

# Switzerland

Country Guide 2024



# About Us

Access Financial is the leading global provider of contract management, outsourced payroll and umbrella services. We offer customised and compliant solutions to corporate clients, recruitment agencies and professional contractors. We specialise in mitigating tax liability, fully subscribing to labour law and supporting immigration.

The numerous benefits of partnering with Access Financial as your trusted provider include:

- Boosting take-home pay;
- Minimising administration for contractors, recruiters and corporates;
- Providing customised software for better payroll management;
- Ensuring compliance with all relevant laws and regulations;
- Providing complete data security and confidentiality of all payroll information.

## Our Solutions

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Employed



Employer of Record (EOR)





# Switzerland

|                      |  |
|----------------------|--|
| Capital              | Bern   |
| Spoken Language      | German, French, Italian (Romansh official minority)  |
| Currency             | Swiss Franc (CHF)                                    |
| Minimum monthly wage | There is no minimum salary set by law in Switzerland |

The Swiss Confederation is a landlocked country in Central Europe; it has a beautiful and varied landscape, a very high standard of living, and good employment opportunities. Switzerland has a very active lifestyle culture, top notch education with many international schools, and an extremely safe environment.

The work-life balance is pretty good, with long annual leave and a discouragement of overtime; the language barrier can be an issue, especially when looking for employment, but there are three official languages to choose from. The cost of living is on the higher side, but salaries in general are also quite high, and the economy is very stable.

## Entry Visa

Citizens of EU/EFTA Member States can enter Switzerland with an identity card or a valid passport; other foreign citizens can enter with a valid Schengen visa.

## Work Permit / Residence Permit

Citizens of EU/EFTA Member States can live and work without a work or residence permit in Switzerland. However, must apply for a residence permit from the Swiss commune in which they are living before starting work if the employment is for longer than 3 months.

Other foreign nationals must acquire a Work Permit, and long stay (D) visa in order to enter the country and apply for a residence permit. The application for a work permit is done by the employee, however, the employer can also help. In order to grant a work permit to a foreign national, the employer must pass a labour market test, to ensure that there are no EU/EAA/Swiss nationals that are qualified for the job; for highly qualified positions, the potential employee must instead be paid at least 1.5 times the average gross annual salary. The work permit application is done in written form at the Immigration Directorate of the Ministry of Foreign and European Affairs; the initial permit is valid for one year, but can be renewed.

Once the work permit is acquired, the individual should apply for a long stay visa, which will allow them to enter the country.

Individuals must register at the local Commune/Municipal office within three days of arriving; within 90 days, they have to apply for a Residence Permit, which will allow them to stay and work in the country.

## Public Holidays

- **New Year's Day**, 01 Jan
- **Good Friday**, (Not a standard date, usually March/April)
- **Ascension Day**, 09 May
- **National Day**, 01 Aug
- **Christmas Day**, 25 Dec

### Regional Holidays

There are a large number of holidays that are not public, but are celebrated regionally.

The following holidays are celebrated across the majority of cantons:

- **Easter Monday**, (Not a standard date, usually March/April)
- **Whit Monday**, 20 May
- **Swiss Federal Fast**, 16 Sept
- **All Saints' Day**, 01 Nov
- **Immaculate Conception Day**, 08 Dec
- **St. Stephen's Day**, 26 Dec

## Social Security Registration

Switzerland does not have a nationwide social security scheme – there are several different authorities providing different services. In order for a foreigner to register, they must take out Swiss health insurance within 3 months of starting work; this provides them with a social security number.

## Working Hours

A standard working week in Switzerland is 40 hours/week; the maximum allowed is 45 hours/week under employment law.

## Vacation Allowance

Full-time employees working in Switzerland are entitled to 4 weeks of paid annual leave per year, at least two weeks of which must be taken consecutively; during the first year, the amount of leave is calculated pro-rata. Unused leave cannot be remunerated or carried forward to the next year.

