Working in Switzerland

Information I Consultation I Service

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Information brochure

for cross-border commuters and resident foreign nationals

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Dear Reader,

My name is Tobias Tobisch and for more than 29 years, my team and I have guided those taking up, or looking to take up employment in Switzerland.

All these years of experience have equipped us with in-depth knowledge of working in Switzerland, enabling us to correctly answer any special or detailed questions you may have. Thanks to our network of tax advisors, lawyers, and company and employer associations, we always have access to the latest information.

Just get in touch! We're here to make your move to Switzerland easier.

Your

"6 reasons why working in Switzerland is worth your while"

For over 29 years, we've guided cross-border commuters and people from all over the world looking to work or live in Switzerland.

And from those people we've met along the way, we've compiled a list of the 6 most important reasons why they enjoy working in Switzerland, or why they want move there permanently:

1. Interesting companies
Thanks to the liberal economic and employment policies as well as the stable political system, numerous global companies have decided to put down roots in Switzerland.

2. High income
Your job is something that should motivate you so that you go to work with a spring in your step. But although money isn't the be all and end all, it's nice when there's a good salary in your pocket at the end of the month. Living in Switzerland is relatively expensive, yet its residents can enjoy a high level of purchasing power.

3. Safety
Switzerland is one of the safest and most stable countries in the world. Its neutrality has allowed Switzerland to become a country in which you can live and work in peace and harmony.

4. Central location
Thanks to its central location on the continent, Switzerland is a natural hub for flights taking you from Europe to destinations all across the world. That is another reason why many large, global companies have settled down here.

5. Low taxes
Switzerland has one of the most advantageous and fairest tax systems in the world. The amount of tax varies from canton to canton. For a net income of CHF 150,000, the tax rate is generally between 20% and 35%. (The EU average is around 40%)

6.Social security scheme
The Swiss social security scheme is a 3-pillar system, meaning residents have entitlement to old-age, survivors' and disability insurance. On an international scale, when it comes to entitlement to benefits, Switzerland is well ahead of the game.

1. Working in Switzerland – general information

On June 1, 2002, the Agreement on the Free Movement of Persons between Switzerland and the European Union came into force. The bilateral agreement on the free movement of persons regulates entry and residence conditions for all nationals of the (old) EU Member States, as well as their gainful employment in Switzerland, and for Swiss nationals in the EU. The agreement provides for several steps.

There are several kinds of work permits (for EU/ EFTA citizens):

- Short-term residence permit (permit L)
- Permit for resident foreign nationals (permit B)
- Permit for settled foreign nationals (permit C)
- Cross-border commuters permit (permit G)

For a detailed description please read below, or visit our website at: **www.arbeiten-schweiz.de**

1.1. The Swiss social insurance system

Switzerland has a comprehensive social insurance system to protect the people living and working in the country, as well as their families, from risks which may incur unmanageable financial consequences.

1.1.1. Retirement provisions/financial provisions

The Swiss pension system for retirement provisions is based on three pillars:

"The 3-Pillar System"

AHV/IV	BVG/Pension Scheme	Private Pension Scheme
Old-Age and Survivors' Insurance (Alters- und Hinterlassenenversicherung – AHV)	Occupational Pension Scheme	(3a: tied pension, 3b: flexible pension)
1	2	3

As a matter of principle, in old age, the benefits

- of Pillar 1 should cover subsistence
- of Pillar 2 should allow people to adequately maintain their accustomed standard of living
- of Pillar 3 should supplement Pillars 1 and 2 in a useful way
  for resident foreign nationals: see page 17

Pillar 1 – Old-Age and Survivors‘ Insurance (AHV)

Anyone resident in Switzerland or Germany who is gainfully employed in Switzerland is compulsorily insured under AHV (Old-Age and Survivors’ Insurance) and IV (Disability Insurance)and is obliged to pay insurance contributions.
The AHV/IV is intended to cover subsistence – or at least part of it – in old age, in case of disability or in the event of a provider’s death. The combined contribution rate in 2026 is 10.6 %. Half of the contribution is paid by the employer, the other half by the employee.
Everyone in gainful employment starts making obligatory contributions from 1st January following their 17th birthday. Example: A person in gainful employment who turns 17 on 15th August 2025 is obliged to pay contributions as of 1st January 2026.
The employee’s share of the contribution is directly deducted by the employer from each wage payment and transferred to the compensation office together with the employer’s share of the contribution. Anyone paying contributions or receiving benefits receives a grey insurance card showing an 11-digit insurance membership number. The insurance number indicates the relevant compensation office for the insured person. Account statements can either be requested directly from the compensation office in charge, or all account statements can be requested from any compensation office. 1st July 2007 saw the gradual introduction begin of a new, anonymised 13-digit AHV number, which will not allow to obtain any information about the person. The grey card is being replaced by a simplified pass which only shows the full name and date of birth of the insured person.
The pension payment will be calculated on the basis of the annual income from which the insured party pays AHV contributions.

For information please contact the AHV compensation offices or one of their branch offices.

Pension claims starting in January 2026 will be calculated as follows (CHF per month):

Pension	min./max. (CHF/month)
Retirement pension	1,260/2,520
Maximum amount for combined pensions of a married couple	3,780
Widow’s/widower’s pension	1,008/2,016
Orphan/children’s pension	504/1,008

As a general rule, pensions are adapted to wage and price developments every two years.

The pensions in Pillar 1 are generally **taxable,** however this only applies for certain tax brackets and after deduction of tax allowances.

The statutory retirement age is 65 years for men and 64 years for women. Women may also start drawing their pension at 62 years of age, however this will lead to a pension cut. The cut is 6.8 % for one year, and 13.6 % for two years.

AHV benefits

Retirement pension

Old-age and survivors‘ pension payments and auxiliary compensation payments account for the lion’s share of AHV benefits. The AHV also provides the following benefits:

- contributions to aids (e.g. hearing aids, magnifying glasses, spectacles)
- welfare benefits for Swiss nationals living abroad
- contributions to Spitex and other welfare pension institutions (Pro Senectute, Swiss Red Cross etc.)

Pensions are adapted to wage and price levels. This adaptation is based on what is referred to as a mixed index (average of the consumer price index and wage index published by the State Secretariat for Economic Affairs, SECO)

Occupational disability pension/disability pension

Disability pension benefits can be granted to insured persons with disabilities, or persons at direct risk of disability, under one of the following two categories:

Integration measures
For the significant, lasting improvement of gainful employment for persons with disabilities, e.g. medical measures, domestic help, professional measures, educational measures, aids, care benefits for minors.

Financial benefits
As pension payments and helplessness allowances in those cases where integration is not possible, or only partly possible, as well as daily allowances as compensation for loss of earnings during integration measures

Supplementary benefits
Those drawing disability pensions have a right to supplementary benefits. In such cases where the disability insurance pays out financial benefits, the recipient has the legal right to supplementary benefits in order to secure a minimum income. Supplementary benefits consist of cash payments to make up the difference between the actual income and a certain income threshold.

How is the degree of disability determined?
This is determined as a percentage based on the loss of income. The IV makes a distinction between those in gainful employment, those who are not in gainful employment and those who are partly in gainful employment.

How is the IV pension payment calculated?
It is based on the length of the insurance term and income. There is a minimum and a maximum pension, however. This varies depending on whether a person has the right to a quarter pension or a whole pension.

The degree of disability determines the pension payments that a person with disabilities will receive:

Degree of disability as a %	Pension
40 – 50	Quarter pension
50 – 60	Half pension
60 – 70	Three-quarters pension
70 or more	Whole pension

From what age can a person claim an IV pension?
Insured persons are entitled to receive IV pension payments from 18 years of age.
When pension payments begin depends on whether they suffer from a long-term illness or permanent disability. In the case of a long-term illness, IV pension can be claimed after a minimum one-year waiting period.

