



# All you need to know about social security

## The pension system in Switzerland

Status: January 2019. All information without guarantee

Group of persons	Benefits							Financing		
	Calculation basis for benefit level	Temporary incapacity for work	Medical treatment and cost reimbursement	Permanent occupational disability	Death prior to retirement	Benefits after retirement	Adjustment of benefits	Contribution rates	Financial basis	
<b>Old age, survivors' and disability insurance</b> <b>AHV/DI</b>	<b>Mandatory insurance</b> Persons who live or work in Switzerland incl. <ul style="list-style-type: none"> <li>Swiss citizens who work abroad for the federal government or organizations designated by the Federal Council</li> <li>Persons deployed abroad for a fixed contractual period</li> </ul>	<b>Individual pension (full pension)</b> Applicable average annual income: <ul style="list-style-type: none"> <li>Contribution years</li> <li>Adjusted earned income (income splitting during the marriage)</li> <li>Education and care credits</li> </ul> Minimum pension: CHF 14 220 per year Maximum pension: CHF 28 440 per year	<b>Daily benefits</b> <ul style="list-style-type: none"> <li>Dependent on income and number of children</li> <li>Entitlement during reintegration measures</li> </ul>	<ul style="list-style-type: none"> <li>Reintegration measures</li> <li>Medical aids</li> <li>Helplessness allowance</li> <li>Intensive care supplement</li> <li>Assistance contribution</li> </ul>	<b>Pension</b> Amount depends on disability level: <ul style="list-style-type: none"> <li>From 40%: quarter pension</li> <li>From 50%: half pension</li> <li>From 60%: three-quarter pension</li> <li>From 70%: full pension</li> </ul> Disabled person's child's pension: 40% of the relevant disability pension	<b>Widow's/widower's pension</b> 80% of the relevant retirement pension Requirement: <ul style="list-style-type: none"> <li>Widows with a child/children</li> <li>Childless widows aged at least 45, if the marriage lasted at least five years</li> <li>Widowers until their youngest child turns 18</li> </ul> In registered partnerships, survivors are treated the same as widowers.  <b>Orphan's pensions</b> 40% of the relevant retirement pension Orphans who have lost both parents: 2 x 40% of the retirement pension (upper limit of 60% of maximum pension)	<b>Retirement pension</b> Men from age 65, Women from age 64 <ul style="list-style-type: none"> <li>Individual pension: 100%</li> <li>Married couple (2 individual pensions), limited to a maximum of: 150%*</li> <li>Widow's / widower's pension: 80%*</li> <li>Retired person's child's pension: 40%*</li> </ul> Early pension payment: max. 2 years / deferred payment: max. 5 years * of the individual pension	In accordance with changes in salary and price trends (mixed index) <ul style="list-style-type: none"> <li>Every 2 years</li> <li>Annually, provided the index is above 4%</li> </ul>	<b>Employee and employer jointly</b> AHV: 8.4%, DI: 1.4%, EO: 0.45%  <b>Self-employed persons</b> AHV/DI/EO: 5.196% – 9.65%  <b>Persons not gainfully employed</b> Depending on assets, minimum CHF 482, max. CHF 24 100 (considered as paid if the gainfully employed spouse who is not yet eligible for a retirement pension has paid at least twice the minimum amount.)	<ul style="list-style-type: none"> <li>Employee and employer each pay half</li> <li>Self-employed persons</li> <li>Persons not gainfully employed</li> <li>Public assistance/subsidies</li> </ul> No upper threshold for salaries subject to contributions (no maximum salary).
