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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.

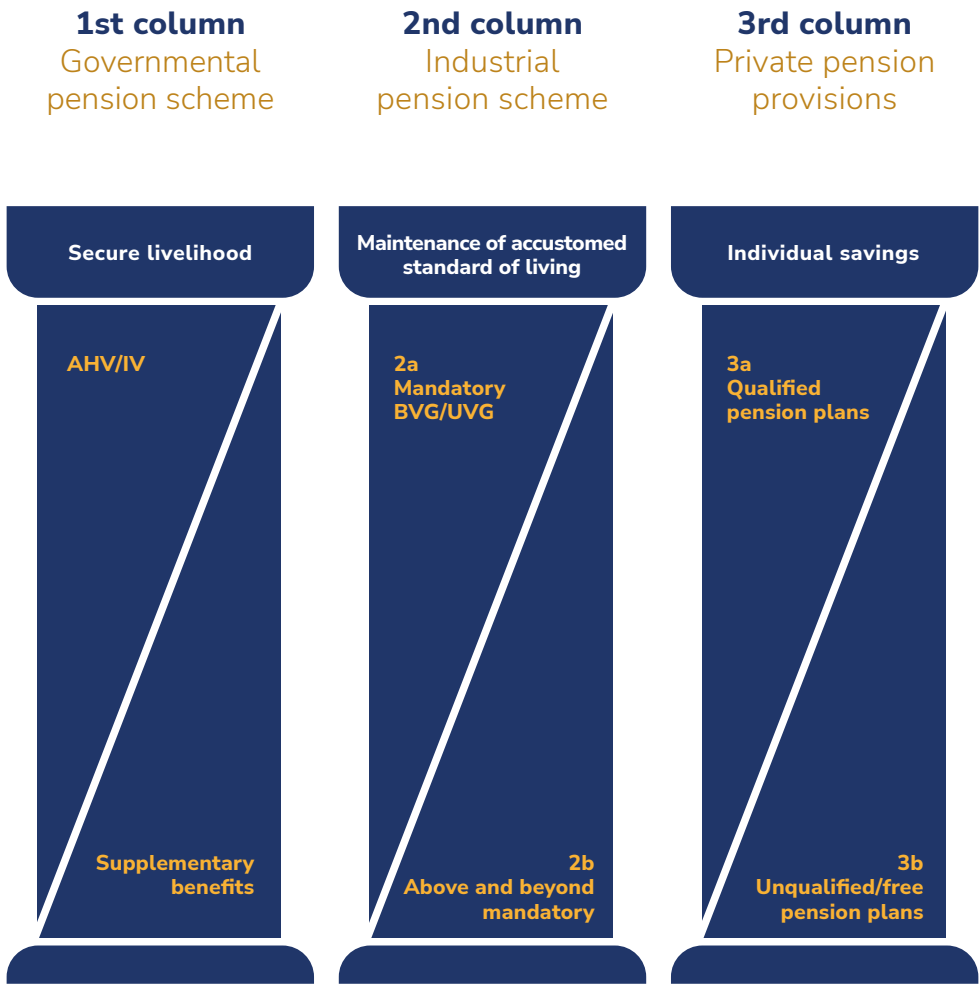
Since in practice actual pensions often fall short of this goal, the government provides supplementary benefits, i. e. need-based additional allowances to recipients of AHV and IV benefits. AHV and IV are general pension schemes for anybody residing or working in Switzerland.

2nd column Industrial insurances (employee pension funds) aim to maintain the recipients' accustomed standard of living.

The law (BVG) 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).



Old-Age and Survivors' Insurance

In principle, AHV pensions are adjusted once every two years to the trend of the mixed index which corresponds to the arithmetical mean of the wage and price indexes. With effect from 1 January 2023, the Federal Council has raised AHV and IV pensions as well as the minimum living allowance by 2.5 %.

| | |
|--|---|
| 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 | <p>Employees</p> <p>Total earned income (= all salaries and wages from employment). The employer settles contributions directly with the social security authorities.</p> <p>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").</p> <p>Self-employed persons</p> <p>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.</p> <p>Employed AHV pensioners</p> <p>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.</p> <p>Unemployed persons</p> <p>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.</p> |

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

| | |
|-------|---------|
| AHV | 8.70 % |
| IV | 1.40 % |
| EO | 0.50 % |
| Total | 10.60 % |

Contributions to AHV, IV and EO are shared equally by employer and employee (5.30 % each).