During that year, a person's inability to work must be at least 40 % on average, and after this period has expired the extent of their inability to earn must be the same or higher. Claims in the case of permanent disability (if a person's health is neither expected to worsen nor to improve) start as soon as health is stable and the degree of disability is at least 40 %.

When does the right to claim an IV pension end?
The right to claim an IV pension ceases either when the preconditions are no longer met or, at the latest, when the IV pensioner has reached AHV age, or is eligible for a retirement pension.

Widows' and survivors' pension

If the recipient of an IV pension dies, the widow and any children under the age of 18 are entitled to receive a survivors' pension. Under this provision, for children still in education or training, the age limit has been raised to 25 years.
Payments are coordinated to avoid over-compensation if other social insurance institutions also make payments.

Pillar 2 – Occupational pension scheme (BVG/Pensionskasse [pension insurance])

Employees over 17 years of age (for risks of death and disability) and employees over 24 years of age (retirement provisions) who earn a statutory minimum income are covered by the occupational pension scheme.

Contributions are obligatory for anyone earning between CHF 22,680 per year and CHF 90,720 per year. A distinction must be made between contributions for risk covering death and disability, and for retirement benefits. Depending on the pension insurance provider, contributions amount to between 3.3 % and 7.5 % for risk cover, and between 7 % and 18 % for retirement benefits; the contribution amounts are staggered according to age groups, with the minimum being CHF 3,780 per year. The employer is obliged to pay at least half the contributions.

Pillar 2 is based on the funding principle, which means that contributions are saved in a dedicated account in the employee's name and receive statu-

tory minimum interest of 1.25 % (2026). The government does not make additional payments.

After 65 years of age (men) or 64 years of age (women), a retirement pension currently amounting to 6.8 % of the accumulated vested retirement assets, including interest, is paid out per year. Individuals may apply for vested retirement assets to be paid out instead of pension payments any time from three years before the pension age is reached.

Payments under the BVG/pension insurance complement the benefits under AHV/IV in old age, in the case of disability or in the event of a provider's death. The BVG amendment has introduced an entry threshold of CHF 26,460 per year, which differs from the coordination deduction. Employees earning an annual wage which is subject to obligatory AHV contributions have mandatory insurance cover under Pillar 2.

Benefits from BGV/pension insurance

Disability pension/occupational disability pension

Through the BVG, the pension insurance also covers the risk of disability. In the event of disability caused by accident or illness, the pension insurance provider is obliged to make disability pension payments as well as payments to the children of persons with disabilities. Anyone whose disability extends to 40 % or more is entitled to claim disability benefits. Disability benefits continue to be paid out after the person has reached retirement age: if the extent of a disability is 50 % = 1/2 pension, over 70 % = full pension. Start of pension entitlement: The pension insurance and IV providers start paying out disability pensions at the same time, which is after 360 days.
Insured parties are generally entitled to continue receiving wage payments from their employer, or daily allowances from their accident insurance company, when pension payments begin.

Survivors' benefits

If an insured person dies, the survivors, i.e. the wife and children, have a claim to survivors' benefits.
If the deceased was already receiving a retirement pension at the time of his or her death, the widow shall be entitled to a widow's pension amounting to 80 % of the retirement pension; orphans are entitled to 40 % each. If the deceased was still in gainful employment, the expected retirement pension is calculated, of which the widow may claim 60 %, and orphans 20 % each.

The statutory preconditions for claiming a widow's pension is that the widow has to financially support children, or that she is over 45 years of age and has been married for at least five years. If these preconditions are not met, the wife is entitled to a lump-sump payment equal to three annual pensions. The right to claim a widow's pension also applies if the widow is of retirement age, or if the deceased husband received a disability pension.

Occupational disability pension from AHV and PK combined

In the event that you need to claim it, the combined occupational disability pension from AHV and PK may not cover the living standard you are used to.
Should you become unable to practice your profession due to illness, if approved you will receive an IV pension from the AHV and from your pension insurance provider. As we only have limited control over whether or not we become unable to work, occupational disability is an important topic for everyone. Making provisions is important, because one in 5 employees and one in 3 workers become unable to work or earn in the course of their working lives. The one thing you can control is how far you fall both financially and socially.
The risk of occupational disability is often underestimated. There are some jobs where the risk is obvious to everyone, particularly physical jobs such as those of a fireman, roofer or builder. However, the most frequent cause of occupational disability is mental illness, a risk which is just as real for all other jobs

Causes of occupational disability

Please ask us about what your entitlements would be in the event of occupational disability based on your personal situation and taking into consideration the IV pension from Switzerland.

Private retirement provisions

Once you reach retirement age, both German and Swiss insurers will check your entitlements. If you fulfil the requirements, you will receive two pensions, with each of the providers carrying out a separate check on the length of the insurance term and the extent of contributions that were made. We will be happy to check what your entitlements will be once you reach retirement age and will prepare a non-binding forecast for you.

We would also be pleased to provide you with customised advice on request.

Special characteristics of the BVG/pension insurance

Portable benefits

The portable benefit rule ensures that, once employment ends, the provisions under BVG pension legislation continue to apply. Persons changing employers within Switzerland may transfer their pension insurance credit.

When terminating employment in Switzerland, German cross-border commuters/resident foreign nationals have three options:

- cash pay-out of portable benefits upon their return to Germany. This option ceased to exist on 1st June 2007. Since then the option of a cash pay-out only has only existed under certain preconditions. Please contact us if you would like any further details.

- transfer to a new pension insurance provider (for persons changing employers within Switzerland)

- leaving credit in Switzerland until retirement age is reached, and subsequent pay-out of retirement pension

Please enquire about which option suits you best. We will be happy to help.

Applying the German Retirement Income Act to pensions from abroad

The so-called Retirement Income Act was introduced in Germany with effect from 1st January 2005. Until and including 2005, the Retirement Income Act was applied to the Swiss retirement provision systems. Pension payments under the Old-Age and Survivors' Insurance (AHV) and pension insurance in particular were subject to the Retirement Income Act.

This legal classification was partially revised and amended starting from 2016. Currently, only benefits under the AHV (pillar 1) and the obligatory share of the pension insurance (pillar 2) are subject to the Retirement Income Act. From 2016, payments of the share of the pension insurance exceeding the mandatory amount (pillar 2) must be split into ongoing payments and one-time payments (lump-sum settlement).

According to the Retirement Income Act, the so-called taxable share of pension payments under the AHV and of the mandatory part of the pension insurance (pillar 2) are subject to income tax.

The amount of the taxable share depends on the year in which pension payments start. For pensioners in 2005, this was 50 %. The taxable share is being gradually increased to 100 % by 2040. For 2026, the share is at 84 %. At the same time, contributions made by those in gainful employment can be offset against tax as special personal deductions.

Once it has been set and applied, a taxable share does not change in subsequent years. Only increases of the original pension payments are taxed at 100 %.

One-time payments (lump-sum settlements) of the obligatory share of the pension insurance are also subject to the so-called Retirement Income Act. This means that there is no distinction between one-time payments and ongoing payments for the mandatory share of the pension insurance.

It may be possible to apply for tax deduction for one-time payments of the mandatory share of the pension insurance under Section 34 of the Income Tax Act.

From 2016, payments of the share of the pension insurance exceeding the mandatory amount (pillar 2)

are no longer subject to the Retirement Income Act. This is because the German Federal Finance Court has made several decisions revising the former legal classification. This reclassification of the legal appraisal by the German Federal Finance Court has since been adopted by the German Ministry of Finance and has been declared to be binding.

First of all, a distinction must be made between ongoing payments and one-time payments (lump-sum settlement) of the share of the pension insurance exceeding the mandatory amount. Ongoing pension payments are taxed on the basis of the so-called revenue share under Section 22 No. 1 a) bb) of the Income Tax Act. Unlike the taxable share, the revenue share does not depend on the start of pension payments, but on the age at the time of the start of pension payments. If that age is 65 years, the revenue share is 18 %.

