply for a portable benefits policy to be issued or for your withdrawal benefit to be transferred into a portable benefits account.

You can take out voluntary insurance, either with

- the pension fund of your professional organisation or
- the pension fund of your employees or
- the Substitute Occupational Benefit Institution.

You can also take out tax-privileged pillar 3a insurance instead.

What you need to do

Depending on what you opt for, you should apply for

- the cash payment of withdrawal benefits;
- a portable benefits policy to be issued or for your withdrawal benefit to be transferred into a portable benefits account;
- admission to another pension fund;
- your withdrawal benefit to be transferred into your new pension fund;
- a tax-privileged pillar 3a insurance policy.

AVIG

Unemployment insurance

What does the insurance cover?

As someone who is self-employed, you cannot take out unemployment insurance.

UVG

Accident insurance

What does the insurance cover?

As someone who is self-employed, you are no longer subject to compulsory accident insurance. If you previously worked at least eight hours a week at the same employer, your insurance cover for non-occupational accidents ends 31 days after the date on which your entitlement to at least half of your salary ends (extension of cover period). The information above remains subject to the provisions of international agreements.

What you need to do

Conclusion of collective accident insurance or individual accident insurance – with a private insurer or a health insurance fund – or voluntary accident insurance under the UVG with an UVG insurer. As a transitional measure, you can extend your insurance cover for non-occupational accidents within 31 days of leaving your previous employer's UVG insurance scheme (e.g. with Suva or a private insurer) by taking out interim insurance cover for a maximum of six months.

Private daily sickness allowance insurance

What does the insurance cover?

The insurance cover lapses when you leave the group of insured persons at your former employer. There is no temporary extension of cover. The benefits set out in the policy terms and conditions will be provided for pre-existing illnesses. The information above remains subject to the provisions of international agreements.

What you need to do

You can conclude a collective daily sickness allowance insurance (KKG) contract for yourself or your company.

Scenario in which a spouse stops working

AHV/IV

Pillar 1

What does the insurance cover?

Spouses who are not in gainful employment are also subject to contributions. The contributions are based on an individual's assets and any pension income. Spouses who are not in gainful employment are exempt from compulsory contributions if their spouse pays at least twice the minimum contribution.

Please note:

Even if you stop working temporarily or in full, you still have to fulfil your obligation to pay AHV contributions. Otherwise, you risk losing out on contributory years and, as a result, on your entitlement to a full pension. The minimum contribution is CHF 496 (incl. IV/EO) per year.

What you need to do

Contact the cantonal compensation office or the municipal AHV branch in your place of residence if you stop working temporarily or in full.

BVG

Pillar 2

What does the insurance cover?

You remain insured for the risks of death and disability for a period of one month after leaving the pension fund (= temporary extension of cover).

With regard to your withdrawal benefit, you can either apply for a portable benefits policy to be issued or request a transfer into a portable benefits account.

You can also, however, opt to either continue your entire provision, or only your retirement provision, with your current pension fund (insofar as its Pension Regulations allow) or to take out individual cover with the Substitute Occupational Benefit Institution (limited to the minimum BVG benefits).

What you need to do

Either apply for:

- a portable benefits policy to be issued or ask for your withdrawal benefit to be transferred into a portable benefits account; or
- your provision to be continued with your current pension fund/the Substitute Occupational Benefit Institution.

If you no longer have a pension fund, you are advised to take out additional risk cover for death and disability with a private insurer.

AVIG

Unemployment insurance

What does the insurance cover?

The insurance cover ceases to apply.

What you need to do

Contact the employment office at your place of residence for information on whether you can claim unemployment benefits if you start working again.

UVG

Accident insurance

What does the insurance cover?

If you have worked at least eight hours a week at the same employer, the insurance cover for non-occupational accidents ends 31 days after the date on which your entitlement to at least half of your salary ends (extension of cover period). Part-time employees working less than eight hours a week are only insured for occupational accidents and occupational illnesses (including cover for the journey to and from work). This insurance cover lapses when you stop working, i. e. after your last day at work. The information above remains subject to the provisions of international agreements.

What you need to do

You can extend your insurance cover for non-occupational accidents within 31 days of leaving your previous employer's UVG insurance scheme (e.g. with Suva or a private insurer) by taking out interim insurance cover with your previous employer's UVG insurer for a maximum of six months. Once the extension of cover period or the interim cover has expired, individuals who are resident in Switzerland must ask their health insurance fund to include accident cover. You are also advised to take out individual accident insurance cover.

Private daily sickness allowance insurance

What does the insurance cover?

The insurance cover lapses when you leave the group of insured persons at your former employer. The benefits set out in the policy terms and conditions will be provided for pre-existing illnesses. The information above remains subject to the provisions of international agreements.

What you need to do

Subject to certain conditions, you can take out individual daily sickness allowance insurance without a medical examination within three months after the termination of the insurance cover provided by their previous employer's daily sickness allowance insurer.

Ordinary retirement

AHV/IV

Pillar 1

What does the insurance cover?