Self-employed persons

| | |
|-------|---------|
| AHV | 8.10 % |
| IV | 1.40 % |
| EO | 0.50 % |
| Total | 10.00 % |

- For earned income
- from CHF 58,800 to CHF 9,800 a diminishing scale from 10.000 % to 5.371 % applies;
 - below CHF 9,800 at least CHF 514 (AHV, IV, EO).

Unemployed persons

Contributions to AHV, IV and EO depending on assets and pension income (in CHF/year): min. CHF 514; max. CHF 25,700.

Public sources

In 2021, some 27 % of annual AHV income was 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.

Disability Insurance

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 |
|--|--------------------|----------|
| Retirement pension | 14,700 | 29,400 |
| Both pensions of a married couple | | 44,100 |
| Widow's-widower's pension | 11,760 | 23,520 |
| Orphan's and child's pension | 5,880 | 11,760 |
| Full orphan's and double child's pension | 8,820 | 17,640 |
| Allowance for incapacitation (at home) minor/medium/severe | 2,940/7,356/11,760 | |

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.

If an early pension is taken, the reduction is 6.8 % for one year and 13.6 % for two years. The reduction is reset on reaching ordinary retirement age. In the event of deferral, the retirement pension is increased by a monthly supplement (max. 31.5 %). During the deferral the pension can be called upon, i.e. drawn, at the holder's own discretion.

Predictions

On 25 September 2022, the people and Parliament adopted the AHV 21 reform and by doing so secured financing of the AHV until 2030. With the adoption, the retirement age (now known as the reference age) for women is to be raised in four stages from 64 to 65. Following the probable entry into force of the reform on 1 January 2024, the first stage of the increase will occur in 2025; the reference age of 65 will be reached in 2028. Women who belong to the transitional generation (born in years 1961 to 1969) benefit from compensatory measures.

In principle, IV pensions are adapted once every two years to the trend of the mixed index which corresponds to the arithmetical mean of the wage and price indexes. The Federal Council increased IV pensions with effect from 1 January 2023.

Purpose

(Re-)Integration of the insured persons into the workforce, securing the minimum living requirements of the disabled and their dependents.

Persons insured

See AHV (page 2).

Basis for determining contributions

See AHV (page 2).

Financing/Contributions

See AHV (page 2). In addition, considerable payments from the government.

Insurance benefits (selection)

Integration measures

Medical and occupational measures, integration actions for induction into an occupation, supply of aids. Participants in integration measures are entitled to daily allowances.

Disability pension, disability child benefits

100 % disability pension in CHF: min. 14,700, max. 29,400; disabled person's child's pension: 40 % of the disability pension.

| Degree of disability | Pension entitlement as % of a full disability pension |
|----------------------|--|
| 40 % | 25.0 % |
| 41 % – 49 % | 25.0 % + 2.5 % per percentage point by which the degree of disability exceeds of disability exceeds 40 % |
| 50 % | 50.0 % |
| 51 % – 69 % | corresponds to degree of disability |
| 70 % – 100 % | 100.0 % |

| Compensation for totally incapacitated persons living in their own household | | |
|--|-----|-----------------------|
| minor disability | CHF | 5,880 annual pension |
| medium disability | CHF | 14,700 annual pension |
| severe disability | CHF | 23,520 annual pension |

| Compensation for totally incapacitated persons living in a care home | | |
|--|-----|----------------------|
| minor disability | CHF | 1,476 annual pension |
| medium disability | CHF | 3,672 annual pension |
| severe disability | CHF | 5,880 annual pension |

AHV and IV Supplementary Benefits

Purpose

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

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 20,100 | | | |
| For married couples | CHF 30,150 | | | |
| For 1st child | CHF 7,380 | under age 11 | CHF 10,515 | above age 11 |
| For the 2nd child | CHF 6,150 | under age 11 | CHF 10,515 | above age 11 |
| For the 3rd child | CHF 5,125 | under age 11 | CHF 7,010 | above age 11 |
| For the 4th child | CHF 4,270 | under age 11 | CHF 7,010 | above age 11 |
| For each further child | CHF 3,560 | under age 11 | CHF 3,505 | above age 11 |

In addition, health insurance premiums are taken into account in the calculation of supplementary benefits as an item of expenditure corresponding to the actual premium, but to not more than the average regional premium.