<b>Supplementary benefits</b> <b>EL</b>	<b>Eligible claimants</b> <ul style="list-style-type: none"> <li>Swiss citizens and persons living in Switzerland who draw an AHV/IV pension</li> <li>Foreigners with 10 uninterrupted years of residence in Switzerland, and refugees and stateless persons with 5 uninterrupted years</li> <li>Citizens of EU and EFTA countries: The ten-year qualifying period is waived</li> </ul>	<b>Subsistence minimum</b> Difference between effective income and recognized expenses such as accommodation, living costs that are customary for the canton etc. (subsistence minimum)	No benefits	Compensation of ancillary services, such as the cost of: <ul style="list-style-type: none"> <li>dentists</li> <li>care</li> <li>medical aids</li> <li>cost contributions for the health insurance fund</li> <li>etc.</li> </ul>	Target: coverage of the subsistence minimum as calculated from recognized expenditures (accommodation, living costs that are customary for the canton, etc.)	Target: coverage of the subsistence minimum as calculated from recognized expenditures (accommodation, living costs that are customary for the canton, etc.)	Target: coverage of the subsistence minimum as calculated from recognized expenditures (accommodation, living costs that are customary for the canton, etc.)	The Federal Council can adjust benefits as appropriate.	None	Federal government and cantons
<b>Occupational benefits insurance</b> <b>BVG</b>	<b>Mandatory insurance</b> Employees subject to AHV contributions as of Jan. 1 after their 17 <sup>th</sup> birthday with an annual AHV salary above CHF 21 330 <ul style="list-style-type: none"> <li>Persons receiving daily unemployment benefits (ALV) for the risks of death and disability</li> </ul> <b>Voluntary insurance</b> <ul style="list-style-type: none"> <li>Self-employed persons</li> <li>Employees who work for several employers</li> </ul>	<b>Retirement pension</b> Accrued retirement assets multiplied by the applicable conversion rate  Men: 6.80% Women: 6.80%	No benefits during a one-year waiting period	No benefits	<b>Pension</b> Amount depends on disability level: <ul style="list-style-type: none"> <li>From 40%: quarter pension</li> <li>From 50%: half pension</li> <li>From 60%: three-quarter pension</li> <li>From 70%: full pension (pension beginning on January 1, 2007 or later)</li> </ul> Disabled person's child's pension: 20% of the relevant disability pension	<ul style="list-style-type: none"> <li>Widow's / widower's pension: 60%*</li> <li>Orphan's pension: 20%*</li> </ul> Requirement: <ul style="list-style-type: none"> <li>Support obligation for child / children, or</li> <li>Aged at least 45 and the marriage lasted for at least 5 years</li> <li>Otherwise: a single settlement equaling three annual pensions</li> </ul> In registered partnerships, survivors are treated the same as marriage partners.  * of the disability pension to which the insured person would have been entitled	<b>Retirement pension</b> Men from age 65, women from age 64 <ul style="list-style-type: none"> <li>Individual pension: 100%</li> <li>Widow's / widower's pension: 60%*</li> <li>Orphan's pension: 20%*</li> <li>Retired person's child's pension: 20%*</li> </ul> Early pension payment: Guidelines as per pension fund regulations Deferral: max. 5 years * of the individual pension	In accordance with the Ordinance on Cost-of-living Adjustments.	<b>From age 25</b> <ul style="list-style-type: none"> <li>7–18% of the pensionable salary for retirement credits</li> <li>0.12% for subsidies in case of unfavorable age structure</li> <li>0.005% for insolvencies, other payments into the Guarantee Fund as well as contributions for risk insurance (death and disability) and administration costs</li> </ul>	The occupational benefits institution sets the contribution amounts so that the employer's contribution equals at least the total in contributions from its employees.