Provided their contribution period is complete, men aged 65 or over and women aged 64 or over are entitled to a full pension. This pension depends on the contribution amounts paid in and amounts to at least CHF 14,220 and no more than CHF 28,440 a year, or at least CHF 1,185 and no more than CHF 2,370 a month. Pensions are generally adjusted for inflation by the Swiss Federal Council every two years. If the contribution period is incomplete, the pension is reduced.

What you need to do

Register to draw a pension in good time, i. e. 2–3 months before your retire so that your first pension can be transferred on time. The AHV compensation fund responsible is the fund that was most recently responsible for the settlement of your contributions.

BVG

Pillar 2

What does the insurance cover?

The amount of your retirement pension generally depends on the retirement assets you have at the time you retire. You can arrange for at least one-quarter of your retirement assets to be paid out as a single lump-sum settlement. If the Pension Regulations allow, you can request a lump-sum settlement instead of a retirement pension, although restrictions apply if you also made additional voluntary contributions towards the Pillar 2 in the last three years prior to your retirement. If a full lump-sum withdrawal is made, any claims you have against your pension fund will expire, including any claims for survivor benefits in the event of your death.

What you need to do

Provide your pension fund with the information required to transfer the pension. Please remember that your pension fund may impose a deadline for claiming the lump-sum settlement.

AVIG

Unemployment insurance

What does the insurance cover?

The insurance cover lapses when you reach the AHV retirement age.

UVG

Accident insurance

What does the insurance cover?

Retirees are, in principle, no longer subject to accident insurance. People who previously worked at least eight hours per week for the same employer benefit from the 31-day extension of cover period referred to above. The information above remains subject to the provisions of international agreements.

What you need to do

You can extend your insurance cover for non-occupational accidents within 31 days of leaving your previous employer's UVG insurance scheme (e.g. with Suva or a private insurer) by taking out interim insurance cover for a maximum of six months. Adjust your existing individual accident insurance cover with a private insurer or a health insurance fund.

Private daily sickness allowance insurance

What does the insurance cover?

The insurance cover lapses when you leave the group of insured persons at your former employer. The benefits set out in the policy terms and conditions will be provided for pre-existing illnesses.

Early retirement

AHV/IV

Pillar 1

What does the insurance cover?

The AHV pension entitlement arises when an individual turns 64 (for women) or 65 (for men). The retirement pension can be drawn one or two years early. In such cases, the pension is reduced by 6.8% a year. If you retire early, you are considered not to be in gainful employment and still have to fulfil your obligation to pay AHV contributions. Otherwise, you risk losing out on contributory years and, as a result, on your entitlement to a full pension. The minimum contribution is CHF 496 (incl. IV/EO) per year.

What you need to do

Contact the cantonal compensation office or the municipal AHV branch in your place of residence early on.

BVG

Pillar 2

What does the insurance cover?

You can retire early, at the earliest when you turn 58, provided that your pension fund's Pension Regulations allow. The amount of your retirement pension generally depends on the retirement assets you have at the time you retire. If you take early retirement, your retirement assets will be smaller and have to cover a longer period of time in which you are drawing a pension. This means that the pension you receive will be smaller.

You can also opt to have your retirement pension paid out as a lump sum if you retire early, provided that the Pension Regulations allow and that you submit an application in good time. Restrictions apply if you also made additional voluntary contributions towards the Pillar 2 in the last three years prior to your retirement. If a full lump-sum withdrawal is made, any claims you have against your pension fund will expire, including any claims for survivor benefits in the event of your death.

What you need to do

Provide your pension fund with the information required to transfer the pension. Please remember that your pension fund may impose a deadline for claiming the lump-sum settlement.

AVIG

Unemployment insurance

What does the insurance cover?

If you choose early retirement, the right to benefits under the unemployment insurance expires from that date. An exception is made for people who retire early but still want to work as an employee. You may be entitled to unemployment benefits under certain circumstances in this case.

What you need to do

Contact the employment office at your place of residence for information if you wish to continue working as an employee.

UVG

Accident insurance

What does the insurance cover?

Retirees are no longer subject to accident insurance. People who previously worked at least eight hours per week for the same employer benefit from the 31-day extension of cover period referred to above. The information above remains subject to the provisions of international agreements.

What you need to do

You can extend your insurance cover for non-occupational accidents within 31 days of leaving your previous employer's UVG insurance scheme (e.g. with Suva or a private insurer) by taking out interim insurance cover with your previous employer's UVG insurer for a maximum of six months. Adjust your existing individual accident insurance cover with a private insurer or a health insurance fund.

Private daily sickness allowance insurance

What does the insurance cover?

The insurance cover lapses when you leave the group of insured persons at your former employer. There is no temporary extension of cover. The benefits set out in the policy terms and conditions will be provided for pre-existing illnesses.

What you need to do

No precautions have to be taken in general. If required, you can take out individual daily sickness allowance insurance cover.

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Last revised in January 2020