Thus, another distinction has to be made for one-time payments (lump-sum settlements) from pillar 2 (share exceeding the mandatory amount): If initial contributions to the pension insurance were paid before 1st January 2005, and had been paid for a minimum of twelve years at the time of the first pension payment, they may be eligible for tax exemption. Each case must be checked individually. We recommend consulting a skilled tax consultant.

If you have made initial contribution payments after 31st December 2004, or for less than twelve years, the one-time payment is not tax-free. However, only the interest share under Section 20 Paragraph 1 No. 6 of the Income Tax Act is taxable. The disbursement of the contributions made until that time is not taxable.

In general, pensioners under the Swiss retirement provisions system also have the option of paying tax under the so-called opening clause (Öffnungsklausel). However, this is linked to strict legal preconditions and should only be possible if you were part of the Swiss pension system for a minimum of ten years on 31st December 2005. Again, we recommend consulting a skilled tax consultant.

In summary, we may say that the fiscal appraisal of the Swiss retirement provisions system has become very complex, both in terms of the contribution and the disbursement phases, and is almost impossible to assess with any legal certainty without the help of an expert (tax consultant).

Pillar 3 – Private pension scheme

The Swiss social insurance system provides for the option of a private pension scheme for resident foreign nationals. For more information please refer to page 14 in the chapter on resident foreign nationals

Resident foreign nationals: more details on page 17

1.1.2. Accident insurance

All employees working in Switzerland have mandatory accident insurance. Unemployed persons also have mandatory accident insurance. Persons not in gainful employment are not insured. These include: housewives, househusbands, children, students, pensioners. In most cases, the insurance is underwritten by the Schweizerische Unfallversicherungsanstalt, SUVA (Swiss National Accident Insurance Fund).
Contributions are paid by the employer. Non-occupational accidents (NBUV) are generally also covered by the insurance, with contributions for this payable by the employee. Some employers voluntarily pay for this employee contribution. The employer deducts the employee's share from their salary (see table below).
Accident insurance covers the risks of occupational accidents, non-occupational accidents and occupational disease.

Accident insurance benefits include:

a) Benefits in kind (care services and cost reimbursements)
b) Financial benefits (daily allowance, disability pension, impairment compensation, helplessness allowance, survivors' pension)

Non-occupational accidents
These cover all accidents that are not considered to be occupational accidents. These include, in particular, accidents on the way to and from work, or during leisure activities, such as sporting accidents, traffic accidents or accidents in the home.

1.1.3. Overview of social contributions with employee participation

The following overview lists the different types of social contributions and the respective share paid by employees.

Type of contribution	Calculation basis	Employee contribution
Old-age and survivors' insurance (AHV)	Monthly wage + other wage-related payments (e.g. shift bonus, other bonuses etc.)	5,3 %
Employee pension insurance as per BVG (pension insurance)	Insured annual wage obligatory contribution from CHF 22,680 to max. CHF 90,720 per year Contribution depends on age	3,50 % 25-34 years 5,00 % 35-44 years 7,50 % 45-54 years 9,00 % 55-64/65 years
Occupational accident insurance (e.g. SUVA)	up to max. salary of CHF 148,200 per annum	employer only
Non-occupational accident insurance (NBUV)	Monthly wage + other wage-related payments (see above)	1,086 % - 3,15 % (depending on profession)
Unemployment insurance (ALV)	Monthly salary + other wage-related payments (see above) salary up to CHF 148,200 per annum	1,1 %

1.1.4. Daily sickness allowance insurance/continued wage payment in case of illness

Swiss law does not oblige employers to continue making wage payments for six weeks in the event of illness, as is the case in Germany. Instead, the following rule applies:

Unless otherwise agreed, during the first three months of employment, the employee is not entitled to continued wage payment in case of illness. Unlike the German provision, where the employer is obliged to continue wage payments for six weeks and subsequently the health insurance will pay a daily allowance, in Switzerland employers pay wages as follows for the duration of an illness:

Length of employment	Duration
In the first year of employment (from 4th month of employment)	minimum 3 weeks
In the 2nd year of employment	minimum 4 weeks
In the 3rd year of employment	9 weeks
from the 4th year of employment to over 25 years	further extension up to 31 weeks

In addition to this statutory obligation to continue wage payments, further provisions also exist under some employment contracts and company-wide collective agreements.

In most cases, the wage loss due to illness is insured by your employer through a daily sickness benefits insurance policy. This means that the employer signs a contract as part of a special collective contract with a Swiss health insurance company. The continued wage payment is then usually 80 – 100 % of your salary, for up to two years of you being unable to work. The contribution for employees is generally 1 % of their gross income. Such contributions are sometimes paid by the employer.
You should always clarify this with your employer, or check your employment contract to establish whether such a rule applies to you. If it does not, we recommend taking out private daily sickness benefits insurance in Germany to secure the risk of financial loss in the case of illness.

We will be happy to provide further information on request.

1.1.5. Maternity insurance

All employed and self-employed women have the right to claim maternity benefits. This also applies to women to work in their husband's company for a cash wage.

The maximum annual wage that can be insured for maternity benefits is CHF 8.250 (CHF 220 per day). The maternity benefit is paid out as a daily allowance for 14 weeks following the birth. It amounts to 80 % of the average income obtained before the birth (maximum of CHF 220 per day).

There is currently no particular provision under Swiss law concerning adoption leave, with some exceptions made by the canton of Geneva, a few cantonal and local provisions and certain collective wage agreements. Please ask your employer or your trade union for more details.

Further information is available from the Federal Social Insurance Office at

1.1.6. Paternity compensation/paternity leave

The bill for paid paternity leave came into force on 1 January 2021.

All working fathers are entitled to 2 weeks of paternity leave within 6 months of the birth of their child. As compensation for loss of earnings you will receive 80% of the average AHV income prior to the birth, up to a maximum of 220.00 CHF/day.

Specific prerequisites must be met in order to claim entitlement to paternity compensation. All further details can be found in the information sheet below.

Further information is available from the Federal Social Insurance Office at www.bsv.admin.ch.

INFORMATION SHEET PATERNITY COMPENSATION

1.1.7. Family allowance

The Swiss Federal Law on Family Allowance (FamZG) came into force on 1st January 2009.

The purpose of family allowance is to partially balance out the costs which are incurred by parents in having to provide for their children. These include child and education allowance, as well as birth and adoption allowance in some cantons.

According to the new Law on Family Allowance, all employees, those who are not in gainful employment with a modest income, and – depending on the canton – also the self-employed may claim:

- Child allowance: The amount of child allowance varies from canton to canton. The average child allowance is CHF 215 per month per child, from the month of the birth until their 16th birthday. Children who are unable to work due to illness or disability receive child allowance until their 20th birthday.
- Education allowance: The amount of education allowance varies from canton to canton. The average education allowance is CHF 268 per month per child, from the month of their 16th birthday until the end of their training, but no later than the month of their 25th birthday.

None of the cantons that pay higher allowances have reduced these to the new Federal minimum allowance.

Since 2013, the self-employed have had the right to claim family allowance, as have those not in gainful employment with a modest income.
Persons in gainful employment are entitled to receive allowances in the country in which they are in gainful employment, even if their children or they, themselves, live in a different country (e.g. cross-border commuters, persons with residence permits or settled foreign nationals). Part-time employment, IV daily allowances, unemployment benefit and paid leave are treated equally to gainful employment.

There is a special provision for persons working in the agricultural sector.

Further information is available from the Federal Social Insurance Office at

1.2. Tax in Switzerland – Double unlimited tax liability

Unlimited tax liability...
Unlimited tax liability means that taxpayers have to pay tax on their entire income in a particular country.

