

# Social Insurance of Switzerland

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Pension Fund Experts

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# The Three-Column Principle

In Switzerland, provision for old age, disability and death is taking place on several levels, and in the context of various interrelated social insurance systems.

## 1st column

Mandatory old-age, survivors' and disability insurance (AHV and IV). These two insurances cover the basic subsistence needs of the insured persons in old age or in the event of disability. In case of death, the AHV pay benefits to survivors.

Since in practice actual pensions often fall short of this goal, the government provides supplementary benefits, i. e. need-based additional allowances to recipients of AHV and IV benefits. AHV and IV are general pension schemes for anybody residing or working in Switzerland.

## 2nd column

Industrial insurances (employee pension funds) aim to maintain the recipients' accustomed standard of living. The law (BVG) requires minimum contributions to the employer's pension scheme to be withheld from income, up to a specific ceiling.

The law (BVG) provides for a mandatory minimum solution according to which contributions are levied from income up to a certain ceiling to save up retirement capital and to cover risk protection.

In practice, many companies offer more comprehensive pension schemes since the mandatory minimum amounts do not suffice to achieve the target level of benefits.

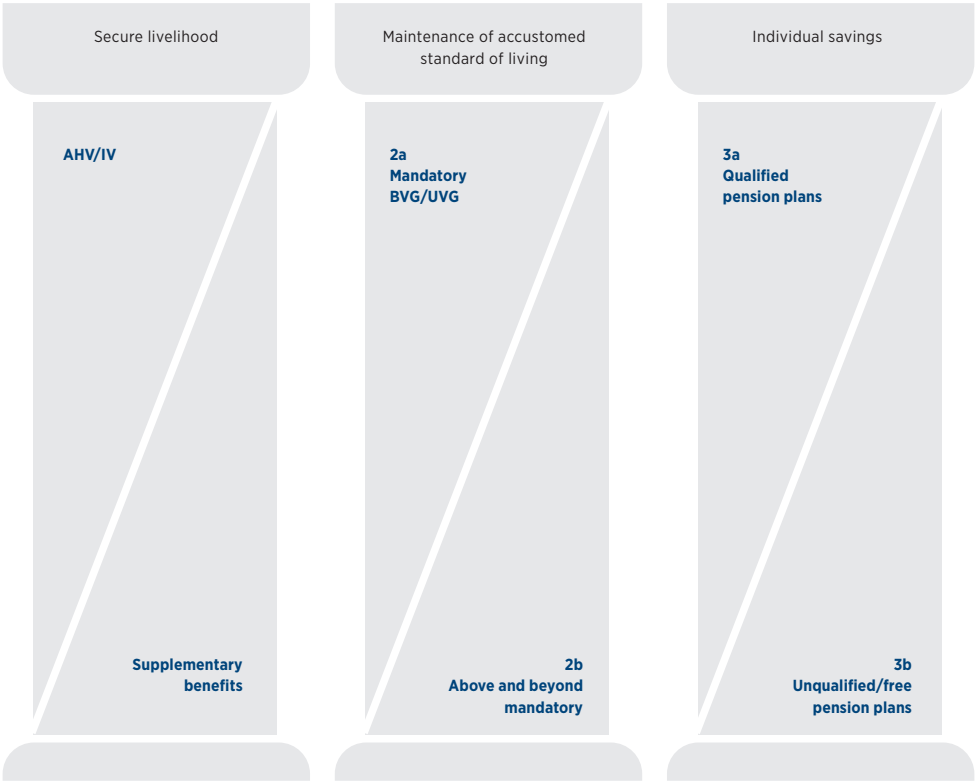
## 3rd column

To supplement the government's pension schemes, individual investment in private savings plans offered by banks or insurance companies is encouraged. Incentives include tax deductibility of contributions to so-called qualified savings plans, i. e. where funds cannot be accessed freely (column 3a).

1st column  
Governmental  
pension scheme

2nd column  
Industrial  
pension scheme

3rd column  
Private pension  
provisions



# Old-Age and Survivors' Insurance

In principle, the AHV/IV pensions are adjusted at two-year intervals to the trend of the mixed index which corresponds to the arithmetical mean of the wage and price indexes. The Federal Council raised the AHV and IV pensions as well as the minimum living allowance under supplementary benefits for the last time on 1 January 2019.

## Purpose

To secure the minimum subsistence needs when income from gainful employment ceases because of old age or death.

