

Switzerland

US\$1.00 = 0.89 francs.

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1946 (old-age and survivor base pensions), 1959 (disability base pensions), 1982 (occupational old-age, disability, and survivor pensions), and 2000 (social insurance).

Type of program: Social insurance and mandatory occupational pension system.

Coverage

Base pension: All residents or gainfully employed persons in Switzerland.

Voluntary coverage for citizens of Switzerland, European Union (EU) countries, and European Free Trade Association (EFTA) countries if they live outside Switzerland and the EU/EFTA countries and had at least five continuous years of previous compulsory insurance in Switzerland.

Mandatory occupational pension: Employees whose annual earnings exceed 21,060 francs with the same employer. Unemployed persons are covered for disability and survivor benefits.

Voluntary coverage for some salaried workers who are ineligible for mandatory insurance and for self-employed persons.

Source of Funds

Insured person

Base pension: 4.2% of gross earnings (old age and survivors) and 0.7% of gross earnings (disability).

There are no maximum earnings used to calculate contributions.

Nonworking insured persons pay annual contributions from 392 francs to 19,600 francs (old-age and survivors) and from 65 francs to 3,250 francs (disability), depending on their means and other factors.

Mandatory occupational pension: From 7% to 18% of gross monthly earnings for the part of earnings from 24,570 francs to 84,240 francs, depending on the insured's age.

Self-employed person

Base pension: 7.8% of gross income (old age and survivors) and 1.4% of gross income (disability). Contributions are

reduced according to a decreasing scale for income above a fixed ceiling.

Mandatory occupational pension: Varies according to the insured's pension fund.

Employer

Base pension: 4.2% of payroll (old age and survivors) and 0.7% of payroll (disability).

There are no maximum earnings used to calculate contributions.

Mandatory occupational pension: The contribution must be at least equal to the insured employee's contribution.

Government

Base pension: Annual federal subsidies cover 19.55% of the cost of old-age and survivors benefits and 37.7% of the cost of disability benefits. (A portion of revenues from the value added tax (VAT) and the taxable profits on casinos is allocated to old-age benefits; another portion of the VAT is allocated to disability benefits.)

Mandatory occupational pension: None.

Qualifying Conditions

Old-age pension

Base pension: Age 65 (men) or age 64 (women) with contributions made in each year since age 21.

Partial pension: Must have at least one year of contributions.

Base pensions are payable abroad to Swiss nationals and under international agreement.

Extraordinary pension: Paid to Swiss nationals who do not meet the required minimum contribution period for the old-age base pension.

Mandatory occupational pension: Age 65 (men) or age 64 (women).

Mandatory occupational pensions are payable abroad (regardless of nationality).

Disability pension

Base pension: Must be assessed with a disability of at least 40% and have made contributions in each year since age 21.

Partial pension: Must have at least three years of contributions.

Extraordinary pension: Paid to Swiss nationals who do not meet the required minimum contribution period for the disability base pension.

Base pensions are payable abroad to Swiss nationals and under international agreement.

Mandatory occupational pension: Must be assessed with a disability of at least 40%.

Mandatory occupational pensions are payable abroad (regardless of nationality).

Survivor pension

Base pension: The deceased made contributions in each year since age 21.

Partial pension: Paid if the deceased had at least one year of contributions since age 21.

Eligible survivors include a widow with one or more dependent children or a widow aged 45 or older who was married to the deceased for at least five years; a widower with one or more dependent children younger than age 18; a divorced spouse with one or more dependent children who was married to the deceased for at least 10 years (in some cases, other age and duration of marriage conditions apply); the survivor of a registered civil partnership; and orphans younger than age 18 (age 25 if a student or an apprentice).

Base pensions are payable abroad to Swiss nationals and under international agreement.

Mandatory occupational pension: The deceased was a pensioner or insured at the time of death or when the incapacity that resulted in his or her death began.

Eligible survivors include a widow (or registered partner) with one or more children or a widow (or registered partner) aged 45 or older who was married to the deceased for at least five years; a divorced spouse with one or more children who was married to the deceased for at least 10 years and who was entitled to alimony; the survivor of a registered civil partnership; and orphans younger than age 18 (age 25 if a student or an apprentice).

