

SOCIAL INSURANCE IN SWITZERLAND

(COMPULSORY INSURANCE) 1.1.2024

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INSURED GROUP OF PERSONS

AHV, IV, EO

Federal laws on
– Old age and survivors' insurance (AHV)
– Disability insurance (IV)
– Income replacement scheme (EO) (income replacement for those in service, maternity compensation)

Compulsory:

All persons who are gainfully employed or who have their place of residence under civil law in Switzerland. Without prejudice to EU/EFTA agreements.

Voluntary:

Swiss nationals and EU/EFTA nationals residing in a non-EU/EFTA country.

Contributions compulsory for:

– those gainfully employed, from 1 January following their 17th birthday
– the unemployed, from 1 January following their 20th birthday

ASSESSMENT BASIS

Contributions from total income from employment; no upper limit
Pension calculated on income up to CHF 88,200.–
Pension calculated for each person individually (splitting) with education and care credits

OLD-AGE BENEFITS

Retirement pension (RP) (from 65)

min. CHF 14,700.– per year / max. CHF 29,400.– per year

Pension for married couples capped at 150% of max. AHV pension

Early retirement: up to 2 years / 6.8% annual reduction rate

Postponement of retirement: 1 year: 5.2% / 2 years: 10.8% / 3 years: 17.1% / 4 years: 24.0% / 5 years: 31.5% (parts of years also possible)

Child's pension: 40% (up to 18/25)

SURVIVORS BENEFITS

Widow's pension (wives): 80% RP

min. CHF 11,760.– / max. CHF 23,520.–

– if there are children (of any age) – at least 45 years of age and the marriage lasted a minimum of 5 years

Widow's pension (divorced wives): 80% RP

– if there are children and the marriage lasted a minimum of 10 years, or
– at least 45 years of age at the time of divorce and marriage lasted 10 years
– youngest child reached 18 years of age after mother turned 45

Widower's pension (including divorced husbands): 80% RP until youngest child turns 18

Orphan's pension: 40% (per parent) until 18/25 years of age (capped at 60% of max. AHV single pension)

min. CHF 5,880.– / max. CHF 11,760.–

BENEFITS IN THE EVENT OF DISABILITY

TREATMENT, CARE, REHABILITATION

Reintegration measures medical aids
Incapacity allowance for long-term assistance, care and monitoring

TEMPORARY DISABILITY

Daily allowance during reintegration measures

Amount differs depending on income 80% of average daily income plus child allowance

Maternity benefits: Employed and self-employed women are entitled to 80% of the average earned income prior to the birth for 14 weeks.

Max. CHF 220.– per day.

PERMANENT DISABILITY

100% disability pension

min. CHF 14,700.– per year / max. CHF 29,400.– per year

Disabled person's child's pension: 40%

Pension payment rate:

– 25% from 40% disability + 2.5% pension payment rate per 1% higher disability

– 50–69% pension payment rate corresponds to the relevant degree of disability

– 100% from 70% disability

BENEFITS ADJUSTMENT

Pension payments adjusted to mixed index (average of price and wage development)

FINANCING

AHV 8.7% / IV 1.4% / EO 0.50% = 10.60%

Employer and employee each pay half

Contribution for the self-employed:

AHV 8.1% / IV 1.4% / EO 0.50% = 10.00%

For incomes of less than CHF 58,800 per year, there is a sliding scale for contributions (min.: CHF 514.–)

For the unemployed, those with low incomes and pensioners, special regulations apply.

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(compulsory insurance) 1.1.2024

SUPPLEMENTARY BENEFITS

Swiss Federal Law on supplementary benefits to old-age, survivors' and disability pensions (EL):

INSURED GROUP OF PERSONS

Those drawing AHV/IV benefits who are resident in Switzerland and citizens of Switzerland or an EU/EFTA country.
Foreign nationals aged 10 or over, refugees and stateless persons aged 5 or over uninterrupted residence in Switzerland.

ASSESSMENT BASIS

Cover for minimum cost of living (approved expenses ./ income)

OLD-AGE BENEFITS

An AHV/IV pension is a prerequisite for supplementary benefits

SURVIVORS BENEFITS

Benefit entitlement only with parallel entitlement to an AHV or IV pension.

TREATMENT, CARE, REHABILITATION

Compensation for a portion of ancillary costs such as dentist costs, health insurance deductibles, medical aids, etc. (new cantonal law)

TEMPORARY DISABILITY

Benefit entitlement arises with entitlement to at least 180 IV daily allowances

BENEFITS IN THE EVENT OF DISABILITY

Benefit entitlement arises with entitlement to pensions or incapacity allowance under IV

PERMANENT DISABILITY

BENEFITS ADJUSTMENT

Benefits adjusted with each increase in AHV pension and with changes in personal or financial circumstances

FINANCING

New, complex regulations; federal government now provides approx. 5/8

SOCIAL INSURANCE IN SWITZERLAND

(compulsory insurance) 1.1.2024

BVG

Swiss Federal Law on occupational retirement, survivors' and disability pension plans