## Persons insured

All persons residing or working in Switzerland as well as (in special cases) individuals who are working abroad for a Swiss employer.

## Basis for determining contributions

### Employees

Total earned income (= all salaries and wages from employment). The employer settles contributions directly with the social security authorities.

Contributions may optionally be made on small items of income of up to CHF 2,300 annually (not applicable to domestic staff). For persons up to the age of 25 inclusive, contributions will only be deducted on request if the annual income does not exceed CHF 750 ("pocket money jobs").

### Self-employed persons

Income from self-employment less the deductions prescribed by law. The contributions shall be calculated on the basis of the current income in the contribution year.

### Employed AHV pensioners

AHV pensioners in active employment only pay contributions on that part of their earned income which exceeds CHF 1,400 per month or CHF 16,800 per year per employer. Any income above this limit is subject to AHV, IV and EO, but not ALV deductions.

### Unemployed persons

The level of the contributions is calculated on the basis of the current pension income and the assets in the current contribution year. Women over 64 and men over 65 are exempt. For unemployed married persons contributions are considered paid if the wage-earning spouse pays at least double the minimum amount.

## Education and care credits

Education and care credits are also imputed for pension calculation purposes. These credits constitute supplements to the pensionable income, but are not direct cash benefits. The claim to care credits must be made annually.

## Financing/Contributions

Contributions to AHV, IV and EO are levied collectively and remitted as a single amount.

### Employees

<b>AHV</b>	8.40 %
<b>IV</b>	1.40 %
<b>EO</b>	0.45 % (until 31. 12. 2020)
<b>Total</b>	10.25 %

Contributions to AHV, IV and EO are shared equally by employer and employee (5.125 % each).

### Self-employed persons

<b>AHV</b>	7.80 %
<b>IV</b>	1.40 %
<b>EO</b>	0.45 % (until 31. 12. 2020)
<b>Total</b>	9.65 %

For earned income

- from CHF 56,900 to CHF 9,500 a declining scale from 9.650 % to 5.196 % is applied, subject to a minimum of CHF 482;
- below CHF 9,500 minimum CHF 482 (AHV, IV, EO).

### Unemployed persons

Contributions to AHV, IV and EO depending on assets and pension income (in CHF/year): minimum CHF 482, maximum CHF 24,100.

### Public sources

In 2017, around 25 % of annual revenues were financed by the public authorities. This amount consists of the Federal contribution, levies on value-added tax revenue and money raised by the casino tax.

Insurance benefits  
(selection)

Annual ordinary pensions for insured parties with a full contribution period from age 64 (women) or from age 65 (men).

Pension type	min. CHF	max. CHF
Old-age pension	14,220	28,440
Both pensions of a married couple		42,660
Widow's and widower's pension	11,376	22,752
Orphan's and child's pension	5,688	11,376
Full orphan's and double child's pension	8,532	17,064
Allowance for incapacitation (in the home or at home) minor/medium/severe	2,844/7,116/11,376	

Anticipated withdrawal  
or deferment of the  
retirement pension

In the context of flexible retirement women and men can draw their retirement pension

- 1 or 2 full years earlier (no individual months possible), or
- defer the withdrawal of the pension for 1 to 5 years at maximum.

The reduction for early drawing of the retirement pension is 6.8 % for one year and 13.6 % for two years. Upon deferment of the withdrawal the pension is increased by a monthly supplement (max. 31.5 %). During the deferment, the pension may be taken, i. e. drawn, at any time by the beneficiary.

Predictions

To make sure that pension financing can still be guaranteed for the future, the Federal Council adopted a proposal for AHV stabilization (AHV 21). The purpose of this proposal is to maintain the level of pension benefits, while also assuring balanced AHV financing. At the same time a more flexible retirement age is to be introduced and the incentive for longer gainful activity increased. In view of the urgent need for stabilisation, the Federal Council plans to submit the explanatory statement to Parliament in the spring of 2019.