Benefits in kind

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

Financing

Supplementary benefits are financed by the federal and cantonal authorities.

Disbursement

Disbursement of supplementary benefits is handled by the cantons. The benefit application must be made to the branch of the cantonal equalisation scheme at the place of residence (exceptions ZH canton: Supplementary Benefits Agency in the local authority of residence; BS Canton: Office for Social Contributions; GE canton: Supplementary Benefits Service [SPC]).

Occupational Old-Age, Survivors' and Disability Benefit Plan

The minimum interest rate for the year 2023 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 22,050 (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 84.70 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 25,725).

AHV wages which have to be considered

| | |
|-------------|------------|
| lower limit | CHF 22,050 |
| upper limit | CHF 88,200 |

Coordinated wages

| | |
|-------------|------------|
| lower limit | CHF 3,675 |
| upper limit | CHF 62,475 |

For unemployed persons: daily remuneration which has to be considered

| | |
|-------------|------------|
| lower limit | CHF 84.70 |
| upper limit | CHF 338.70 |

| | |
|--|-----------|
| Coordination deduction from the daily wage | CHF 98.80 |
|--|-----------|

Coordinated daily remuneration

| | |
|-------------|------------|
| lower limit | CHF 14.10 |
| upper limit | CHF 239.90 |

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 (pillar 2a and pillar 2b): on average, approx. 20 % of insured wage or approx. 15 % of AHV wage. 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

With effect from 1 January 2023, some mandatory second column survivor's and disability pensions will be adjusted to the cost of living. The adjustment rate is 3.4 % for pensions payable since 2019, 3.0 % for pensions payable since 2011 and 2.8 % for pensions payable since 2008. The other pensions will not be adjusted.

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.

Column 3a (Qualified Fiscally Privileged Pension Schemes)

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 permitted 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).

| Year of birth | Status 31 December 2022 | Status 31 December 2023 |
|------------------|-------------------------|-------------------------|
| 1962 and earlier | 310,041 | 320,198 |
| 1963 | 299,428 | 309,478 |
| 1964 | 288,796 | 298,740 |
| 1965 | 278,574 | 288,416 |
| 1966 | 268,090 | 277,827 |
| 1967 | 258,009 | 267,645 |
| 1968 | 247,103 | 256,631 |
| 1969 | 236,153 | 245,570 |
| 1970 | 225,623 | 234,935 |
| 1971 | 215,175 | 224,382 |
| 1972 | 205,128 | 214,235 |
| 1973 | 195,219 | 204,227 |
| 1974 | 185,691 | 194,604 |
| 1975 | 176,437 | 185,258 |
| 1976 | 167,539 | 176,270 |
| 1977 | 158,770 | 167,414 |
| 1978 | 150,339 | 158,898 |
| 1979 | 141,974 | 150,450 |
| 1980 | 133,794 | 142,188 |
| 1981 | 125,662 | 133,975 |
| 1982 | 117,729 | 125,962 |
| 1983 | 109,773 | 117,927 |
| 1984 | 102,030 | 110,106 |
| 1985 | 94,198 | 102,196 |
| 1986 | 86,521 | 94,442 |
| 1987 | 78,861 | 86,705 |
| 1988 | 71,314 | 79,083 |
| 1989 | 63,815 | 71,509 |
| 1990 | 56,445 | 64,066 |
| 1991 | 49,171 | 56,719 |
| 1992 | 41,987 | 49,463 |
| 1993 | 34,874 | 42,278 |
| 1994 | 27,831 | 35,165 |
| 1995 | 20,798 | 28,062 |
| 1996 | 13,835 | 21,029 |
| 1997 | 6,883 | 14,008 |
| 1998 | 0 | 7,056 |

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

Predictions

With the adoption of the AHV 21 Reform, the retirement age (now known as the reference age) for women is to be raised progressively to 65 for occupational benefit purposes too and will allow flexible retirement between the ages of 63 and 70. The Federal Council's explanatory statement on the BVG reform which is designed to reduce redistributions and improve the level of benefits for lower earners and part-time employees is still being debated in Parliament. The entry into force of a revised BVG before 2025 is therefore unlikely.