## Sick Leave

Individuals taking sick leave in Switzerland must inform their employer as soon as possible, and must present a medical certificate. If the employer has sickness benefit insurance, they are obligated to pay full salary for up to 730 days of illness per 900 days. Without employer sickness insurance, they are obligated to pay full salary for up to 3 weeks during the first year of employment; the duration increases for every year or service, up to 4 months.

## Maternity / Paternity Leave

**Maternity:** 14 weeks after the birth of the child; the pay received is up to 80% provided the mother worked at least 5 of the 9 months before the birth.

**Paternity:** 2 weeks within 6 months of the birth of the child; pay received is the same as the mother.

## Pension

Basic State pensions in Switzerland are covered by social security. There are also extra Occupational pension schemes that are voluntary. The amount of pension that an individual can receive is completely dependent on the amount of contributions made.

## Termination & Severance

After employment termination, individuals are not entitled to any severance pay; the only rule is that they must be paid their full salary during the notice period.

## Notice Period

| Length of Service | Notice Period |
|-------------------|---------------|
| Less than 1 Year  | 1 Month       |
| 1 – 9 Years       | 2 Months      |
| Over 9 Years      | 3 Months      |

A different notice period can be agreed upon in the employment contract, but it cannot be less than a month and must be the same for both employer and employee.



Social Security

Employee social insurance contributions are deducted automatically from the wage, while employer contributions are paid by the employers themselves.

| Category                            | Employer    | Employee | Cap (CHF)     |
|-------------------------------------|-------------|----------|---------------|
| Old age, Survivors' and Disability  | 5.3%        | 5.3%     | None          |
| Unemployment                        | 1.1%        | 1.1%     | 148,200       |
| Supplementary Unemployment          | 0.5%        | 0.5%     | Above 148,200 |
| Family Compensation                 | 1% – 3%     | 0        | None          |
| Occupational Accident Insurance     | 0.17%-13.5% | 0        | 148,200       |
| Non-occupational Accident Insurance | 0           | 1%-4%    | 148,200       |

Occupational Pension Scheme

Contributions to the Occupational Pension Scheme are paid by the employer, and the amount wholly depends on which authority they are registered with.

Medical Insurance

Medical insurance is obligatory for all employees, but they must take out private insurance and make the payments themselves.

Taxation

The fiscal year in Switzerland runs from Jan 1 to Dec 31. There are three different taxes; federal, cantonal, and communal.

Federal Tax Rates

The following progressive rates apply for 2024:

| Taxable Income (CHF) | Rate (%) |
|----------------------|----------|
| 0 – 14,800           | 0%       |
| 14,801 – 32,200      | 0.77%    |
| 32,201 – 42,200      | 0.88%    |
| 42,201 – 56,200      | 2.64%    |
| 56,201 – 73,900      | 2.97%    |
| 73,901 – 79,600      | 5.94%    |
| 79,601 – 105,500     | 6.6%     |
| 105,501 – 137,200    | 8.8%     |
| 137,201 – 179,400    | 11%      |
| 179,401 – 769,600    | 13.2%    |
| 769,601 +            | 11.5%    |

Cantonal / Communal Tax Rates

The rates for cantonal and community tax are based on the federal tax rates, multiplied by a tax coefficient, which differs across the different cantons. Most cantonal tax rates are progressive, however, some cantons have a flat tax rate.

Tax Returns

The annual income tax return must be filed by 31 March for the previous tax year.

Double Taxation

Switzerland has tax treaties with multiple other countries, which can reduce payable tax on certain incomes.

Health Insurance

All individuals living and working in Switzerland are obligated to take out at least the most basic level of private health insurance.

Cost of Living

The cost of living in Switzerland is on the high side for Europe. The estimated monthly cost for a single person is around CHF 2,400 – 3,000, with up to 1,200 - 1,600 going to rent.





## How We Can Help

It can be challenging to figure out how to employ a team and set up payroll in Switzerland; it requires great attention to detail and a deep understanding of local best practices.

We provide a full set of services in Switzerland allowing corporate clients, recruitment agencies and professional contractors to operate in an optimal manner while ensuring that all local employment obligations are taken care of.