# Disability Insurance

<b>Purpose</b>	(Re-)Integration of the insured persons into the workforce, securing the minimum living requirements of the disabled and their dependents.
<b>Persons insured</b>	See AHV (page 3).
<b>Basis for determining contributions</b>	See AHV (page 3).
<b>Financing/Contributions</b>	See AHV (page 4). In addition, considerable payments from the government.
<b>Insurance benefits (selection)</b>	<p><b>Integration measures</b></p> <p>Medical and occupational measures (including occupational advice, initial occupational training, retraining, job finding, capital assistance), integration measures for induction into an occupation, provision of aid. Participants in integration measures are entitled to daily allowances.</p> <p><b>Disability pension, disability child benefits</b></p> <p>100 % disability pension in CHF: min. 14,220, max. 28,440; disabled person's child's pension: 40 % of the disability pension.</p>

Degree of disability	entitlement to
min. 40 %	quarter pension
min. 50 %	half pension
min. 60 %	threequarters pension
min. 70 %	full pension

## Compensation for totally incapacitated persons living in their own household

minor disability	CHF	5,688	annual pension
medium disability	CHF	14,220	annual pension
severe disability	CHF	22,752	annual pension

## Compensation for totally incapacitated persons living in a care home

minor disability	CHF	1,428	annual pension
medium disability	CHF	3,552	annual pension
severe disability	CHF	5,688	annual pension

## Intensive care supplement for disabled minors at home, per day

min. 4 hours per day	CHF	31.60
min. 6 hours per day	CHF	55.30
min. 8 hours per day	CHF	79.00

## Assistance contribution

hourly rate	CHF	33.20
hourly rate, for special care	CHF	49.80
maximum per night	CHF	88.55

# AHV and IV Supplementary Benefits

## Purpose

To cover the living requirements of Swiss residents receiving AHV and IV benefits.

## Insurance benefits

### Pecuniary benefits

Annual supplementary benefits equivalent to the difference between spending recognised by law and imputable income.

Within the framework of recognised expenditure, in the case of persons living at home the vital minimum is as follows:

For single persons	CHF 19,450
For married couples	CHF 29,175
For orphans	CHF 10,170
For the first two children, each	CHF 10,170
For two further children, each	CHF 6,780
For each further child	CHF 3,390

In general, these limit values are increased by the amount of the cantonal average basic health insurance premium.

### Benefits in kind

Reimbursement of illness and disability costs to the extent that these are not already covered by an insurance.

## Financing/Contributions

Supplementary benefits are financed by the federal and cantonal authorities.

## Disbursement

Disbursement of supplementary benefits is handled by the cantons. Registration for benefit payments is made at the branch of the cantonal equalisation scheme at the place of residence (except for ZH canton: local authority offices; BS canton: Amt für Sozialbeiträge; GE canton: Office cantonal des personnes âgées).

## Predictions

The explanatory statement on the reform of supplementary benefits was debated by the two Councils. The restriction on the 2nd pillar capital drawing was rejected. Continuation with the existing pension fund after age 58 is one of the new provisions. The matter has now reached the stage of dispute resolution. The new provisions are likely to enter into force in 2020.

# Occupational Old-Age, Survivors' and Disability Benefit Plan

The minimum interest rate for the year 2019 is 1.00 %. For termination benefits, interest on arrears is charged at the rate of 2.00 %.

## Purpose

To secure the accustomed standard of living (in conjunction with benefits from AHV/IV). BVG requirements constitute the legally stipulated minimum benefits (column 2a). In practice, more comprehensive pension plans are offered (column 2b).

## Persons insured

### Mandatory

- Employees with annual wages of over CHF 21,330 (only for risk of death or disability for 18- to 24-year-olds, also for old-age benefits in the case of individuals older than 24)
- Unemployed persons with a daily allowance of at least CHF 81.90 are insured for the risks of death and disability

### Voluntary

Self-employed individuals and employees who are not obliged to contribute to the scheme.

## Basis for determining contributions

Coordinated annual wages = insured wages (corresponds to AHV wages less coordination deduction of CHF 24,885).

### AHV wages which have to be considered

lower limit	CHF	21,330
upper limit	CHF	85,320

### Coordinated wages

lower limit	CHF	3,555
upper limit	CHF	60,435

### For unemployed persons: daily remuneration which has to be considered

lower limit	CHF	81.90
upper limit	CHF	327.65

coordination deduction from daily remuneration	CHF	95.55
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### Coordinated daily remuneration

lower limit	CHF	13.65
upper limit	CHF	232.10

**Financing/Contributions**

The mandatory employee old-age pension is financed by contributions from the insured and his or her employer. The law does not stipulate specific contribution rates, but only the amount of savings to be credited to the insured persons' pension accounts. At the time of retirement the savings capital is used to finance pension benefits. The employer pays at least half of the total contributions. Depending on the individual pension fund regulations, uniform or age-related contributions may be levied.