<b>Unemployment insurance</b> <b>ALV</b>	<b>Mandatory insurance</b> All persons with mandatory AHV coverage until retirement age  <b>Exception</b> Self-employed persons are not insured	<b>Pensionable salary</b> Maximum: CHF 148 200 (same as for UVG)  <b>Not insured</b> Salaries below the monthly minimum of CHF 500 (or CHF 300 for persons working from home)	<b>Compensation for reduced working hours</b> <ul style="list-style-type: none"> <li>80% of the effective loss of income for a maximum of 12 months within 2 years</li> <li>Justified registration with the cantonal office, normally at least 10 days prior to the start date</li> </ul> <b>Unemployment benefit</b> <ul style="list-style-type: none"> <li>80% of the pensionable salary for a max. of 640 days</li> <li>70% for non-disabled unemployed persons with no children requiring support, whose daily benefits exceed CHF 140</li> </ul>	<b>Bad weather compensation</b> 80% of the effective loss of income for a maximum of 6 months within 2 years  <b>Insolvency compensation</b> 100% of the pensionable salary for the last four months of the employment relationship  <b>Mandatory occupational benefits insurance</b> Surviving dependants' and disability benefits if the conditions for drawing ALV daily benefits are met and a coordinated daily wage is reached	Up to CHF 148 200 2.2% of the pensionable salary. For higher incomes, an additional solidarity contribution of 1% for salary components above CHF 148 201	<b>Employee and employer</b> Each pays half of the contributions				

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<b>Accident insurance</b> <b>UVG</b>	<b>Mandatory insurance</b> Part-time employees who work less than 8 hours a week are insured only against occupational accidents (accidents on the journey to and from work are regarded as occupational accidents).  <b>Voluntary insurance</b> Self-employed persons (special rules apply to family members working in agriculture)	<b>Pensionable salary</b> Daily benefits or pension based on the insured earnings  Maximum: CHF 148 200/ no minimum	<b>Daily benefits</b> 80% of the pensionable salary from the third day until the disability pension starts or until the person regains capacity for work	<ul style="list-style-type: none"> <li>Medical costs</li> <li>Hospital fees in general ward</li> <li>Prescribed stays in health spas</li> <li>Medical aids</li> <li>Transport</li> <li>Rescue and funeral expenses</li> </ul>	<b>Pension</b> Amount depends on disability level (linear increase from 10% to 100%): <ul style="list-style-type: none"> <li>Full pension is 80% of the pensionable salary</li> <li>No supplementary pension for female spouses</li> <li>No disabled person's child's pension</li> </ul> <b>Complementary pension</b> If the person is also eligible for an AHV or DI pension: Supplementing the AHV/IV pension up to 90% of the insured earnings  <b>Impairment compensation</b> Lump sum payment depends on severity of physical or mental impairment. Maximum: CHF 148 200	<ul style="list-style-type: none"> <li>Widow's / widower's pension: 40%*</li> <li>Pension for orphans who lost both parents: 25%*</li> <li>Pension for orphans who lost one parent: 15%*</li> <li>Maximum total: 70%*</li> </ul> Requirement: <ul style="list-style-type: none"> <li>Childless widows: Pension if aged at least 45 or at least ⅓ disabled</li> <li>Otherwise: Single widow's settlement</li> <li>Childless widows: Pension, if at least ⅓ disabled</li> </ul> In registered partnerships, the survivors are treated the same as a marriage partner. * of the pensionable salary	<b>UVG disability pension</b> If, at the time of the accident the disabled person was <ul style="list-style-type: none"> <li>aged 45 or younger: Amount of pension continues to be paid as before</li> <li>aged 46 – 63/64: Pension is reduced by each full year that the insured person was over age 45, in case of a DI disability level of no more than 20%: 1% per year; in case of a DI disability level of no more than 40%: 2% per year</li> <li>aged 64/65 or older: A disability pension will not be paid.</li> </ul>	In accordance with the Ordinance on Cost-of-living Adjustments.	For occupational and non-occupational accidents, companies are divided into risk classes. Each risk class has different risk levels.	Premiums for: <ul style="list-style-type: none"> <li>non-occupational accidents are charged to employees</li> <li>occupational accidents are charged to the employer</li> </ul> Salary subject to premiums limited to CHF 148 200 (maximum salary)