... in Switzerland
Taxpayers who move their residence to Switzerland become subject to unlimited tax liability in Switzerland.

... in Germany
Anyone with a residence in Germany, or anyone with habitual residence in Germany for six or more months of the calendar year, is subject to unlimited tax liability in Germany.

Avoiding double taxation
The Double Taxation Convention between Germany and Switzerland was agreed in order to prevent double taxation by determining either the point of reference that has prevailed (assignment of tax liability), or that the person is liable to pay tax in both countries, but that credit will be given in one country for tax paid in the other.

Under the Double Taxation Convention, Switzerland is used as the point of reference for persons moving to Switzerland, as this is where the centre of that person's life is assumed to be. Switzerland would therefore have the right of taxation. However...

No relief for points of reference in Germany
In order to prevent people from emigrating for tax reasons, Germany has reserved the unlimited right of taxation if one of the points of reference below applies. This means that Swiss tax is credited and that the worldwide income of the taxpayer is taxed according to the German tax brackets.

Points of reference:

a) permanent residence
The German Federal Fiscal Court (BFH, 16th December 1998, IStR International Tax Law Review 1999, 212 et seq.) assumes a residence to be permanent if a taxpayer has the option of using the premises lawfully as a residence for a prolonged period, and in fact regularly does so.

b) habitual residence
Irrespective of the place of residence, habitual residence constitutes a point of reference. Habitual residence is assumed in those cases where a taxpayer spends a total of more than 183 days per year in Germany.

If these points of reference are avoided, under the Double Taxation Convention, Germany only has the right of taxation for income from German sources once the taxpayer has moved away.

Resident foreign nationals: more details on page 14

1.3. Working conditions

Working hours
Working hours in Switzerland are considerably longer than they are in other European countries. The maximum working hours per week for employees in industrial companies is 40 hours, for all other employees it is generally 42 hours, with a maximum of 45 working hours per week. Absenteeism due to illness or other reasons is low. Strikes practically never occur. The statutory minimum annual leave for employees is 20 working days per working year, or 25 days for employees under the age of 20, or over the age of 50.

Public holidays
The comparably high number of annual working hours in Switzerland is partly due to the fact that there is a relatively low number of public holidays. There are some regional differences due to local customs.

Remuneration
Wages are negotiated individually between employee and employer. The legislator has intentionally left some scope for direct agreements between the social partners.

Termination periods
Unless otherwise agreed, the termination period is one month during the first year of employment, two months during the second to ninth year of employment, and three months from the tenth year of employment on.

Access to the labour market for Non-EU/EFTA citizens
The Federal Office for Migration (BFM) determines the preconditions for entering Switzerland to live and work – and decides who is to receive protection from persecution. The office also coordinates the integration work of the Confederation, the cantons and the municipalities, and is responsible for naturalisation at Confederation level.

Income
Wages and salaries constitute the main source of income for a household, with other sources of income consisting of transfers (pensions), assets and rent. The main items which will burden your budget are rent, insurance, tax and food bills.

Wages
According to the latest statistics, the Swiss earn on average around 80,000 to 90,000 CHF. Compared with Frankfurt or Berlin, the gross wage level in the Swiss cities of Basle, Geneva and, particularly, Zurich, is 25 % higher on average. Wages are subject to considerable variations between industries.

For more information please go to

www.lohncomputer.ch/de/loehne.html
www.bfs.admin.ch

1.4. Wage payments

Usually, employers pay wages by bank transfer to a Swiss bank account. We will be happy to assist you with choosing a Swiss bank. Please see page 25 for a comparison of the conditions offered by a selection of banks.

1.5. Purchasing real estate

Real estate which serves the purpose of gainful employment
Cross-border commuters have the same rights as Swiss nationals. They are entitled to purchase a second home in a region near their place of work.

Holiday apartments, capital investments, trading with apartments/undeveloped land
Cross-border commuters must obtain a permit.

2. Special information for resident foreign nationals

2.1. Initial residence permit (permit B)

Resident foreign nationals are foreign nationals residing in Switzerland for a long period of time for a certain purpose, with or without gainful employment.

Resident foreign nationals from EU/EFTA Member States are granted the right to move and work freely within the borders of Switzerland. The advantage of an initial residence permit is that it allows foreign nationals to change their job or workplace, or to work on a self-employed basis. Furthermore, foreign nationals have the right to apply for family members to join them in Switzerland.
Gainfully employed persons with an employment contract that is valid indefinitely or for at least one year will receive a five-year initial residence permit. The residence permit will be extended for a further five years provided that the foreign national is in possession of an employment contract valid for at least one year. This extension may be limited to one year, however, if the foreign national has been involuntarily unemployed for more than twelve consecutive months.

Persons not in gainful employment (e.g. pensioners, students) may obtain this permit if they have a) sufficient financial means and b) health and accident insurance covering all risks.

Self-employed persons will receive a temporary residence permit to cover what is referred to as a set-up period, which typically lasts between six and eight months. Following this set-up period, they will be entitled to a five-year residence permit if they can provide proof of gainful employment on a self-employed basis, i.e. documentation of an activity that provides a living wage.

Foreign nationals moving to Switzerland must file their application with the relevant cantonal migration office/immigration authority when registering their residence in Switzerland.

Permit applications must include the following documents:
- Completed residence permit application (“Gesuch Ausländerbewilligung EU-17/ EFTA [Formular A1]/Residence permit application form for EU-17/EFTA citizens [form A1])”
- Copy of employment contract
- Copy of valid passport or valid identity card

2.2. Taxes for resident foreign nationals

The Swiss tax system

Switzerland is a federal state. This federal state structure is very heavily reflected in the country’s taxes. The Confederation as well as the 26 cantons and the municipalities all have independent tax entitlements. Although federal taxes are consistent throughout the country, there are considerable discrepancies between different cantonal tax rates. The Confederation’s income tax caps at a maximum 11.5 %. This is collected by cantonal tax authorities. Cantonal and municipal taxes vary greatly, which is why choosing a canton and municipality wisely can reduce an individual’s tax rate by up to 23 % (source: Weigell, Brand, Safarik, Investitions- und Steuerstandort Schweiz (Switzerland as an investment and tax location), Munich und Basel 2000, p. 149).
The tax rate is determined by taking into account the total income, regardless of the country in which it was earned (known as worldwide income). However, worldwide income is only taxed insofar as it is not exempt as a result of non-liability (international tax allocation) or through the Double Taxation Convention (DBA).

Withholding tax in Switzerland

Withholding tax is imposed on all foreign employees who are not in possession of a permanent residence permit (permit C) is-sued by the migration office, but have a ha-bitual residence or abode in the canton under fiscal law. In particular, this refers to resident foreign nationals with initial resi-dence permits (permit B). Withholding tax is calculated from gross income. The amount of tax due is determined ac-cording to the tariffs set by the cantonal tax administration’s withholding tax department. Withholding tax covers the taxes from the Confederation, canton and municipality (in-cluding welfare and church tax) if

these are imposed on income from gainful employment. The “no church tax” tariff applies to taxpayers of withholding tax who do not be-long to an official state church (Roman Catholic, Protestant Church in Switzerland and Christian Catholic Church of Switzerland).
Withholding tax is retained directly by the employer and then transferred to the rele-vant tax authority.

New withholding tax categories from 1 January 2021

For more detailed information on this topic, visit our website at www.arbeiten-schweiz.de/aufenthalter/steuer and
go to page 16, section 2.2.3. Withholding tax in Switzerland

2.2.1. Federal, cantonal and municipal taxes

Federal taxes

Direct federal tax and value-added tax are the Confederation’s principal sources of income.