Age	Credits to pension savings accounts in % of the insured wages
25 to 34	7.0 %
35 to 44	10.0 %
45 to 54	15.0 %
55 to 64/65	18.0 %

The BVG contribution for unemployed persons (death and disability risks) amounts to 0.25 % of the coordinated daily wage and is payable in equal shares by the unemployed person and by the unemployment insurance fund.

The contributions for risk coverage, security fund and administrative expenses together amount to an average of between 3 % and 4 % of the insured wages. Total contributions: on average around 16 % of the insured wages or around 10 % of the AHV wages. Individual contributions depend on the age of the insured person and on the regulation of the occupational benefits scheme.

**Insurance benefits**

**Old-age pension**

6.8 % of the retirement savings existing for the insured person at the time when his or her entitlement begins.

**Disability benefits**

6.8 % of the savings capital available at the beginning of the insured person's pension eligibility, as well as the credits for the years missing until age 64 (women) respectively 65 (men), without interest, based on the insured wages at the time the disability occurred.

**Spouse's pension**

60 % of the old-age or full disability pension. A registered partner of either gender is treated in the same way as a widower or a widow.

**Child's and orphan's pension**

Children of retired, disabled or deceased insured individuals receive a pension amounting to 20 % of the old-age or disability pension.

### **Form of benefits**

Old-age, survivors' and disability benefits are generally paid out in the form of pensions. The insured person may ask for one quarter of his or her retirement savings to be paid out as a single lump sum.

### **Cost of living adjustment**

The survivors' and disability pensions from the compulsory second pillar which have been paid out since 2015 will be adjusted to the cost of living for the first time on 1 January 2019. The adjustment rate is 1.5 %.

### **Home ownership subsidy**

Federal legislation on home ownership financing through employee pension plans stipulates that insured individuals may withdraw parts of their termination benefits to purchase a home. Similarly, for the same purpose they may pledge that amount or their claim to pension benefits. If an insured individual withdraws parts of his or her termination benefits, the pension benefit claim is reduced accordingly.

### **Termination benefit**

Upon change of employment the savings capital will be transferred to the new employer's pension fund. The termination benefit falls due when the person concerned leaves the pension fund. From that time onwards, it will bear interest at the minimum rate stipulated in BVG (1.00 %). If the pension fund fails to transfer the termination benefit within 30 days of receiving the necessary information, the sum concerned will bear interest on arrears from that date onwards as stipulated in Art. 7 FZV (2.00 %).

### **Divorce**

In principle, the termination benefit acquired during a marriage will be divided into two. The date on which the divorce proceedings are opened is used as the determining time for the calculation. If a spouse is disabled or has already retired, the theoretical termination benefit is used as the basis or the pension will be divided and converted into a lifelong pension for the entitled spouse.

### Purchase in column 2b

The purchase conditions provide for the inclusion of any capital sum saved in column 3a for the purpose of calculation of the maximum possible purchase. A calculation must be made in every case to determine whether the savings capital in column 3a exceeds the maximum permitted value assigned to the particular year of birth of the insured person (see table below).

The excess sum will be deducted from the possible purchase (see also Art. 60a BVV 2). The maximum permitted 3a savings capital amounts:

Year of birth	Status on 31 December 2018	Status on 31 December 2019
1962 and earlier	271,199	280,059
1963	260,999	269,783
1964	250,783	259,490
1965	240,959	249,593
1966	230,884	239,442
1967	221,196	229,681
1968	210,717	219,123
1969	200,193	208,521
1970	190,074	198,326
1971	180,034	188,210
1972	170,379	178,483
1973	160,857	168,889
1974	151,701	159,665
1975	142,808	150,705
1976	134,257	142,090
1977	125,830	133,600
1978	117,728	125,437
1979	109,690	117,338
1980	101,829	109,418
1981	94,014	101,545
1982	86,390	93,864
1983	78,745	86,161
1984	71,303	78,664
1985	63,778	71,082
1986	56,400	63,649
1987	49,039	56,233
1988	41,786	48,926
1989	34,580	41,666
1990	27,498	34,530
1991	20,508	27,488
1992	13,604	20,532
1993	6,768	13,645
1994	0	6,826

The values are to be interpolated when calculations are made for less than a full year.

Where purchases have been made, the resulting benefits cannot be drawn as a capital sum within the next three years. Early drawings made for home ownership purposes must be repaid before voluntary purchases can be effected. The purchase limitations stipulated in Art. 60b BVV 2 must also be respected.

