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Components of a pay slip simply explained

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Wage

If there is no CBA or NAV, there is always contractual freedom when agreeing on the salary. Only in the case of cross-border employment relationships it is expected that the level of the salary is in line with local and industry standards.

Hourly wage

In the case of hourly wages, any vacation allowance (and public holiday bonus if this is provided for by the CLA or is customary in the company) must also be shown separately in the employment contract and on each pay slip. The vacation bonus may not be paid out for regular assignments, but must be accumulated and paid out when vacations are taken.

13th wage

Unless a CLA is applicable which requires it, it is voluntary in nature. Once paid or agreed, it is mandatory.

Duty

Taxable

Insurable

Yes

Yes

Yes

Yes

Yes

Yes

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Bonus

The bonus is calculated on the basis of measurable key figures. As soon as agreed, this is mandatory.

Gratification

A gratuity is voluntary and completely arbitrary. If there is no regularity and a reservation is noted on the pay slip, there is no legal claim.

Duty

Taxable

Insurable

Yes

Yes

Yes

Yes

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Family allowances

Can be requested per child by father or mother. After disposition these allowances are paid out via payroll. Family allowances are deducted from the wage contributions by the compensation office. The employer merely acts as a paying agent.

Work clothes

Provided that it can be worn during leisure time (no company logo, no safety clothing, etc.)

Gifts

e.g. anniversary, birthday

Duty

Taxable	Insurable
Yes	No
Yes	Yes
No < Fr. 500.- / case	No < Fr. 500.- / year
Yes > Fr. 500.- / case	Ja < Fr. 500.- / year

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Car

Case 1 : Company car is provided by employer
 The employee is paid 0.8% of the purchase price incl. special equipment, excl. VAT, but at least CHF 150 per month as a private share on the payroll to determine the social deductions. However, the private share is deducted again to calculate the amount to be paid out.

Case 2 : Employee takes private car
 The kilometers driven for the employer are reimbursed via payroll accounting
 driven km (without commute) x km approach
 (recommendation: CHF 0.70)

GA travelcard

> 40 business trips per year

< 40 business trips per year

Other public transport tickets

Half-fare card

Point-to-point travel pass, business related

Point-to-point travel pass, not business related

Duty

Taxable

Insurable

Yes

Yes

No

No

No

No

Yes

Yes

No

No

No

No

Yes

Yes

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Business expenses

Expenses for business reasons can be paid out via wages or via financial accounting. They are added to the net salary. (For example: travel tickets, postage, customer gifts, ...)

Non-business expenses

These expenses always represent a monetary advantage and are to be added to the gross wage. (Example: shirt cleaning, private expenses, ...)

Flat-rate allowances

If no expense regulations approved by the canton exist, all lump-sum expenses will be considered as a salary component. An exception is made for flat-rate expenses which only cover actual expenses. However, these expenses must be substantiated in any audits. (e.g.: home office flat rate, cell phone flat rate, ...)

Duty

Taxable

Insurable

No

No

Yes

Yes

(Yes)

Yes

Insurance fee

employer employee

AHV / IV / EO (1st pillar of old-age provision)

The deduction for AHV/IV/EO is 5.30 % per employer / employee. It is calculated from the relevant wage and deducted from the gross wage.

There is no upper or lower wage limit for this deduction.

Every employee between the ages of 18 and 64/65 is subject to AHV and the deduction is mandatory. From retirement age, a monthly allowance of CHF 1,400 is granted.

5.30 %

5.30 %

Invoices on account

For the receipt of the contributions the compensation offices determine so-called contributions on account. These are provisional contributions, based on the amount of the expected wage total you have reported. You have to pay the contributions on account quarterly up to an annual wage total of CHF 200,000, and monthly above this amount. You avoid interest on arrears if the contributions on account are received by the compensation offices no later than the 10th day after the end of the quarter or month.

In addition to the AHV/IV/EO contributions, ALV contributions are also charged, as well as contributions to the family compensation funds and administrative costs. Contributions to family compensation fund and administrative costs vary from canton to canton and are also influenced by the wage bill. Therefore, a percentage burden must be clarified individually. Contributions are borne entirely by the employer.

individual

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ALV und ALV-Z (Unemployment insurance)

The deduction for ALV amounts to 1.1% of the relevant wage per employer/employee. This, however, only up to an annual salary limit of CHF 148,200 or a monthly limit of CHF 12,350.

Wages above this wage limit are insured with a solidarity percentage of 1 % (employer and employee each 0.5 %).

A special feature is to be noted here. If an employee is in a position similar to that of an employer, i.e. if he can influence decisions in the company to a large extent, he has to pay ALV contributions just like any other employee. However, he cannot claim ALV benefits in case of unemployment.

Insurance fee

employer

employee

1.1 %

1.1 %

0.5 %

0.5 %

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Insurance fee

employer

employee

UVG (Accident insurance)

Accident insurance is also mandatory. As of the 1st working day, an employee has to be legally insured against an occupational accident.