- **Direct federal tax**
  For private individuals (natural persons), direct federal tax is deducted from income; for companies and enterprises (legal entities), this tax is deducted from profits. This is levied and collected by the cantons for the benefit of the Confederation.
- **Value-added tax**
  Value-added tax is an excise duty imposed on all phases of production and distribution as well as on imported goods. Value-added tax is normally 8.1 %, or 2.6 % for everyday consumer goods.

Cantonal taxes

As part of the Swiss Tax Harmonisation Law, cantons are free to decide on the taxes they levy, with the exception of federal taxes, such as value-added tax and customs duties.

Cantons are obliged to harmonise their tax laws. In particular, this concerns taxable entities, taxable objects, procedural law and criminal law. This harmonisation does not apply to tariffs, tax rates, social security contributions and tax allowances.

For this reason, both the tax burden and the individual provisions in the tax laws themselves may vary greatly.

Municipal taxes

Municipalities impose their taxes on the basis of cantonal tax laws, but specify the tax laws themselves. Municipal taxes are often as high or higher than cantonal taxes. As a general rule, municipal taxes apply to the same objects affected by cantonal taxes, i.e. income and assets, profits and capital, profits made from real property, inheritance and donations etc.

2.2.2. Taxes in different life situations

Taxes play a role for people in different stages throughout their lives. We have provided some information on this subject below:

- **Start of tax liability**
  Minors are obliged to start paying direct federal tax, and cantonal tax in most cantons, as soon as they start receiving wages (including apprentice wages) that cannot be classed as mere pocket money. Individual cantonal laws stipulate special regulations.
- **Marriage**
  Spouses are jointly taxed for the entire ongoing tax period from the beginning of the year in which they are married. The cantonal tax authority will provide information on the tax amount.
- **Birth of a child**
  Having a child has positive tax consequences for the parents. They are entitled to claim deductions for children from federal and cantonal income tax. These deductions are based on the circumstances at the end of the tax period concerned.

- **Divorce, separation**
  Spouses must be lawfully and effectively married and living together to apply for a joint direct federal and cantonal tax assessment. Spouses living apart (i.e. no longer sharing means for living quarters and maintenance) will be taxed separately from the day of separation. Legal confirmation of the separation or divorce is not necessary for this to take effect. This sometimes differs from canton to canton.

- **Gainful employment**
  Taking up and suspending gainful employment has an effect on how income is taxed.

- **Taking up or giving up work**
  If tax liability only applies to part of the tax period, tax is only imposed on income earned during this time. Taxable income will therefore always be calculated according to the income earned during this tax period.

- **Annualised income**
  Regular income (e.g. wages) is estimated for a full year (annualised) to determine the applicable tax rate, even if tax liability has not been in place for a whole year. This annualised income solely serves the purpose of determining the tax rate.

- **Changing cantons**
  Under the generally applicable system, which came into force on 1st January 2003, where assessment is performed at the end of the period, changing residence to another canton poses no difficulties. Tax liability is based on personal affiliation and, as such, taxes due in the current tax period must be paid in the canton in which the taxpayer is residing at the end of this period.

  This means that a taxpayer moving from canton A to canton B in the course of a year will be liable to pay taxes in the new place of residence (canton B) for the entire year and hence not have to pay taxes in the previous canton (canton A). Taxpayers will be reimbursed for any instalments they have already paid upon providing confirmation that they have taken up residence in another canton.

- **Age and disability**
  AHV/IV pensions, occupational pension schemes, daily unemployment allowances and the majority of other periodic benefits are fully subject to direct federal tax and to cantonal tax in all cantons (= 100 % of total). However, taxpayers can deduct the entire premiums from their incomes during their working lives.

2.2.3. Withholding tax in Switzerland

Withholding tax categories from 1 January 2021

From 1 January 2021, the concept of "quasi-residency" will be officially introduced throughout Switzerland. Furthermore, people who are resident in Switzerland for tax purposes and subject to withholding tax will per se have the option of submitting a Swiss tax return.

Subsequent ordinary tax assessment for Swiss residents
Until the end of 2020, people subject to withholding tax in Switzerland (e.g. B-permit holders) who earned less than 120,000 CHF per year were excluded from filing an ordinary tax return. Instead they had the option of reducing their tax burden using a procedure known as source tax correction. As of 1 January 2021, this option is no longer available. Instead, from the 2021 tax period onward (i.e. starting in early 2022), all persons, regardless of annual income, can file an application for a subsequent ordinary tax assessment in accordance with Art. 89a of the Swiss Federal Act on Direct Federal Taxation (DBG) in connection with Art. 10 of the Swiss Withholding Tax Ordinance (QStV). To do so, they must file an application with the respective cantonal tax authority by 31 March of the tax year following the year for which tax payment is due (i.e. by 31 March 2022 for the 2021 tax year).

Please note:
- Opting for an ordinary tax assessment is only advantageous if the municipality of residence offers favourable tax conditions. If this is not the case, the changeover will result in paying more taxes than before. It is especially important to note that changing tax systems is legally binding for all subsequent years. In other words, you will remain subject to a subsequent ordinary tax assessment from this point forward.
- If you later move within Switzerland to a new municipality with less favourable tax conditions, your tax burden will subsequently increase.

Given the far-reaching consequences of the decision, we recommend having a Swiss tax consultant perform a careful examination of your tax situation.

Introduction of "quasi-residency" – regulation for persons subject to withholding tax who are not residents of Switzerland for tax purposes, e.g. cross-border commuters with weekly stays

In order to satisfy the requirement for the equal treatment of residents and non-residents for tax purposes, the entirely new concept of "quasi-residency" was introduced into the Swiss Federal Act on Direct Federal Taxation (DBG) as well as the new Swiss Withholding Tax Ordinance (QStV). It applies to persons subject to withholding tax who are not residents of

Switzerland for tax purposes. Employees who meet the requirements for quasi-residency are entitled to file an application for a subsequent ordinary tax assessment with the respective cantonal tax authority by 31 March of the tax year following the year for which tax payment is due.

To be eligible for a subsequent ordinary tax assessment as a quasi-resident, at least 90% of an individual's global gross income for the tax year in question must be subject to taxation in Switzerland. The change is based on Art. 99a Para. 1 A of the Swiss Federal Act on Direct Federal Taxation (DBG) in connection with Art. 14 of the Swiss Withholding Tax Ordinance (QStV). It is fundamentally possible to file an application each year.

The calculation is based on the global income of the person subject to withholding tax. In the case of the 90-percent rule, the gross income of the German spouse living in a legally and effectively intact marriage is also taken into account. Various "other" income from Germany is also relevant. Whether, for example, a cross-border commuter with weekly stays can opt for ordinary tax assessment depends on their fulfilment of the 90-percent rule.

You will find additional links with examples as well as relevant specialists and tax consultants on our homepage under the heading resident foreign nationals/ taxes.

2.3. Unemployment insurance for resident foreign nationals

Resident foreign nationals are entitled to claim unemployment benefits if they have been employed for at least twelve of the last 24 months. If they have a liability to provide maintenance for children, they will receive a daily allowance of 80 % of their last wage. Employees without children will receive 70 % of the contractually agreed wage up to a maximum of CHF 12,350.00 (up to CHF 8,400.00 for those receiving an allowance of 80 %). Unemployed persons will receive five daily allowances per week up to a maximum of 400 daily allowances during the period of unemployment. However, there is a waiting period of five days before unemployment benefits can be claimed, except in the case of low earnings.
The benefit period may be shortened if claimants do not properly fulfil the qualifying conditions, e.g. self-inflicted unemployment, insufficient efforts to find work or not accepting a reasonable, assigned position. Payments may be suspended for up to 60 days (waiting period) depending on the degree of fault. The premium rate is 2.2 % up to an annual income of CHF 148,200 per year. This amount is to be split equally between the employee and employer.