INSURED GROUP OF PERSONS

Compulsory:

- All employees with earned income above CHF 22,050.- with one and the same employer and who are required to pay AHV contributions
- Death and disability insurance from 1 January following the 17th birthday
- Retirement as well from 1 January following the 24th birthday

Voluntary:

- Self-employed individuals
- Persons not required to pay AHV contributions who work for more than one employer and whose earned income exceeds CHF 22,050.-
- Employees who are required to pay AHV contributions and whose employer has its registered office located outside the EU/EFTA and does not operate business premises in Switzerland

ASSESSMENT BASIS

- Maximum pensionable salary: CHF 88,200.-
- Coordination deduction: CHF 25,725.-
- Maximum salary subject to compulsory insurance: CHF 62,475.-
- Minimum salary subject to compulsory insurance: CHF 3,675.-

OLD-AGE BENEFITS

Interest rate on retirement assets: 1.25%
Old-age pension from 65 years of age
The retirement assets available at the time of retirement are converted to a life-long guaranteed pension at a stipulated conversion rate
The following conversion rates apply: women: 6.80% men: 6.80%
The insured person may request that at least ¼ of the obligatory BVG retirement savings capital be paid out in the form of a lump sum.

SURVIVORS BENEFITS

Widow's/widower's pension: 60% of disability/old-age pension
A divorced partner is treated as a widow/widower if the marriage lasted a minimum of ten years and the divorced partner was promised a lifetime annuity or a corresponding lump sum settlement in the divorce decree. However, this survivors' benefit for divorced spouses is limited to the amount allocated in the divorce decree, minus the AHV survivors' benefits.
Orphan's pension: 20% of IV/retirement pension (including foster children) (up to 18/25 years of age or if child is at least 70% disabled)
Lump sum payment equal to three annual pension payments for spouses who are not responsible for the maintenance of one or more children, are not yet 45 years of age and with whom the marriage lasted a minimum of five years.

TREATMENT, CARE, REHABILITATION

No benefits

TEMPORARY DISABILITY

No benefits during the waiting period

BENEFITS IN THE EVENT OF DISABILITY

PERMANENT DISABILITY

The disability benefit is calculated using the same conversion rate as for the old-age pension. The capital to which this conversion rate is applied comprises: a) the retirement assets available at the time the insured person becomes eligible for the disability benefit; and b) the total retirement savings credits that would have been accumulated for the years until retirement age, without interest.
Disabled person's child's pension: 20% of disability pension
Pension payment rate: 25% from 40% disability + 2.5% pension payment rate per 1% higher disability, 50-69% pension payment rate corresponds to the relevant degree of disability, 100% from 70% disability

BENEFITS ADJUSTMENT

Disability and survivors' pensions in payment are adjusted to price development up until the ordinary retirement age

FINANCING

Contributions as a % of the coordinated salary Retirement assets:
25-34 = 7% / 35-44 = 10% / 45-54 = 15% / 55-64/65 = 18%
Risk insurance: 1-4%
Security fund: 0.13% for unfavourable age structure and 0.002% of exit benefits for insolvency cover
Employer contribution at least matching the contributions of all employees

SOCIAL INSURANCE IN SWITZERLAND

(compulsory insurance) 1.1.2024

UVG

Swiss Federal Law on accident insurance

INSURED GROUP OF PERSONS

Compulsory:

The following are insured against occupational and non-occupational accidents and occupational illnesses:

- Employees, including teleworkers, trainees and interns, employed in Switzerland
- Part-time employees working at least 8 hours a week for one employer
- Unemployed persons meeting the criteria for entitlement under AVIG (Swiss Federal Law on compulsory unemployment insurance and insolvency compensation)

Voluntary:

Employers/self-employed persons and their family members or registered partners not subject to compulsory insurance

ASSESSMENT BASIS

Insured income up to a maximum of CHF 148,200.–

OLD-AGE BENEFITS

SURVIVORS BENEFITS

Widow's pension: 40% W is over 45 / W has children / W is $\frac{2}{3}$ disabled, otherwise: lump sum payment (in multiples of annual pension) (marriage <1Y = x1 / marriage <5Y = x3 / marriage >5Y = x5)

Divorced: 20% of last income (up to the amount of alimony owed)

Widower's pension: 40% There are children (under 18 years of age) at the time of death or W is $\frac{2}{3}$ disabled

15% half orphan's pension / 25% full orphan's pension

Widow's/widower's and orphan's pensions combined, max. 70% of insured income (max. CHF 148,200.–)

Maximum of 90% when combined with the AHV pension (supplementary pension)

Lump sum payment for childless widows up to 45 years of age (dependent on the duration of the marriage)

TREATMENT, CARE, REHABILITATION

Doctor's expenses, costs of medication, hospital costs in a general ward, prescribed health cures, medical aids
Rescue costs, transportation costs etc.

TEMPORARY DISABILITY

Daily allowance of 80% of pensionable salary from day 3 until fully able to work or until commencement of the disability pension

BENEFITS IN THE EVENT OF DISABILITY

80% of insured earnings in the event of full disability.