# Column 3a (Qualified Fiscally Privileged Pension Schemes)

## Purpose

Encouragement of investment in private savings plans in addition to the first two columns. Up to a certain amount contributions to column 3a can be deducted from the taxable income.

## Saving schemes

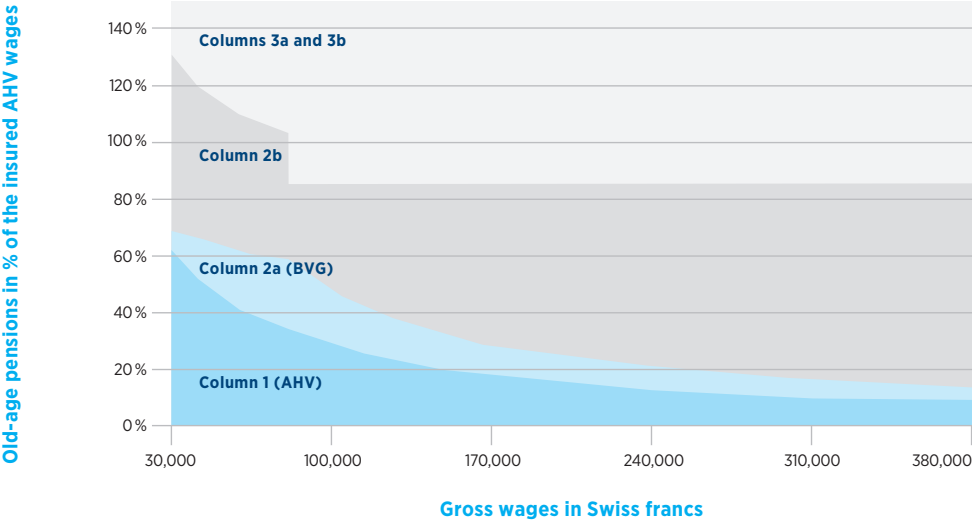
Bank savings and insurance policies. The maximum annual deduction is:

Assessment year	Normal deduction (with 2nd column)	Self-employed persons (without 2nd column)
	CHF	20 % of earned income, but a maximum of CHF
1990	4,608	23,040
1991	4,608	23,040
1992	5,184	25,920
1993	5,414	27,072
1994	5,414	27,072
1995	5,587	27,936
1996	5,587	27,936
1997	5,731	28,656
1998	5,731	28,656
1999	5,789	28,944
2000	5,789	28,944
2001	5,933	29,664
2002	5,933	29,664
2003	6,077	30,384
2004	6,077	30,384
2005	6,192	30,960
2006	6,192	30,960
2007	6,365	31,824
2008	6,365	31,824
2009	6,566	32,832
2010	6,566	32,832
2011	6,682	33,408
2012	6,682	33,408
2013	6,739	33,696
2014	6,739	33,696
2015	6,768	33,840
2016	6,768	33,840
2017	6,768	33,840
2018	6,768	33,840
2019	6,826	34,128

This deduction can be applied to both the direct federal tax and the cantonal income tax.

If gainful activity continues beyond the ordinary AHV retirement age, benefit savings may at the same time also continue in column 3a. The continuation of benefit savings is permitted for a maximum of five years beyond the ordinary retirement age.

Interplay of the three columns  
(old-age pensions)



The graph above shows the old-age pension in consideration of the principle of adequacy in column 2b.



# Unemployment Insurance (ALV) and Insolvency Compensation

<b>Purpose</b>	Appropriate compensation for loss of earnings, prevention of threatened unemployment and measures against existing unemployment, together with promotion of integration into the labour market.
<b>Persons insured</b>	All employees liable for AHV contributions up to ages 64 (women) and 65 (men) as well as certain non-wage-earning individuals.
<b>Basis for determining contributions</b>	<ul style="list-style-type: none"> <li>- regular contribution: earnings liable for AHV, subject to a maximum of CHF 148,200</li> <li>- solidarity contribution: income components from CHF 148,201</li> </ul>
<b>Insured wages</b>	Earnings liable for AHV, subject to a maximum of CHF 148,200. Earnings on which the solidarity contribution is levied and earnings from labour market measures financed by the public authorities are not insured.
<b>Financing/Contributions</b>	2.2 % of earnings subject to AHV each year up to CHF 148,200 and 1 % of the income components from CHF 148,201 of earnings subject to AHV (solidarity contribution); one half of the contribution is payable by the employer and the other half by the employee. The insurance is also financed by income earned on the assets of the equalisation fund. In addition, the federal authorities contribute to the costs of intermediation and labour market measures.
<b>Persons exempt from contribution</b>	<ul style="list-style-type: none"> <li>- members of a farmer's family working on the farm, who are considered self-employed for purposes of family benefits</li> <li>- women and men after the beginning of the month following completion of their 64th respectively 65th year of age</li> <li>- employers for continued payments of wages to the above persons</li> <li>- unemployed persons who receive an unemployment allowance and the unemployment scheme for the corresponding employer's share</li> </ul>