As soon as the average weekly working time exceeds eight hours, there is also a duty to insure against non-occupational accidents.

The employer must take care of the insurance.

The employer has to pay the contributions against occupational accidents, the employee usually pays the contributions against non-occupational accidents.

occupational

non-occupational

For accident insurance, there is an annual salary limit of CHF 148,200 or CHF 12,350 per month, as with ALV.

The employer can insure the salary above this limit via supplementary insurance.

The employer is free to choose the insurer, unless SUVA has been stipulated by law (e.g. construction industry, personnel hire, ...)

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BVG (2nd pillar of old-age provision)

All employees subject to AHV are insured from 1 January after their 17th birthday for the risks of disability and death and from 1 January after their 24th birthday additionally for retirement benefits.

The annual salary between CHF 21,510 and CHF 86,040 is subject to compulsory insurance. The so-called coordinated salary (insured BVG annual salary) is a maximum of CHF 60,945. (Annual salary less coordination deduction CHF 24,885) From an annual salary of CHF 21,510, a minimum of CHF 3,585 is insured. All employers who employ employees subject to compulsory insurance must be affiliated to a registered pension fund.

The salary deduction is made in fixed premiums (CHF).

50 %

50 %

Wages above the wage limit can also be insured by means of a supplementary solution.

The following jobs are not subject to any BVG obligation

- Employee has not yet reached entry age
- Employee has already reached retirement age
- There is a fixed-term employment contract of maximum 3 months
- Employee has a part-time job and is insured under the BVG in his main job
- Employee has a secondary occupation and is self-employed in his main occupation
- Employee is at least 70% disabled within the meaning of the IV

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KTG (Daily sickness benefits insurance)

Daily sickness benefit insurance is voluntary and is not required by law. However, it is now common practice. Additionally, as soon as a CLA is applicable, which provides for a KTG solution, there is an insurance obligation.

The premiums are paid half by the employer and half by the employee. The wage limit is agreed by the policy. An insured annual salary of CHF 300,000 is common.

50 %

50 %

The KTG works with waiting periods, i.e. the employer pays at least 80% of the salary for a period agreed in the policy. After expiry of the waiting period, the daily sickness benefit insurance will pay 80% of the insured salary for a maximum of 720 days.

If no such insurance has been taken out, the employer is obliged to continue to pay wages according to the Zurich, Basel or Bern scale.

The employer is free to choose the insurer.

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UVG-Z (Supplementary accident insurance)

If an insurance solution above the annual salary limit of CHF 148,200 is desired, the employer can insure the surplus salary via supplementary insurance.

Depending on the regulations, it is up to the employer to decide whether to pay the contributions in full or in part or whether to burden them fully on the employee.

The employer is free to choose the insurer.

individual

individual

BVG-Z (Supplementary old-age provision)

The annual salary between CHF 21,510 and CHF 86,040 per year is subject to compulsory insurance. Higher and lower salaries are not insured by law.

However, a company can voluntarily insure higher salaries. This is known as an extra-mandatory insurance. Here too, the premium distribution is individual according to regulations.

individual

individual

Private health insurance

Unlike other countries, the obligation to have private health insurance lies with the employee. If the employer pays the premium, it is considered as a part of the salary and is subject to tax and social security.

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declaration

rhyth,

on account

AHV/IV/EO and ALV

The final contributions are determined on the basis of an annual settlement. This statement must be submitted by January, 30th following the end of the contribution year at the latest to the compensation offices.

The compensation office calculates the difference between the paid contributions on account and the final contributions. If you paid too much on account, you will receive a credit note, if you paid too little, you will receive a recalculation.

Annual

Monthly
account invoice

UVG and possible UVG-Z

Just like the compensation offices, the accident insurance companies work with invoices on account. However, this is issued once at the beginning of the year.

The final contributions are determined on the basis of an annual settlement. This statement must be submitted by January, 30th after the end of the year of the contribution year to the accident insurance.

The accident insurance company calculates the difference between the paid contributions on account and the final contributions. If you paid too much on account, you will receive a credit note, if you paid too little, you will receive a recalculation.

Annual

Annual
account invoice

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QST (Withholding tax)

The declaration must be submitted in the employee's canton of residence. In case of cross-border commuters, the competent canton is the one in which the employer's registered office is located.

In principle, statements must be submitted monthly, in certain cases quarterly (depending on the wage total).

As a rule, they must be submitted to the competent tax office within 15 to 30 days after end of the accounting period (accounting deadline).

The taxes owed on the basis of the payroll are due at the end of the payroll period and, depending on the system of the individual canton, must be paid by invoice within 30 days (payment deadline).

In this procedure, the employer merely serves as paying agent. The taxes to be paid are deducted from the employee's payroll.

monthly

no



We hope we have been able to give you a first insight into the Swiss salary system. Please note, however, that this documentation is for information purposes only and does not replace an individual clarification.

In principle, personnel matters should always be examined individually. We will be happy to assist you with this. Please do not hesitate to contact us. Our HR experts look forward to hearing from you.

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