Mandatory occupational pensions are payable abroad (regardless of nationality).

Old-Age Benefits

Old-age pension

Base pension: If the insured's average annual income is up to 42,120 francs, 10,392 francs a year is paid plus a variable amount calculated by multiplying the insured's annual income by 0.0216; if the insured's average annual income is greater than 42,120 francs, 14,604 francs a year is paid plus a variable amount calculated by multiplying the insured's average annual income by 0.013.

All income from gainful activity, including income in the form of education or assistance grants, is taken into account for the calculation of the annual average lifetime income.

The minimum monthly old-age base pension is 1,170 francs.

The maximum monthly old-age base pension is 2,340 francs. The combined individual pensions paid to a couple must not exceed 150% of the maximum monthly old-age base pension (3,510 francs).

Partial pension: A percentage of the full pension is paid based on the insured's total number of years of

contributions and the number of years of contributions of the insured's cohort.

Dependent's supplement: 40% of the insured's pension is paid for each child younger than age 18 (age 25 if a student or an apprentice).

Benefit adjustment: Benefits are adjusted every two years according to changes in prices and wages.

Extraordinary pension (old age): The pension is the minimum monthly old-age base pension (1,170 francs).

Mandatory occupational pension: The annual pension is 6.8% of the total balance in the personal account at the time of retirement.

Benefit adjustment: Benefits are adjusted according to price increases, depending on the insurance institution's financial resources.

Permanent Disability Benefits

Disability pension

Base pension: If the insured's average annual income is up to 42,120 francs, 10,392 francs a year is paid plus a variable amount calculated by multiplying the insured's annual income by 0.0216; if the insured's average annual income is greater than 42,120 francs, 14,604 francs a year is paid plus a variable amount calculated by multiplying the insured's average annual income by 0.013.

The full pension is paid if the insured is assessed with a disability of at least 70%; 75% of the full pension if assessed with a disability of 60% to 69%; 50% of the full pension if assessed with a disability of 50% to 59%; 25% of the full pension if assessed with a disability of 40% to 49%.

All income from gainful activity, including income in the form of education or assistance grants and the contributions paid by nonworking insured persons, is taken into account for the calculation of average annual income.

The minimum monthly disability base pension is 1,170 francs.

Partial pension: A percentage of the full pension is paid based on the insured's total number of years of contributions and the number of years of contributions of the insured's cohort.

Dependent's supplement: 40% of the insured's pension is paid for each child younger than age 18 (age 25 if a student or an apprentice).

Benefit adjustment: Benefits are adjusted every two years according to changes in prices and wages.

Extraordinary pension (disability): The pension is the minimum monthly disability base pension (1,170 francs).

Mandatory occupational pension: The annual pension is 6.8% of the funds that would have been accumulated at retirement age.

The full pension is paid if the insured is assessed with a disability of at least 70%; 75% of the full pension if assessed with a disability of 60% to 69%; 50% of the full pension if assessed with a disability of 50% to 59%; 25% of the full pension if assessed with a disability of 40% to 49%.

Benefit adjustment: Benefits that have been paid for more than three years are adjusted according to price increases at the beginning of the subsequent calendar year; subsequent adjustments take place at the same time as adjustments to the base pension.

Survivor Benefits

Survivor pension

Base spouse's pension: 80% of the old-age or disability pension the deceased received or was entitled to receive is paid.

The minimum monthly survivor pension is 936 francs.

The maximum monthly survivor pension is 1,872 francs.

Partial spouse's pension: A percentage of the full pension is paid based on the insured's total number of years of contributions and the number of years of contributions of the insured's cohort.

Base orphan pension: Each orphan receives 40% of the deceased's pension; 80% for a full orphan, up to 60% of the maximum monthly old-age pension (1,404 francs).

The minimum monthly orphan's pension is 468 francs.

The maximum monthly orphan's pension is 936 francs; 1,404 francs for a full-orphan pension.

Benefit adjustment: Benefits are adjusted every two years according to changes in prices and wages.