2.4. Retirement provisions

2.4.1. Pillar 3 – Private pension scheme

Pillar 1 and Pillar 2 benefits often do not provide pensioners with the standard of living to which they are accustomed. Resident foreign nationals can take out private pension schemes to cover any additional needs not provided for by the first two pillars. Private pension schemes offer tax advantages. Pillar 3 is subdivided into two categories:

2.4.2. Pillar 3a – Tied pension scheme

Savings paid into this pension scheme are exclusively and irrevocably reserved for retirement, which is why this scheme is called a tied pension. This part of the private provision is funded by the government and provides the largest tax incentives. At the same time, it is subject to clear statutory terms and conditions with regards to term, payments and beneficiaries.

In contrast to the flexible pension scheme, capital from a tied pension scheme is taxed just once at the time it is paid out. In 2026, a maximum annual amount of CHF 7,258 for employed persons and CHF 36,288 for self-employed persons could be paid into this scheme.

Applicable from 1st January 2008:
Older employees working past the usual retirement age may defer withdrawing from their Pillar 3a pension scheme until they cease gainful employment or for a maximum of five years, whichever comes first. Provided they remain in gainful employment, these employees may keep making tax-privileged payments into the Pillar 3a scheme for a maximum of five years after the standard AHV retirement age. The Swiss Federal Council has adapted the Regulation on the Tax Deductibility of Contributions to Recognised Pension Schemes (BVV3) accordingly.

Get in touch with us to find the ideal solution for you or simply click HERE

On request, our cooperation partners would be happy to provide you with tailored recommendations.

2.4.3. Pillar 3b – Flexible pension scheme

This pillar is more flexible than Pillar 3a. In the broadest sense, it extends beyond insurance policies to cover the remaining personal assets, which can be liquidated in case of need. Payouts from this scheme are tax-free and there are various investment vehicles here.

2.5. Health insurance for resident foreign nationals

According to Article 3 of the Swiss Federal Health Insurance Act (KVG), all persons must take out health insurance **within three months** of being born or taking up residence in Switzerland and/or of being identified as requiring compulsory health insurance in Switzerland. All family members are insured separately. The insured party is free to choose his/her health insurer. The health insurer must agree to provide basic insurance (pursuant to the KVG) irrespective of the insured party's age and state of health and without reservations or qualifying periods. However, supplemental insurance offered by Swiss health insurers may contain exclusions or surcharges (pursuant to the Swiss Insurance Contract Act [VVG]).

Persons who are exempt from compulsory health insurance in Switzerland:

- People staying in Switzerland to train or study, including students, pupils and interns, provided that they have similar insurance cover (exempt for a maximum of three years with the possibility to apply for another three years' extension)

- Lecturers and researchers staying in Switzerland to teach or conduct research, provided that they have similar insurance cover (exempt for a maximum of three years with the possibility to apply for another three years' extension)

- Employees sent to Switzerland that are supported by a government-to-government agreement on social security and thus exempt from making obligatory AHV contributions, and whose employers agree to ensure that, during the entire period of exemption, they are insured for treatment in Switzerland (at least for the services pursuant to the KVG)

- Upon application, those with a residence permit for persons not in gainful employment pursuant to the Agreement on the Free Movement of Persons or the EFTA Agreement, provided that they have similar insurance covering treatment in Switzerland for the entire period of exemption – applications must include written confirmation from the appropriate immigration authority containing all required information

- Upon application, persons for whom the Swiss insurance would represent a clear downgrade from the current insurance coverage or cost coverage and for whom, due to their age and/or state of health, taking out supplemental insurance would be impossible or only possible under unreasonable conditions

Excess (deductible)
Different excesses are available:
CHF 300, CHF 500, CHF 1,000, CHF 1,500,
CHF 2,000, CHF 2,500.
The amount paid by the insured party varies according to the excess chosen. The higher the excess, the lower the monthly premium. Once the agreed excess is reached, 90 % of the costs over and above this amount will be reimbursed with the remaining 10 % borne by the insured (capped at CHF 700 per calendar year).
Example: Doctor's bill: CHF 1,000 per year. The agreed excess is deducted from this amount, e.g. CHF 300, leaving CHF 700. The insured party must only pay a further 10 % of the remaining amount, i.e. CHF 70, meaning that the Swiss health insurance scheme covers CHF 630.
The resident foreign national therefore contributes CHF 370 towards a doctor's bill of CHF 1,000, with the Swiss health insurance scheme paying the difference of CHF 630.

Children
Insured parties up to 18 years of age are obliged to pay a deductible of 10 % (up to a maximum of CHF 350 per calendar year).
Example: Doctor's bill: CHF 1,000 per year. The 10 % excess is deducted from this amount = 100 CHF. The remaining 900 CHF is reimbursed.

Scope of insurance
All health insurance schemes provide the same basic insurance services, as stipulated by Swiss law. Individual health insurance schemes mainly differ according to the supplemental insurance provided (pursuant to the Swiss Insurance Contract Act [VVG]) and the monthly premiums.

Resident foreign nationals have the option of choosing a Swiss health insurance scheme that covers medical expenses in Switzerland as well as in Germany or worldwide. This makes it possible for resident foreign nationals to keep the same doctors.

Nursing care insurance
Swiss basic insurance provides for basic services (Spitex), such as beds, dressing and undressing, administering medication, assistance with personal hygiene, getting up, cleaning living quarters, laundry, shopping etc.

Get in touch with us to find the ideal solution for you or simply click HERE

Please do not hesitate to contact us for more information or to receive a tailored recommendation.

2.5.1. The German-Swiss (D-CH) health insurance model designed for resident foreign nationals

This health insurance model continues to give resident foreign nationals in Switzerland the option of consulting their doctors in Germany. The insurance coverage can be upgraded to worldwide coverage on request.
The model gives patients a free choice of doctors for out-patient treatment in Germany (as a private patient) and in Switzerland. Resident foreign nationals are guaranteed the option of switching back to a statutory German health insurance scheme if desired.
Depending on the canton, age of entry and selected yearly deductible, the contribution may differ. The insurance holder has private patient status.
Please contact us for a customized offer through one of our cooperation partners.

If you would like us to send you further information or would like an appointment, please to not hesitate to call.

2.6. Insurance in Switzerland

Legal protection		
Insurable modules:	Annual fee Single	Annual fee Family
	252.- CHF	294.- CHF
Insurance coverage	- Private, professional and traffic legal protection incl. rental legal protection without self-sharing - incl. contract legal protection and cybercrime - incl. criminal defense - Worldwide validity up to 150,000.- sum insured - Sum insured: up to 600,000.- within Switzerland	

Household effects			
	50.000,00 CHF	70.000,00 CHF	100.000,00 CHF
PLZ 8280	168.30 CHF	187.90 CHF	211.20 CHF
Insurance coverage:	Fire, Elemental, Water, Theft, Glass, Theft away 200,- CHF SB for water, fire, glass 500,- CHF SB for elemental damage		

Personal liability insurance		
	Single	Family
	96.00 CHF	166.00 CHF
Insurance coverage:	5 MIO 0,- CHF SB in case of personal injury 200,- CHF SB in case of property damage	

The above premiums can change depending on age, location, number of people and are only intended as an estimate

Please do not hesitate to contact us for more information or to receive a tailored recommendation.

2.7. Family reunification

"Spouses, children and grandchildren under the age of 21 or – provided that they are supported – parents, grandparents and older children may join the resident foreign national in Switzerland. It does not matter whether these family members are EU/EFTA citizens or third-country nationals." The following documents are required when applying for a residence permit for family members:

- Completed residence permit application for family members (form A2 for EU/EFTA family reunification)
- Original marriage certificate or family register
- Children's birth certificates
- Copy of valid passport or valid identity card + two passport photos
- Copy of tenancy agreement
- Applicant's confirmation of employment from employer
- Confirmation from the authorities responsible for the previous residence must be provided for children over 21 years of age proving that they have been dependent on the applicant up to now

2.8. Child allowance

Those residing in Switzerland have the right to claim Swiss child benefits. In Switzerland, these benefits are paid by the employer. This entitlement begins when the wage claim starts, on the first day of the month in which the child was born, and ends once the child reaches the age limit, finishes studying or passes away.