## Insurance benefits

### Unemployment compensation

Amount:

- (full) daily allowance of 80 % of the insured wage, together with children's and training allowances, provided that there is not already another entitlement to allowances for the child
- daily allowance of 70 % for insured persons without children up to the age of 25, non-disabled insured persons and insured persons with a full daily allowance in excess of CHF 140

Duration:

- max. 200 daily allowances (DA) (contribution period of not less than 12 months, below the age of 25, no children)
- max. 260 DA (min. 12 months contribution period, above the age of 25)
- max. 400 DA (min. 18 months contribution period)
- max. 520 DA (min. 22 months contribution period and over the age of 55 or drawing an IV pension with IV degree of more than 40 %)
- max. 90 DA (exempt from contributions)

Waiting times: 0-120 days.

### Short-time employment compensation

80 % of the imputable loss of earnings for a maximum of 12 accounting periods within 2 years.

### Bad-weather compensation

80 % of imputable loss of earnings for a maximum of 6 accounting periods within 2 years.

### Insolvency compensation

Wages due for the last four months of employment, before bankruptcy, together with any wage entitlement for work done after opening of bankruptcy proceedings, subject, however, to a maximum of CHF 12,350 per month.

### Labour market measures

- educational measures (courses)
- employment measures, including refund of costs to the organisers of employment measures
- special measures (induction subventions, commuting costs and contribution to weekly subsistence costs, training subventions, promotion of self-employment)

# Compensation for Temporary Loss of Income/Maternity Insurance

## Purpose

Partial cover of loss of earning e. g. during military, civil defence and civilian service (compensation for loss of earning, EO) and maternity (maternity benefits).

## Persons insured

See AHV (page 3).

## Financing/Contributions

Contributions (basis: AHV) and resources from the equalisation fund under the EO. The contribution on earned income is 0.45 %. Contributions are levied on a diminishing scale. Persons who are not in active employment pay a contribution of between CHF 21 and CHF 1,050 per year.

## Beneficiaries

### Maternity allowance

- women who are in employment, self-employed or unemployed at the time of childbirth
- women who draw daily allowances for incapacity due to illness, accident or disability at the time of childbirth
- women who are in an employment relationship at the time of childbirth but do not receive any continuing wages or daily allowances because their entitlement has been used up

## Insurance benefits

### Basic allowance (irrespective of civil status and employment activity) in CHF/day:

Employed persons (E)	62-196	
E attending promotion courses	111-196	
Non-active employees (NE)	62	
NE attending promotion courses	111	
Long-service participants in basic training	62	
Long-service participants outside basic training		see E/NE
Long-service cadres in basic training	62	
Long-service cadres outside basic training	91	minimum, see E/NE

Children's allowances (in CHF per child)	20	
Total allowance E/NE (max. in CHF/day):	245/123	(172 for promotion courses)
Supplement for care costs (in CHF/day)	20-67	effective costs
Business supplement (in CHF/day)	67	

### Maternity allowance

- duration: for 14 weeks (98 days) after childbirth
- amount of daily allowance: 80 % of average income from gainful employment prior to childbirth, max. CHF 196/day

# Accident Insurance

## Purpose

Compensation or alleviation of the health, economic and intangible consequences of accidents and occupational illnesses for all employees.

The Federal Council implemented the revision of the Accident Insurance Act and the accompanying ordinance with effect from 1 January 2017. The revision closes cover gaps and solves the problem of overcompensation. In addition, accident insurance for unemployed persons is embodied in the Accident Insurance Act.

## Persons insured

### Mandatory

Occupational accidents: all employees working in Switzerland. Non-occupational accidents: all employees working in Switzerland with a weekly working time of at least 8 hours with the same employer.

### Voluntary

Self-employed individuals and family members working in the family business.

## Basis for determining contributions

Wages subject to AHV, up to a maximum of CHF 148,200 per annum, CHF 12,350 per month, or CHF 406 per calendar day.