Mandatory occupational spouse's pension: If the deceased was an active contributor at the time of death, 60% of the full occupational disability pension that the deceased was entitled to receive is paid; if the deceased was a pensioner, 60% of the deceased's monthly old-age or disability pension.

Mandatory occupational orphan pension: If the deceased was an active contributor at the time of death, 20% of the full occupational disability pension the deceased was entitled to receive is paid to each orphan; if the deceased was a pensioner, 20% of the deceased's monthly old-age or disability pension.

Benefit adjustment: Benefits that have been paid for more than three years are adjusted for price increases at the beginning of the following calendar year; subsequent adjustments take place at the same time as adjustments to the base pension.

Administrative Organization

Base pension

Federal Department of Home Affairs (<http://www.edi.admin.ch>) provides general supervision.

Federal Social Insurance Office (<http://www.bsv.admin.ch>) supervises implementation of legislation.

Decentralized network of cantonal, industrial, and federal compensation funds collect and record contributions and pay pensions.

Central Compensation Office (<http://www.zas.admin.ch>) maintains a register of all insured persons and pensioners.

Mandatory occupational pension

Cantons provide direct supervision. The High Commission for the Supervision of Occupational Pensions (www.oak-bv.admin.ch) supervises the cantons.

Around 2,191 registered occupational pension institutes administer the program.

Sickness and Maternity

Regulatory Framework

First law: 1911.

Current laws: 1952 (maternity insurance), 1994 (sickness insurance), and 2000 (social insurance).

Type of program: Mandatory social insurance through private insurance companies (medical benefits and cash maternity benefits) and voluntary private insurance (cash sickness benefits) system.

Coverage

Cash sickness benefits: All residents or gainfully employed persons in Switzerland.

Cash maternity benefits: Employed and self-employed women involved in gainful activity.

Medical benefits: All residents of Switzerland.

Source of Funds

Insured person

Cash sickness benefits: Premiums vary depending on the fund, the type of benefits provided, the age first insured, and the canton.

Cash maternity benefits: 0.25% of gross salary. Nonworking insured persons pay an annual flat-rate contribution from 23 francs to 1,150 francs, depending on their means and other factors.

There are no maximum earnings used to calculate contributions.

Medical benefits: Premiums vary depending on the canton and on the insurer.

Self-employed person

Cash sickness benefits: Premiums vary depending on the fund, the type of benefits provided, the age first insured, and the canton.

Cash maternity benefits: 0.5% of gross income. Contributions are reduced according to a decreasing scale for annual income below 56,200 francs.

Medical benefits: Premiums vary depending on the canton and on the insurer.

Employer

Cash sickness benefits: Contributions are not required by law, but some collective agreements require the employer to share employees' membership fees.

Cash maternity benefits: 0.25% of payroll.

There are no maximum earnings used to calculate contributions.

Medical benefits: None.

Government

Cash sickness and maternity benefits: None.

Medical benefits: Annual federal subsidies to cantons finance a portion of the premiums for low-income workers.

Qualifying Conditions

Cash sickness benefits: Aged 15 to 64. Must have a sickness insurance policy with an insurance fund that provides cash benefits.

Cash maternity benefits: Must have paid contributions toward the old-age and survivor base pension during the last nine months before childbirth and have been gainfully employed for at least five of the last nine months. Employment must cease during maternity leave.

Sickness and Maternity Benefits

Sickness benefit: The amount of the daily allowance is agreed on by the insurer and the insured. The benefit is usually paid after a three-day waiting period for at least 720 days in a period of 900 days.

Maternity benefit: 80% of the insured's last daily earnings, up to 196 francs, is paid for up to 98 days (14 weeks) after childbirth.

Workers' Medical Benefits

A comprehensive list of covered service benefits is set by law. Funds may provide additional benefits through complementary insurance.

There is no limit to duration.

Cost sharing: The patient pays the first 300 francs of medical care expenses during the calendar year plus 10% of costs above this amount up to an annual ceiling; a daily

contribution of 15 francs for hospitalization costs (except for insured persons younger than age 25). There is no cost sharing for maternity care.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Administrative Organization

Federal Office of Public Health (<http://www.bag.admin.ch>) supervises compliance with the sickness insurance legislation.