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.

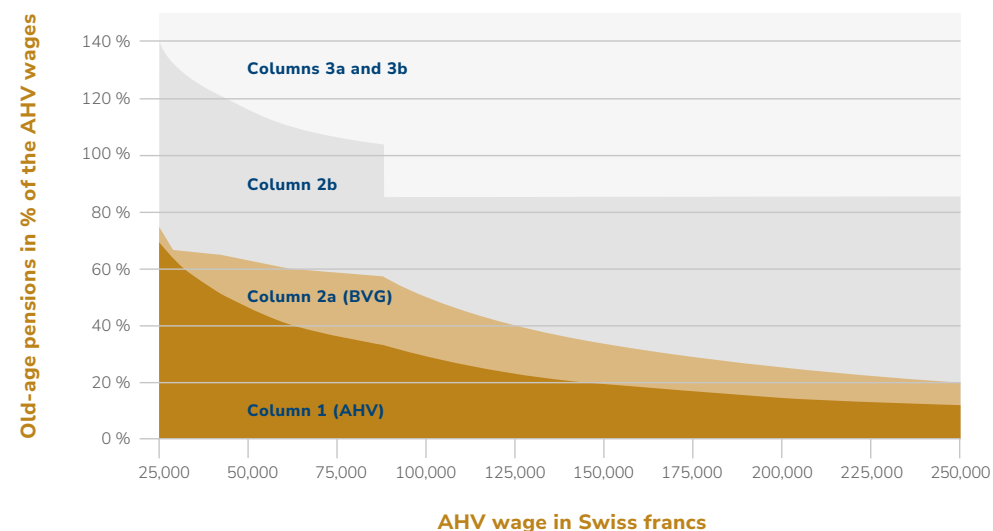
Saving schemes

Bank savings and insurance policies. The maximum permitted deduction in 2023 is CHF 7,056 (normal deduction) or CHF 35,280 (self-employed persons without 2nd column).

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

| | |
|--|--|
| Purpose | Appropriate compensation for loss of earnings, prevention of threatening unemployment and measures against existing unemployment, together with promotion of integration into the labour market. |
| Persons insured | All employees liable for AHV contributions up to ages 64 (women) and 65 (men) as well as certain non-wage-earning individuals. |
| Basis for determining contributions | Earnings liable for AHV, maximum CHF 148,200. |
| Insured wages | Earnings liable for AHV; maximum CHF 148,200. Earnings from labour market measures financed by the public authorities are not insured. |
| Financing/Contributions | 2.2 % of earnings subject to AHV each year up to CHF 148,200; one-half 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. |
| Persons exempt from contribution | <ul style="list-style-type: none"> – members of a farmer's family working on the farm, who are considered self-employed for purposes of family benefits – women and men after the beginning of the month following completion of their 64th respectively 65th year of age – employers for continued payments of wages to the above persons – unemployed persons who receive an unemployment allowance and the unemployment scheme for the corresponding employer's share |

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 under the age of 25, insured persons who are not disabled and insured persons in receipt of a full daily allowance of more than CHF 140

Duration:

- max. 200 daily allowances (DA) (min. 12 months contribution time, under 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)

Bridging benefits for older unemployed persons

| | |
|------------------------|--|
| Aim and purpose | To safeguard a minimum livelihood for persons who have lost their gainful employment shortly before reaching retirement age and leave the scheme at age 60. |
| Benefits | <p>Pecuniary benefits</p> <p>Annual bridging benefits corresponding to the difference between the expenditure recognised by law and the imputable revenues. Limited to a maximum of CHF 45,225 for a single person or CHF 67,838 for a married couple.</p> <p>Benefits in kind</p> <p>Reimbursement of illness and disability costs up to a maximum sum of CHF 5000 for single persons or CHF 10,000 for married couples if the maximum bridging benefit sum is not reached.</p> |
| Financing | The bridging benefits are financed by the Federal authorities. |
| Implementation | The branch of the cantonal equalisation scheme at the place of residence is responsible for registration and payment of the bridging benefits (exceptions ZH canton: Supplementary Benefits Agency in the local authority of residence; BS canton: Office for Social Contributions; GE canton: Supplementary Benefits Service [SPC]). |