## Insured wages

Wages subject to AHV, up to a maximum of CHF 148,200 per annum.

## Financing/Premiums

### Occupational accident insurance

Payable by the employer: amount of the premiums depending on the risk (branch of the economy) concerned.

### Insurance for non-occupational accidents

Charged as a rule to the employees: the premium sum depends on the branch of the economy.

## Insurance benefits (selection)

Key material benefits:

- medical treatment (outpatients and inpatients)
- aid devices
- travel, transport and rescue costs

Key pecuniary benefits (save where otherwise stated as percentage of insured wages):

- daily allowances (max. 80)
- IV pension (for complete disability max. 80) or settlement
- survivors' benefits: pension or settlement for the spouse (pension: 40) and divorced spouse (pension: 20); pensions for orphans of one parent (15); pension for orphans of two parents (25)
- compensation for incapacitation: monthly CHF 812 to CHF 2,436
- allowance for damage to integrity: depending on severity of damage max. CHF 148,200

# Health Insurance

According to the Federal Office of Public Health (BAG), premiums for compulsory health insurance will rise on average by 1.2 % for adults in 2019. The BAG website ([www.priminfo.ch](http://www.priminfo.ch)) provides a premium calculator to compare all the approved basic insurance premiums which are available.

<b>Purpose</b>	Coverage of treatment costs for illnesses, accidents (in excess of accident insurance coverage), as well as maternity.
<b>Persons insured</b>	All persons residing or working in Switzerland.
<b>Financing/Contributions</b>	<p><b>Contributions of the insured</b></p> <p>Every health insurance scheme is required to levy the same premiums from all individuals residing in the same canton and premium area. The federal and cantonal authorities pay contributions to reduce the premiums of insured persons in modest economic circumstances.</p> <p><b>Cost sharing</b></p> <p>Deductible: fixed annual amount payable by the insured in case of a claim. The law requires a deductible of at least CHF 300 for adults. Deductibles of CHF 500, 1,000, 1,500, 2,000 and 2,500 may be elected. Retention: 10 % of the costs exceeding the deductible up to a maximum of CHF 700.</p>
<b>Premium reductions through</b>	<ul style="list-style-type: none"> <li>- election of a higher deductible</li> <li>- reduced choice of physicians and hospitals through affiliation with an HMO insurance or a primary physician care model</li> <li>- exemption from accident coverage for persons adequately insured according to UVG</li> </ul>
<b>Insurance benefits (selection)</b>	<ul style="list-style-type: none"> <li>- medical and chiropractic treatments; complementary medicine treatments</li> <li>- preventive measures</li> <li>- special treatments during maternity</li> <li>- dental treatments (very limited)</li> <li>- contribution to cost of transportation and salvage cost</li> <li>- analyses and medicines</li> </ul>
<b>Predictions</b>	The Federal Council forwarded an explanatory statement on the amendment of the Federal Health Insurance Act to Parliament on 28 March 2018; this makes provision for the excesses to be adjusted regularly to the cost trend of compulsory healthcare insurance.

# Family Benefits

<b>Purpose</b>	Partial equalisation of the financial burden for one or more children.
<b>Entitled persons</b>	Employees who are compulsorily insured with AHV, the self-employed and persons not in gainful employment as well as persons employed by an employer who is not required to pay contributions.
<b>Minimum rates</b>	<p>Pursuant to the Federal Law on Family Allowances (FamZG, in force since 1 January 2009) the following minimum monthly allowances per child will be paid in every canton:</p> <ul style="list-style-type: none"> <li>- a child allowance of CHF 200 for children up to the age of 16</li> <li>- an education allowance of CHF 250 for children aged 16 to 25 if evidence of education can be produced</li> </ul>
<b>Family allowances in agriculture</b>	Agricultural employees: family allowances equivalent at least to FamZG provision and household allowance CHF 100/month. Full-time and part-time self-employed farmers/full-time self-employed alpine farmers: family allowances equivalent at least to FamZG.
<b>Cantonal family allowances</b>	The cantonal rates for the allowances payable in 2019 can be consulted on the Federal Social Insurance Office's website ( <a href="http://www.bsv.admin.ch/bsv/en/home/social-insurance/famz.html">www.bsv.admin.ch/bsv/en/home/social-insurance/famz.html</a> ).