Please contact us to find out the child allowance available in each Swiss canton.

2.9. Swiss school system

Children are entitled to attend state schools free of charge.

Pre-school education
In all cantons, children have the right to a pre-school education of at least two years before attending compulsory school.

Primary education
Children may start attending primary school from the age of six onwards. Attending school is obligatory and free of charge for all children. Children usually attend a school in their place of residence. Primary school lasts for six years in 20 cantons and for four or five years in the remaining cantons.

Secondary education I
Secondary education I is the second part of compulsory education. Secondary schools provide a basic general education, preparing pupils for vocational training or further education establishments (secondary education II). Attending secondary school is free of charge. Secondary education I starts after six years of primary education in 20 cantons, and after four or five years in six cantons. Secondary schools are supported by municipalities and cantons. The cantons determine the learning objectives and curriculums. In contrast to primary education, most cantons divide children into types of schools with different achievement levels. Secondary schools also differ in structure within individual cantons.
Most cantons offer a tenth school year for personal development.

Secondary education II
Following compulsory education (after nine school years), pupils may proceed to secondary education II. Secondary education II comprises general courses of study (schools preparing pupils for the matura (similar to A-Levels) and diploma) as well as vocational schools. The different courses of study last for two to four years, ending with a diploma and/or federal certificate of proficiency. Depending on the leaving certificate obtained, pupils may continue on to tertiary education.

Tertiary education
Tertiary education comprises studies at universities and higher vocational training: cantonal universities in Zurich, Basel, Berne, Fribourg, Lausanne, Geneva, Neuchâtel, Lugano/Mendrisio; Swiss Federal Institutes of Technology (ETH) in Zurich and Lausanne; Universities of Applied Sciences (Fachhochschulen); Colleges of Professional Education and Training (Höhere Fachschulen). Both the cantons and the Confederation have a legal say in tertiary education.

International schools
Private schools have a long tradition in Switzerland, especially in the west of the country. They are mainly attended by foreign children and young people, and enjoy an excellent reputation that extends far beyond the country's borders.

Integration and welcome classes
Integration classes are available to children and young people under the age of 16 who have moved to Switzerland from a foreign country and are having language difficulties. These classes can be attended for a maximum of one year before attending normal classes.

Finding a school
State school (pre-school, primary school, secondary school I):
Please contact your residential municipality or the school in question directly. Bring your residence permit and proof of health insurance.

International schools
Please contact your country's diplomatic office.

For more information:

2.10. Costs of living

Living quarters
Thanks to the high purchasing power of wages, living costs in Switzerland are not particularly expensive in the European context.

The following table will give you an idea of housing costs in selected cities.

Canton	Rent/month/m²	Purchase/m²
Aargau	24.50 CHF	7,559 CHF
Appenzell/Ausserrhoden	20.42 CHF	6,490 CHF
Basel	28.62 CHF	10,610 CHF
Basel Land	31.25 CHF	8,519 CHF
Bern	22.67 CHF	7,026 CHF
Fribourg	22.42 CHF	6,800 CHF
Genf	41.75 CHF	14,116 CHF
Graubünden	30.08 CHF	10,648 CHF
Jura	16.08 CHF	4,341 CHF
Luzern	24.92 CHF	8,787 CHF
Neuenburg	20.42 CHF	6,258 CHF
Nidwalden	29.17 CHF	11,754 CHF
Obwalden	24.34 CHF	9,516 CHF
Schaffhausen	21.33 CHF	6,621 CHF
Schwyz	28.00 CHF	11,430 CHF
Solothurn	20.42 CHF	6,088 CHF
St. Gallen	22.92 CHF	7,300 CHF
Tessin	34.42 CHF	7,480 CHF
Thurgau	22.75 CHF	7,211 CHF
Uri	26.83 CHF	10,432 CHF
Waadt	35.17 CHF	9,878 CHF
Wallis	40.75 CHF	6,897 CHF
Zug	37.92 CHF	15,829 CHF
Zürich	32.92 CHF	11,741 CHF

Source: Research 12-2025, Immo-Monitoring of the total Swiss housing market
Source: https://www.immomapper.ch/de

Standard of living
When looking at living expenses, please consider the high purchasing power of income enjoyed by employees in Switzerland. According to a study by UBS, wages in Switzerland have a higher purchasing power than wages in most other European cities as well as in many major international cities.

The latest statistics indicate that the average income in Switzerland is EUR 84,000,- making it the highest in Europe. With regards to purchasing power, however, Switzerland only ranks seventh in Europe. The Germans' income goes the furthest with a purchasing power exceeding that of Switzerland by almost 18 %. According to the latest analyses by an authority in the European Economic Area, consumer food prices are on average 50 % higher in Switzerland than in the European Economic Area. In comparison to Germany, those living in Switzerland can expect to pay around 30 % more for living expenses, though this may vary greatly between cities such as Zurich or Berne and rural areas.

Agricultural products, meat, fish and cooking oil in particular can sometimes cost twice as much as the same products sold in neighbouring countries. In addition, drugs, for the most part manufactured in Switzerland, are all considerably more expensive in Switzerland than in neighbouring countries.

The same applies for consumer electronics, cars and many other products. Only tobacco products are somewhat cheaper in Switzerland than in the EU.

Value-added tax refunds
Refund of foreign value-added tax to resident foreign nationals = deduction amounting to the turnover tax. If you personally bring goods bought abroad to Switzerland within three months, you are often able to get the foreign VAT refunded through the foreign seller or through a tax refund company. A refund form is filled out by the seller and then by the foreign customs authorities to confirm that the goods were exported to Switzerland.

2.11. Moving checklist

See the detailed checklist attached (page 26) for tips on how best to plan your move and on the move itself.

2.12. Example of calculating net earnings

The following table shows you the steps involved in calculating your net earnings.

You are welcome to have an initial non-binding net wage calculation drawn up - right here:

Gross monthly earnings			
Deductions by employer in Switzerland			
AHV (Old-Age and Survivors' Insurance) A resident foreign national and his/her employer will each contribute a premium of **5.3 %** of the wage earned in Switzerland to the AHV.			5.3 %
BVG (pension insurance) The premium varies according to the employee pension scheme and company (between 7 % and 18 %). This premium will also be split equally between the resident foreign national and his/her employer.			See the table to the left
Age		**Proportion of insured wage**	
Männer	**Frauen**		
25–34 years old	25–34 years old	7 %	
35–44 years old	35–44 years old	10 %	
45–54 years old	45–54 years old	15 %	
55–65 years old	55–64 years old	18 %	
Accident Insurance Fund (BU/NBU) The employer must make contributions for industrial injuries insurance (BU), while the employee covers the general premiums for accidents outside of work (NBU). Currently, the resident foreign national is obliged to contribute **1.086 % – 3.15 % (depending on profession)**			1.086 % – 3.15 %
TG (daily allowance insurance/continued wage payment in the event of illness) In Switzerland, employers are not statutorily obliged to continue payment of wages for up to six weeks if the employee cannot work due to illness, as is the case in Germany. However, employers usually take out daily allowance insurance with a Swiss company to cover this risk. The premium usually amounts to **1 %** of the employee's gross income.			1.0 %
ALV (unemployment insurance) ALV premiums are split equally between the resident foreign national and his/her employer and paid in Switzerland. The resident foreign national's premium rate is currently 1.1 % up to an annual income of CHF 148,200 per year.			1.1 %
Tax liability/tax deductions Under certain circumstances, resident foreign nationals who make most of their purchases in Switzerland may only have to pay taxes (withholding taxes) in Switzerland. This amount of withholding tax due is determined by the canton of residence.			
Deductions by the employee			
Health insurance Health insurance is compulsory in Switzerland. The premium depends on the canton of residence, the chosen excess, age and the scope of the service selected.			
Net monthly earnings approx.			