<b>Health insurance</b> <b>KVG</b>	<b>Mandatory insurance</b> Healthcare: Persons with their domicile in Switzerland for sickness, accident (if not covered under the UVG), and maternity  <b>Voluntary insurance</b> Daily benefits: Swiss residents and/or persons gainfully employed in Switzerland between the ages of 16 and 65 for sickness, accident (if not covered under the UVG), and maternity (cf. loss of earnings benefits (EO) / maternity compensation)	<b>Mandatory healthcare insurance</b> Standardized benefits for all insured persons  <b>Voluntary daily benefits insurance</b> Restricted choice of benefits (health insurance providers grant only modest daily benefits)	<b>Healthcare insurance</b> <ul style="list-style-type: none"> <li>Taken out as individual or group insurance</li> <li>Examinations, treatments, out-patient care, in-patient / partial in-patient care, care in a nursing home, analyses, medicines, spa treatment (treatment costs and daily contributions), rehabilitation, hospital stays in the general ward, contributions to transportation and rescue costs, prevention (various examinations and tests)</li> <li>Maternity: Check-ups during and after the pregnancy, delivery and birthing assistance, advice on breastfeeding if needed</li> </ul>	<b>Daily benefits insurance</b> <ul style="list-style-type: none"> <li>Taken out as individual or group insurance</li> <li>For one or more illnesses or accidents: for 720 days within 900 days</li> <li>Maternity: Daily benefits if insured for 270 days prior to the confinement. Daily benefits for 16 weeks, of which at least 8 after the confinement. The agreed waiting period is deducted from the benefit period.</li> </ul>	<b>Mandatory healthcare</b> <ul style="list-style-type: none"> <li>Premiums, irrespective of gender or age on enrollment</li> <li>Lower premiums for children until their 18th birthday and for young people aged between 19 and 25</li> <li>Cantonal and regional levels</li> </ul> <b>Daily benefits insurance</b> Based on special age levels	<b>Mandatory healthcare</b> <ul style="list-style-type: none"> <li>Premiums of insured persons, cost participation in the form of an annual excess and deductible for out-patient and in-patient treatments</li> <li>Contributions by the federal government and the cantons to lower the premiums for insured persons in modest financial circumstances</li> </ul> <b>Daily benefits insurance</b> Premiums of insured persons				
<b>Military insurance</b> <b>MVG</b>	<b>Eligible claimants</b> <ul style="list-style-type: none"> <li>Persons rendering military, civil defense and civilian service</li> <li>Persons who carry out off-duty military activities</li> <li>Participants in unofficial shooting practice events</li> </ul>	<b>Pensionable salary</b> <ul style="list-style-type: none"> <li>Maximum: CHF 152 276</li> <li>Total of benefits from AHV/DI, MVG (and BVG) must not exceed 100% (BVG: 90% in some cases) of the pensionable salary (complementary pension)</li> </ul>	<b>Daily benefits</b> 80% of the pensionable salary	<ul style="list-style-type: none"> <li>Medical, hospital or home care</li> <li>Medical aids (e.g. prostheses)</li> <li>Occupational integration</li> <li>Helplessness allowance</li> </ul>	<b>Pension</b> Amount depends on disability level: Full pension is 80% of the pensionable salary	<ul style="list-style-type: none"> <li>Widow's / widower's pension: 40%*</li> <li>Pension for orphans who lost one parent: 15%*</li> <li>Pension for orphans who lost both parents: 25%*</li> <li>Max. for all survivors together: 100%*</li> </ul> In registered partnerships, the survivors are treated the same as a marriage partner. * of the pensionable salary	Retirement pensions are based on half of the current disability pension (40% of the pensionable salary).	<ul style="list-style-type: none"> <li>Before AHV retirement age: Adjustment of pensions to the nominal wage index</li> <li>After AHV retirement age: Adjustment to the national index of consumer prices</li> </ul>	None	Federal government
<b>Loss of earnings compensation / maternity compensation</b> <b>EO</b>	<b>Eligible claimants</b> <ul style="list-style-type: none"> <li>Persons serving in the army, civil defense, civilian service, Youth and Sports program, course for young marksmen (for pay)</li> <li>Maternity compensation: Employees as defined by the ATSG on the date of the confinement, self-employed persons or persons working for cash wages in the family or partners' business, provided the person was covered under the AHVG for at least 9 months and was gainfully employed for at least 5 months before the birth</li> </ul>	<b>Pensionable salary</b> Maximum: CHF 88 200	<ul style="list-style-type: none"> <li>Recruits, persons not gainfully employed: 25% (CHF 62 per day)</li> <li>Employed persons attending an army refresher course: 80%, at least 25% (CHF 62 per day)</li> <li>Child allowance: 8% (CHF 20 per day) per child</li> <li>Single-term conscripts and persons undergoing specific training: Special rates</li> <li>Maternity compensation: 80% of the pensionable salary for 14 weeks, maximum CHF 196 / day</li> </ul>	<b>Employee and employer</b> Jointly: 0.45% for EO	<b>Employee and employer</b> Each pays half of the contributions					