# General Part of the Social Insurance Legislation

The ATSG unifies concepts and procedures within the framework of social insurance law (with the exception of occupational benefits), coordinates benefits and regulates redress against third parties. This law stipulates in particular that a registered same-sex partnership is to be equated with marriage, the dissolution of a partnership by the courts with divorce and the surviving person with a widow or widower upon the death of his or her partner. This law is applicable if and to the extent that the individual social insurance laws so provide.

## Bilateral Agreements

Since 1 January 2017, the agreement on freedom of movement between Switzerland and the European Community has been extended to the new Member State Croatia. During the initial implementation phase, special transitional measures with restrictions in labour market law and maximum rates will apply to Croatian citizens.

# Overview of the Social Insurances

	Insured wages	Contributions	Benefits
<b>AHVG</b>	With influence on pension amount: up to a max. of CHF 85,320  Mandatory contribution: unlimited	Employees 8.4 % Self-employed individuals 7.8 %	Retirement pensions, supplementary pensions, children's pensions, widows' and widowers' pensions, orphans' pensions, incapacitation allowance, aid devices
<b>IVG</b>	Same as AHV	Employees 1.4 % Self-employed individuals 1.4 %	Incorporation measures, disability, supplementary and children's pensions, allowance for helpless persons, assistance contribution
<b>ELG</b>			Need-based contributions in addition to AHV and IV benefits
<b>BVG</b>	AHV wages less CHF 24,885, minimum CHF 3,555	Depending on the pension fund regulation	Retirement benefits, spouse's, orphan's and disability pensions, pensions for the children of retired and disabled persons
<b>AVIG</b>	Earnings subject to AHV, up to a maximum of CHF 148,200	2.2 % for wage components up to CHF 148,200; 1 % for wage components from CHF 148,201 (solidarity contribution)	Unemployment, short-time employment, bad-weather and insolvency compensation, labour market measures, advice and placement
<b>EOG</b>	Same as AHV and IV	Employees 0.45 % Self-employed individuals 0.45 % (until 31 December 2020)	Daily allowances (for EO: including children's allowances) and for EO: allowance for care costs, business supplements
<b>UVG</b>	Maximum CHF 148,200	Depending on economic sector and risk level of the company	Benefits in kind (e. g. medical treatment, aid devices), pecuniary benefits (e. g. daily allowances, survivors' benefits, disability pension, compensation for helpless persons and loss of integrity)
<b>KVG</b>		Per capita contributions depending on insurance provider, canton and area of residence	Coverage of treatment and care-taking costs
<b>FamZG/ FLG</b>		Based on cantonal rates	Children's and education allowances, where applicable birth and adoption allowances, household allowance (agriculture)



# Legal Sources

<b>AHVG</b>	Federal law on old-age and survivors' insurance	20.12.1946
<b>IVG</b>	Federal law on disability insurance	19.06.1959
<b>ELG</b>	Federal law on old-age and survivors' insurance and disability insurance supplementary benefits	06.10.2006
<b>BVG</b>	Federal law on employee old-age, survivors' and workmen's compensation insurance	25.06.1982
<b>FZG</b>	Federal law regarding pension cash surrender values of the employee old-age, survivors', and workmen's compensation insurance	17.12.1993
<b>BVV 2</b>	Ordinance by the Federal Parliament on employee old-age, survivors' and workmen's compensation insurance	18.04.1984
<b>BVV 3</b>	Ordinance by the Federal Parliament on tax deductibility of contributions to qualified pension schemes	13.11.1985
<b>AVIG</b>	Federal law on mandatory unemployment insurance and insolvency compensation	25.06.1982
<b>EOG</b>	Federal law on compensation for loss of income for persons performing service and in the event of maternity	25.09.1952
<b>UVG</b>	Federal law on accident insurance	20.03.1981
<b>KVG</b>	Federal law on health insurance	18.03.1994
<b>ATSG</b>	Federal law on the general part of the social insurance legislation	06.10.2000
<b>PartG</b>	Federal law on the registered partnership of same-sex couples	18.06.2004
<b>FamZG</b>	Federal law on family benefits Cantonal laws on family benefits	24.03.2006
<b>FLG</b>	Federal law on family allowances in agriculture	20.06.1952

Libera is a leading Swiss provider of consultancy and management services for occupational benefit schemes. Its core tasks include activity as experts and actuarial advice, legal consultancy, pension fund management, technical and administrative management, finance and securities bookkeeping, accountancy in compliance with international accounting standards and investment consulting.

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