Around 60 authorized funds and private insurance companies administer and provide sickness insurance.

Federal Social Insurance Office (<http://www.bsv.admin.ch>) supervises compliance with the maternity benefit legislation.

Compensation funds of the old-age and survivor insurance (base pension) program administer the maternity benefit.

Work Injury

Regulatory Framework

First law: 1911.

Current laws: 1981 (accident insurance) and 2000 (social insurance).

Type of program: Mandatory social insurance through private insurance companies.

Coverage

Employees, including home workers, apprentices, trainees, and volunteers.

Voluntary coverage for self-employed persons.

Source of Funds

Insured person

Work-related injuries and occupational diseases: None.

Nonwork-related injuries: The total cost. Premiums vary according to the assessed degree of risk.

The maximum annual earnings used to calculate contributions are 126,000 francs.

Self-employed person: Voluntary insurance.

Employer

Work-related injuries and occupational diseases: The total cost. Premiums vary according to the assessed degree of risk.

The maximum annual earnings used to calculate contributions are 126,000 francs.

Nonwork-related injuries: None.

Government

Work-related injuries and occupational diseases: None.

Nonwork-related injuries: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period. Benefits are paid for work-related and nonwork-related accidents and occupational diseases. Accidents that occur while commuting to and from work are covered.

If working time does not exceed eight hours a week, only work-related injuries (including travel to and from work) are covered.

Temporary Disability Benefits

For a total disability, 80% of the insured's last daily earnings (including family allowances) is paid after a three-day waiting period until recovery or certification of permanent disability.

The maximum daily earnings used to calculate benefits are 346 francs.

Partial disability: A percentage of the full benefit is paid, according to the assessed degree of disability.

Permanent Disability Benefits

Permanent disability pension: For a total disability, 80% of the insured's annual earnings (including family allowances) in the year before the accident occurred or the occupational disease began is paid.

The maximum monthly earnings used to calculate benefits are 10,500 francs.

Constant-attendance supplement: If the insured requires the constant attendance of others to perform daily functions, from two to six times the maximum insured daily earnings is paid according to the assessed degree of disability.

The maximum daily earnings used to calculate benefits are 346 francs.

Partial disability: A percentage of the full pension is paid according to the assessed degree of disability.

Disability (integrity) allowance: A lump sum is paid in addition to the permanent disability pension according to a schedule in law.

Benefits are payable abroad.

Benefit adjustment: Pensions are adjusted every two years according to changes in the cost-of-living index (at the same time as adjustments are made to the old-age base pension).

Workers' Medical Benefits

Benefits include medical, hospital, and pharmaceutical treatment; prostheses and other necessary care; and travel expenses.

There is no limit to duration.

Survivor Benefits

Spouse's pension: 40% of the deceased's monthly earnings is paid.

Eligible survivors include a widow older than age 45 or a widow(er) with dependent children or who is assessed with a disability of at least 66.7%.

Widow's settlement: A lump sum is paid to a widow who is ineligible for a spouse's pension. The lump sum varies according to the duration of the widow's marriage to the deceased.

Orphan's pension: 15% of the deceased's monthly earnings (25% for a full orphan) is paid to each orphan younger than age 18 (age 25 if a student).

Other eligible survivors: Up to 20% of the deceased's monthly earnings is paid to a surviving divorced spouse who had been eligible for alimony.

All survivor benefits combined must not exceed 70% of the deceased's monthly earnings; 90% if benefits are paid to both the current and the divorced spouse.

Funeral grant: A lump sum of up to 2,422 francs is paid.

Benefit adjustment: Pensions are normally adjusted every two years according to changes in the cost-of-living index.

Administrative Organization

Federal Office of Public Health (<http://www.bag.admin.ch>) supervises compliance with the sickness insurance legislation.

Swiss National Accident Insurance Fund (<http://www.suva.ch>) manages the accidents program.

Unemployment**Regulatory Framework**

First law: 1924.

Current laws: 1982 (unemployment insurance) and 2000 (social insurance).

Type of program: Mandatory insurance.

Coverage

Employed persons who reside in Switzerland.

Exclusions: Self-employed persons.