Rules on income compensation

| | |
|--------------------------------|--|
| Purpose | Partial cover for loss of earnings e.g. during military, civil defence and civilian service (compensation for loss of earnings EO), maternity (maternity allowance), paternity (paternity allowance), adoption (adoption allowance) and care for a severely handicapped minor child (care allowance). |
| Persons insured | See AHV (page 2). |
| Financing/Contributions | Contributions (basis: AHV) and resources from the equalisation fund under the EO. The contribution on earned income is 0.5 %. Contributions are levied on a diminishing scale. Persons who are not in active employment pay a contribution of between CHF 24 and CHF 1,200 per year. |
| Beneficiaries | <p>Adoption allowance</p> <p>Persons who adopt a child and at the time of taking in a child under the age of 4 are</p> <ul style="list-style-type: none">– salaried employees, self-employed or in gainful employment and– had mandatory AHV insurance in the 9 months prior to taking in the adopted child and were gainfully employed for at least five months during this period. <p>Care allowance</p> <p>Parents who, because of a severe health impairment of their minor child, interrupt their gainful activity to look after the child and are at that time:</p> <ul style="list-style-type: none">– salaried employees, self-employed or unemployed;– in receipt of daily allowances because of incapacity from work caused by illness, accident or disability;– in an employment relationship but receive no further wage payment or no daily allowance because they have used up their entitlement. <p>Income compensation</p> <p>Persons who live either in Switzerland or abroad and are doing one of the following types of service:</p> <ul style="list-style-type: none">– military service;– civilian service;– civil defence;– Red Cross service;– participation in federal or cantonal training courses for youth and sport supervisors;– participation in courses for young marksmen trainers. |

Accident Insurance

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

Paternity allowance

- In employment at the time of childbirth;
- compulsory AHV insurance in the nine months prior to the birth and in active employment for at least five months during that period.

Insurance benefits

Adoption allowance

- duration: for 2 weeks. A qualifying period of one year applies to payment of the adoption benefit;
- amount of the daily allowance: 80 % of the average income from employment before taking adoption leave, max. CHF 220/day.

Care allowance

- duration: for 14 weeks. A qualifying period of 18 months applies to payment of the care benefit (this can be divided freely between the parents);
- amount of the daily allowance: 80 % of the average income before the start of entitlement, max. CHF 220/day.

Income compensation

Basic allowance (irrespective of marital status) in CHF/day:

| | | |
|-----------------------------------|---------|-----------------|
| Employed persons (E) | 69–220 | |
| Non-active employees (NE) | 69–124 | |
| Children's allowances (per child) | 22 | |
| Total allowance E/NE (max.) | 275/138 | |
| Supplement for care costs | 22–75 | effective costs |
| Business supplement | 75 | |

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 220/day.

Paternity allowance

- duration: for 2 weeks (14 days). A framework period of 6 months applies to qualify for the paternity allowance;
- amount of the daily allowance: 80 % of average income before birth of the child, max. CHF 220/day.

Purpose

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

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 % of insured wage):

- 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 %); pensions for orphans of both parents (25 %);
- compensation for incapacitation: monthly CHF 812–2,436;
- allowance for damage to integrity: depending on severity of damage; payable once only max. CHF 148,200.

Health Insurance

The Federal Office of Public Health (FOPH) states that the average compulsory healthcare insurance premium will rise by 6.6 % in 2023. The BAG website (www.priminfo.ch) provides a premium calculator to compare all the approved basic insurance premiums which are available.

| | |
|---------------------------------------|--|
| Purpose | Coverage of treatment costs for illnesses, accidents (in excess of accident insurance coverage), as well as maternity. |
| Persons insured | All persons residing or working in Switzerland. |
| Financing/Contributions | <p>Contributions of the insured</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>Cost sharing</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> |
| Premium reductions through | <ul style="list-style-type: none"> – election of a higher deductible – more limited choice of doctors and hospitals by affiliation to an HMO insurance, a general practitioner model or a telemedicine model; – exemption from accident coverage for persons adequately insured according to UVG |
| Insurance benefits (selection) | <ul style="list-style-type: none"> – medical and chiropractic treatments – complementary medicine treatments – preventive measures – special treatments during maternity – dental treatments (very limited) – contribution to cost of transportation and salvage cost – analyses and medicines |