3. General information for cross-border commuters

Do you live in Germany but work in Switzerland? This means that you are a cross-border commuter and have, or are in the process of obtaining, a work permit (permit G).

We can advise you on all issues that are relevant for cross-border commuters, i ncluding:

- taxes due
- health insurance
- parental allowance/child benefits
- salary after taxes
- unemployment insurance
- direct insurance (reducing taxes pursuant to Pillar 3 in Switzerland)
- and much more

We would be happy to help you determine whether being a cross-border commuter or resident foreign national would be more beneficial to you, as well as support you in your decision to either live in Germany and work in Switzerland (cross-border commuter), or both work and live in Switzerland (resident foreign national).

Please don't hesitate to get in contact with us to arrange an appointment.

Get in touch with us to find the ideal solution for you or simply click HERE

4. Appendix

4.1. Comparison of banks

	Postfinance	Aargauische Kantonalbank	Schaffhauser Kantonalbank	UBS Basel	Credit Agricole next bank	neon Switzerland AG
	private account	private account	private account	private account	private account	private account
Account maintenance costs	5 CHF per month (Smart) + 25 CHF/ per month because of domicil abroad (Germany)	private account in CHF for free	**Bank Package Plus** 7 CHF /month (Private and savings account incl. e-banking and Visa debit cards, CHF und EUR)	Premium cross-border commuter model CHF 17/month Private and savings account Debit card FX subscrip-tion with 75% reduced exchange fee and no transaction fees	12 CHF per month for CA Extra 6 months free offer for cross-border commuters CA Simply - Free of charge only salary transfer to DE	account opening not possible for crossborders at the moment
costs + Exchange rate for the salary transfer to Germany (E-Banking)	Transfer to Germany in Euro via SEPA free **daily foreign exchange rate**	Transfer to Germany in Euro via SEPA free **daily foreign exchange rate**	Transfer to GErmany in Euro via SEPA 0,30CHF **daily foreign exchange rate**	Transfer to Germany in Euro via SEPA free **daily foreign exchange rate**	Transfer to Germany in Euro via SEPA free **daily foreign exchange rate**	Foreign bank transfer at the mean exchange rate 0.8 - 1.7 % fee without exchange rate surcharge
Transfer fees within Switzerland	free from 25.000 CHF customer assets, otherwise 5 CHF/per month	free	7 CHF/per month	5 CHF/per month	15 CHF/per month (Pack CA First)	neon free - free Switzerland residence required
E-Banking (Onlinebanking)	possible	possible	possible	possible	possible	via Smartphone-App
Money transfer fees within Switzerland	free	free	free	0.30 CHF	free	free
standing orders within Switzerland	free	free	free	0.30 CHF	free	free
standing order`s abroad (Germany)	see above	4 CHF	in Euro with SEPA 0,30 CHF	free	free	free
cash withdrawel in switzerland/own bank	free	free	free	free	free	2,50 CHF
cash withdrawel in Switzerland from other banks	2 CHF for withdrawel CHF, 5 CHF for withdrawel Euro	2 CHF per withdrawel	2 CHF per withdrawel	5 CHF	free with Debit Mastercard	2,50 CHF
Cash Withdrawel abroad (Germany) ATTENTION:Re-cipient banks possibly ask for fees/Expenses	5 CHF	5 CHF Cashless payment abroad CHF 1.50 plus any foreign charges	5 CHF	5 CHF	2 CHF per purchase	1,5 %
Fees for Maestro-Karte	PostFinance Card free	AKB customer card free AKB Debit Mastercard free	Visa-Debit free	free	free	no Maestro- Card needed/available
Fees for creditcard	Master/Visa only at Smart Package Plus	AKB Mastercard/ Visa Silver 72 CHF/ p.a.	**Bank Package Plus** 50 CHF/p.a.	free	Mastercard Silver: CHF 100/p.a., 1. year free Mastercard Gold: CHF 200/p.a. 1st year -50%	First Debit Mastercard 20 CHF
Contact adress	Mingerstrasse 20 3030 Bern (main office) 0041-58-667 99 85	Bahnhofstrasse 8 5080 Laufenburg 0041-62-874 42 62	Vorstadt 53 8201 Schaffhausen 0041-52-635 22 22	Marc Waller (Head Office Basel) 0041-61-645 2189	St. Alban Anlage 70 4052 Basel 0041-58-331 23 45	neon Switzerland AG 8004 Zürich service@neon-free.ch
Internetseite	www.postfinance.ch	www.akb.ch	www.shkb.ch	www.ubs.ch	www.ca-nextbank.ch	www.neon-free.ch
vested pension account interrest state: Jan. 2020	via Rendita vested benefits foundation costs p.a. 36 CHF	Account opening 30 CHF Account manage-ment free of charge	Account maintenance 36 CHF/Year	Account management 36 CHF		

*resident foreign nationals = RFN
*cross border commuters = CBC

Prices/conditions with no liability assumed

4.2. Organising your move

Task	To be done by (date):	To be done by (person):	Done:
Have documents ready			
Passport			❑
Assurance			❑
Permit, work permit			❑
Birth, marriage, divorce certificates			❑
Curriculum vitae			❑
Certificates			❑
Driving licence			❑
Authorities			
Registration office, deregistration			❑
Tax office			❑
Child benefit authority			❑
Nursery, school			❑
District recruiting office (for monitoring non-serving military conscripts)			❑
Health			
Vaccination certificate, visit to GP and dentist			❑
Medical supplies, spectacles and aids			❑
GP, dentist at new place of residence			❑
Insurances (Check if valid abroad, may be suitable to maintain)			
Accident insurance			❑
Pension insurance			❑
Life insurance			❑
Occupational disability insurance			❑
New insurances			
Health and nursing care insurance			❑
Legal protection			❑
Car insurance			❑
Personal liability insurance			❑
Post and banking			
Forwarding request for post			❑
Bank payments			❑
Check standing orders			❑
Credit cards			❑
Savings accounts			❑
Loans			❑
Bank power of attorney			❑
Euro foreign account			❑
Pets and plants			
Import regulations			❑
Vaccinations			❑
Documents			❑

Task	To be done by (date):	To be done by (person):	Done:
Registration of change of address			
Flat, house			❑
Electricity			❑
Gas			❑
Refuse collection			❑
Car			❑
Club memberships			❑
Telephone, call forwarding			❑
Radio, TV			❑
Magazine and newspaper subscriptions			❑
Move			
Import and customs regulations			❑
Taking household effects, selling or storing them			❑
Removal companies (get quotes)			❑
Electronic devices (voltage, adapters)			❑
Tickets, plane tickets, luggage insurance			❑
Important addresses at the new residence			❑
Keys (old and new)			❑
Gas, electricity and water meters (old and new)			❑

360°

All-around expertise

So that you can focus on your new job, let us advise you on everything you need to know, including:

- the choice between cross-border commuting and residency
- life in Switzerland
- differences between the German and Swiss social insurance systems
- official formalities
- salary after taxes
- health insurance for cross-border commuters and resident foreign nationals
- tax savings
- Comprehensive advice on insurance issues

360-DEGREE "SWISS CHECK" – COMPETENT ADVICE FOR CROSS-BORDER COMMUTERS AND RESIDENT FOREIGN NATIONALS

Make an appointment

Contact us for an appointment. Appointments are available online or in person!

Personal consultation

We'll tell you everything you need to know before starting work in Switzerland.

Your ideal solution

In a personal conversation, we'll discuss your health insurance options.

Working in Switzerland

We will offer you support in the future as well.

As we are not associated with any company, our advice is completely impartial!

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