Source of Funds

Insured person: 1.1% of covered earnings up to 10,500 francs plus a solidarity contribution of 0.5% of covered earnings of 10,500 francs or greater.

Self-employed person: Not applicable.

Employer: 1.1% of covered payroll up to 10,500 francs plus a solidarity contribution of 0.5% covered earnings of 10,500 francs or greater.

Government: Up to 0.159% of the insured payroll toward the cost of the employment service and for labor market-related measures. If necessary, provides loans at the prevailing market rate to unemployment funds.

Qualifying Conditions

Unemployment benefit: Must be totally or partially unemployed, have at least two consecutive unpaid working days, have completed mandatory schooling, not be receiving a basic old-age pension, have at least 12 months of contributions in the last two years (waived for certain categories of persons), be able and willing to work, and satisfy any other requirements.

Unemployment Benefits

80% of insured earnings is paid; 70% if the insured has no dependent children younger than age 25, is receiving a full daily benefit that exceeds 140 francs, and does not have a disability. The benefit is paid after a five-day waiting period.

Benefits are paid for up to 260 days with at least 12 months of contributions; 400 days with at least 18 months of contributions; 520 days if aged 55 or older or if receiving a disability pension with at least 22 months of contributions; 200 days if the insured is younger than age 25 and has no dependent children; or 90 days for persons exempt from the contribution requirement.

Partial unemployment benefit: 80% of lost earnings is paid for up to 18 months in a two-year period for a reduction in working hours; for up to six months for a reduction in working hours due to bad weather.

Administrative Organization

State Secretariat for Economic Affairs (<http://www.seco.admin.ch>) approves and supervises unemployment funds.

Federal Social Insurance Office (<http://www.bsv.admin.ch>) supervises contributions.

Cantonal and regional unemployment funds (public funds), and approved private unemployment funds administer the program for cantons or regions and for certain professional groups.

Regional placement offices and government approved employment agencies assist unemployed persons in finding employment.

Family Allowances

Regulatory Framework

First and current federal laws: 1952 (agricultural workers), 2000 (social insurance), and 2006 (family allowances).

First and current cantonal laws: 26 cantonal laws.

Type of program: Employment-related and universal (cantonal) system.

Coverage

Federal program covers agricultural employees and small self-employed farmers whose annual earnings do not exceed a fixed amount.

Cantonal programs cover nonagricultural employees, self-employed workers and nonworking persons with low income. Benefits paid from the first child

Special system for civil servants.

Source of Funds

Insured person: None (except in Valais, 0.3% of salary).

Self-employed person: 0.1% to 4% of gross income, according to the canton and the fund (maximum of 126,000 francs a year).

Employer: 0.1% to 4% of payroll, according to the canton and the fund; 2% of payroll (federal program) for agricultural employees.

Government: Federal and cantonal governments share the residual cost for agricultural employees and the total cost for small self-employed farmers (66.7% for the federal government and 33.3% for cantonal governments).

The canton pays the contributions for nonworking persons.

Qualifying Conditions

Child allowance: The beneficiary must have one or more children younger than age 16 (age 20 if incapable of any gainful employment).

Birth grants: Paid for the birth or adoption of a child under certain conditions in some cantons.

Vocational training allowances: Students or apprentices younger than age 25.

Family Allowance Benefits

Child allowance: The federal program for agriculture pays 200 francs a month for each child (220 francs in mountain regions). In addition, a household allowance of 100 francs is paid for each married worker.

The legal minimum allowance is 200 francs a month for each child, but cantons may set higher amounts.

Birth grants: A lump sum of 850 francs to 2,000 francs is paid, according to the canton.

Vocational training allowances: The federal program for agriculture pays 250 francs a month for each child (270 francs in mountain regions). The legal minimum allowance is 250 francs a month for each child, but cantons may set higher amounts.

Administrative Organization

Federal program: Cantonal old-age and survivor insurance funds collect contributions and pay allowances.

Cantonal programs: Family allowance funds (cantonal funds and authorized professional and interprofessional funds) administer the program.

Employers usually pay allowances directly and combined with wages. The specific fund reimburses the employer.