Family Benefits

| | |
|---|--|
| Purpose | Partial equalisation of the financial burden for one or more children. |
| Entitled persons | Employees who are compulsorily insured with AHV, the self-employed and persons not in gainful employment, employees of an employer who is not required to pay contributions and unemployed mothers who draw a maternity allowance. |
| Minimum rates | <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"> – A child allowance of CHF 200 for children up to age 16 or until entitlement to education allowances; – an education allowance of CHF 250 for young persons who are taking a course of non-compulsory education, from age 15 at the earliest until age 25 at the latest. |
| Family allowances in agriculture | 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. |
| Cantonal family allowances | The cantonal rates for the allowances payable in 2023 can be consulted on the Federal Social Insurance Office's website (www.bsv.admin.ch/bsv/de/home/sozialversicherungen/famz.html). |

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 a transitional phase lasting for not more than seven years, special provisions including restrictions under employment law and maximum numbers will apply to Croatian citizens.

Overview of the Social Insurances

| | Insured wages | Contributions | Benefits |
|------------------|---|--|--|
| AHVG | With influence on pension amount: up to a max. of CHF 88,200 Mandatory contribution: unlimited | Employees 8.7 % Self-employed individuals 8.1 % | Retirement pensions, supplementary pensions, children's pensions, widows' and widowers' pensions, orphans' pensions, incapacity allowance, aid devices |
| IVG | 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 |
| ELG | | | Need-based contributions in addition to AHV and IV benefits |
| BVG | AHV wages less CHF 25,725, minimum CHF 3,675 | Depending on the pension fund regulation | Retirement benefits, spouse's, orphan's and disability pensions, pensions for the children of retired and disabled persons |
| AVIG | Earnings subject to AHV, up to a maximum of CHF 148,200 | 2.2 % for wage components up to CHF 148,200 | Unemployment, short-time employment, bad-weather and insolvency compensation, labour market measures, advice and placement |
| ÜLG | | | Benefits dependent on need until retirement |
| EOG | Same as AHV and IV | Employees 0.50 % Self-employed 0.50 % | Daily allowances (for EO: including children's allowances) and for EO: allowance for care costs, business supplements |
| UVG | 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) |
| KVG | | Per capita contributions depending on insurance provider, canton and area of residence | Coverage of treatment and care-taking costs |
| FamZG/FLG | | Based on cantonal rates | Children's and education allowances, where applicable birth and adoption allowances, household allowance (agriculture) |

Legal Sources

| | | |
|--------------|---|------------|
| AHVG | Federal law on old-age and survivors' insurance | 20.12.1946 |
| IVG | Federal law on disability insurance | 19.06.1959 |
| ELG | Federal law on old-age and survivors' insurance and disability insurance supplementary benefits | 06.10.2006 |
| BVG | Federal law on employee old-age, survivors' and workmen's compensation insurance | 25.06.1982 |
| FZG | Federal law regarding pension cash surrender values of the employee old-age, survivors', and workmen's compensation insurance | 17.12.1993 |
| BVV 2 | Ordinance by the Federal Parliament on employee old-age, survivors' and workmen's compensation insurance | 18.04.1984 |
| BVV 3 | Ordinance by the Federal Parliament on tax deductibility of contributions to qualified pension schemes | 13.11.1985 |
| AVIG | Federal law on mandatory unemployment insurance and insolvency compensation | 25.06.1982 |
| ÜLG | Federal Act on Bridging Benefits for Older Unemployed Persons | 19.06.2020 |
| EOG | Federal law on compensation for loss of income for persons performing service and in the event of maternity | 25.09.1952 |
| UVG | Federal law on accident insurance | 20.03.1981 |
| KVG | Federal law on health insurance | 18.03.1994 |
| ATSG | Federal law on the general part of the social insurance legislation | 06.10.2000 |
| PartG | Federal law on the registered partnership of same-sex couples | 18.06.2004 |
| FamZG | Federal law on family benefits Cantonal laws on family benefits | 24.03.2006 |
| FLG | 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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