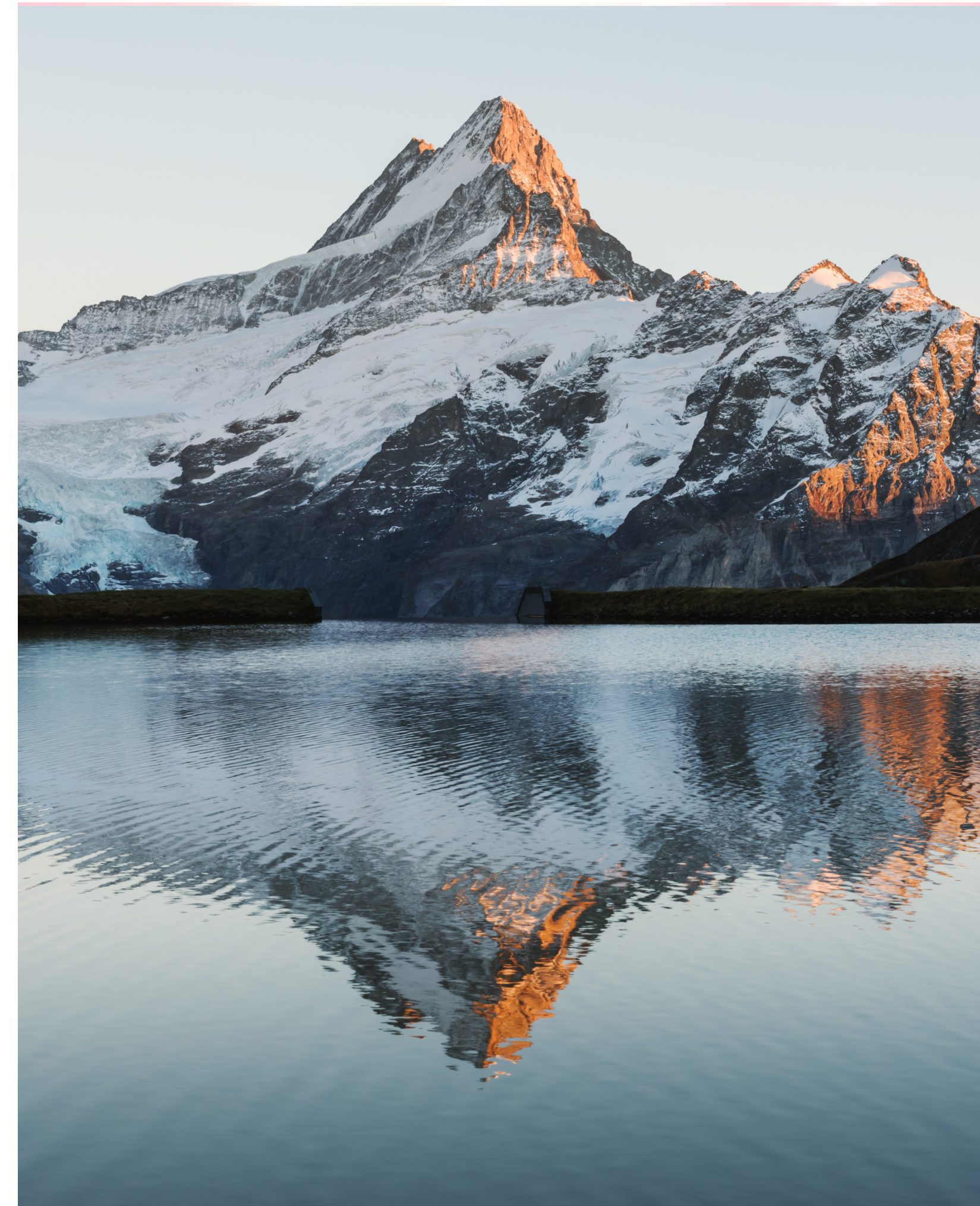
Access Financial offers the following solutions in Switzerland:

- Employed
- Employer of Record (EOR)

If you would like to discuss how Access Financial can help, please [contact us](#).

## Disclaimer

We have prepared this as a guide only; it does not form part of an offer. Please request illustrations based on your specific case from one of our solution managers.







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