Max. 90% in combination with AHV/IV pension

Reduced proportionately for partial disability

Integration and incapacity allowance

PERMANENT DISABILITY

BENEFITS ADJUSTMENT

Pensions in payment are adjusted to price development

FINANCING

NBUV (Non-occupational accident insurance, private insurers)

Contribution rate varies by industry

BUV (Occupational accident insurance)

Contribution rate varies by industry, Contributions paid by the employer

SOCIAL INSURANCE IN SWITZERLAND

(compulsory insurance) 1.1.2024

KVG

Swiss Federal Law on health insurance

INSURED GROUP OF PERSONS

Compulsory basic insurance for all individuals residing in Switzerland independent of nationality and for all individuals from EU or EFTA countries in gainful employment in Switzerland
Facultative supplementary insurance as per VVG (Swiss Federal Law on Insurance Contracts). Special provisions apply to Swiss nationals in EU and EFTA countries

ASSESSMENT BASIS

Illness
Accident
Maternity

OLD-AGE BENEFITS

SURVIVORS BENEFITS

TREATMENT, CARE, REHABILITATION

Doctor's expenses, costs of medication, nursing care, hospital costs in a general ward, maternity, medical aids etc.
Supplementary insurance as per VVG

Voluntary daily allowance as per KVG or VVG

TEMPORARY DISABILITY

BENEFITS IN THE EVENT OF DISABILITY

PERMANENT DISABILITY

BENEFITS ADJUSTMENT

FINANCING

- Standard premium per canton/ premium region and fund (max. 3 premium regions per canton)
- Premium discounts according to the canton for families and individuals on low incomes
- Insureds contribute to costs via the deductible (at least CHF 300.-; CHF 0.- for children) and cost participation of 10% (incl. in hospitals), 10% or 20% for medication
- The maximum excess is CHF 700.-

SOCIAL INSURANCE IN SWITZERLAND

(compulsory insurance) 1.1.2024

MVG

Swiss Federal Law on military insurance

INSURED GROUP OF PERSONS

Individuals in military, civilian or civil defence service, those on peacekeeping missions and acting in the service of the Confederation, members of the Swiss Humanitarian Aid Unit (SKH)

ASSESSMENT BASIS

Insured income up to a maximum of CHF 152,276.–
Individuals of legal age in training placements: 20% of the highest contribution

OLD-AGE BENEFITS

Old-age pension from AHV retirement age on the basis of 50% disability pension

SURVIVORS BENEFITS

40% for widow's/widower's pension
15% for orphan's pension
25% for full orphan's pension up to a maximum of the pensionable annual salary

TREATMENT, CARE, REHABILITATION

Doctor's expenses, costs of medication, hospital treatment, medical aids, allowance for home care or incapacity, reintegration measures

TEMPORARY DISABILITY

Daily allowance/pension of 80% of insured income from day 1 of income loss in the event of incapacity for work and reintegration

BENEFITS IN THE EVENT OF DISABILITY

Disability pension is 80% of insured annual earnings.
Integrity reimbursement payments.

PERMANENT DISABILITY

BENEFITS ADJUSTMENT

Pensions in payment are adjusted to price and/ or salary developments

FINANCING

Military insurance spending is financed by the Confederation.
Occupationally and voluntarily insured individuals pay premium contributions.

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(compulsory insurance) 1.1.2024

AVIG

Swiss Federal Law on compulsory unemployment insurance and insolvency compensation

INSURED GROUP OF PERSONS

Anyone subject to compulsory AHV insurance that has registered his/her place of residence with the employment office for placement services and is employable.

ASSESSMENT BASIS

Insured salary up to a maximum of CHF 148,200.– (as for UVG)

OLD-AGE BENEFITS

Special benefits
Bad weather allowance in some industries: 6 calculation periods (usually of one calendar month) within two years

SURVIVORS BENEFITS

Special benefits
Insolvency compensation for the last 4 months of employment for the salary subject to AHV (incl. allowances)

TREATMENT, CARE, REHABILITATION

Labour market measures:
Courses (retraining, further training), Programmes providing temporary employment, Training allowances, Education allowances, Support for self-employment

TEMPORARY DISABILITY

Short-time work unemployment benefit:
18 calculation periods within two years (bad weather allowance taken into account in the calculation of maximum entitlement)

BENEFITS IN THE EVENT OF DISABILITY

PERMANENT DISABILITY

Maximum number of daily allowances: *within the last 24 months.
Contribution period* Age Benefit days

12–24	<25 no support obligation	200
12–<18	<25 with support obligation	260
12–<18	25+ no support obligation	260
18–24	25+	400
22–24	25+ with IV, 55+, all with support obligation & IV	520

Amount of daily allowance:
a) 80% of insured earnings if ...
– there is a support obligation towards children
– the insured income < CHF 3,797.–
– an IV pension is paid
b) In all other cases, 70% of insured earnings

BENEFITS ADJUSTMENT

FINANCING

Contributions:
2.2% of salary up to CHF 148,200
Employer and employee each pay half.



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