**Hiring a new employee in Switzerland**

Once a business is confirmed, there are many ongoing administrative tasks required by law. The main ones are covered in this article. The first few are to employees and the rest to taxation and other essential administrative tasks.

### Expenses

Expenses paid by an employer are usually listed in his general terms. These may cover travel costs from your home to your place of work, usually consisting of a second-class rail season ticket or the equal cost, paid monthly with your salary. A corporation without a staff restaurant or canteen may pay a lunch allowance or provide luncheon vouchers. Expenses paid for travel on company business or for approved training and education may be detailed in a separate document.

### Paying salaries

Every month salaries and salary deductions need to be calculated and processed. Deductions include social insurance taxes and pensions. Employees need to be given a salary slip and payments need to be made to the employee, compensation fund and pension provider.

**Gross Salary and Bonus**

Employers in Switzerland are personally liable for the payment of the social security of their employees, their tax at source and their professional accident insurance. The premium for the non-professional accident insurance can be split in equal parts between the employer and the employee.

**Decent statutory holiday**

All employees are entitled to at least 20 days (four weeks) holiday a year, on top of public holidays, which makes Switzerland about average for holiday entitlement in Europe, but far better than in the US, where there is no statutory holiday allowance at all

In terms of a public day off, only August 1st is observed in all cantons. Other public holidays vary from canton to canton, though most also observe Christmas Day, New Year’s Day, Good Friday, Easter Monday and Ascension Day.

### Social insurance taxes

Businesses that hire people, including independents, must pay social insurance taxes. These are managed by compensation funds and rates vary slightly by fund and canton but are around 15% of salaries. The rate for independents is lower.

### Pensions

All employers must make pensions contributions into a 2nd pillar pension for their staff once they earn above a certain amount – this is in addition to the pension payments included in social insurance tax payments above. Part of these payments is deducted from salaries and the rest is paid by the employer.

The lower limit payments are a rising percentage of a describe portion of salary based on age.

25-34 years old 7%
35-44 years old 10%
45-54 years old 15%
55-651 years old 18%

### Employee accident insurance

In addition to the social insurance above, employers must take out compulsory accident insurance, known as LAA (UVG), for their staff. This insurance cover accident at work, work-related illnesses, and accidents outside work, unless the employee works less than eight hours a week. Most personal insurance companies offer this and it costs nearly 2% of total wages. Payments are typically paid quarterly or annually in advance.

## Allowances

In addition to your salary, you may be paid various allowances, including the following.

### Area Allowance

If you're a civil servant employed by the federal government or a canton or community, you may receive an area allowance or weighting depending on the region where you work. The allowance, which may total a few thousand francs a year, is paid in monthly installments with your salary.

### Child Allowance

In Switzerland, parents receive a monthly child allowance which depends on the number and age of children. Child allowance is paid by your employer and varies from canton to canton (some only pay it if your home country has a social security agreement with Switzerland). The majority of cantons pay a fixed allowance for each child, while some cantons pay an increased allowance for the third and subsequent children (to encourage the Swiss to have more children). The cantons with the smallest population or lowest birth rates usually pay the highest child allowances.

### Travel & Relocation Expenses

Travel and relocation expenses to Switzerland depend on your agreement with your employer and are usually included in your employment contract or the employer's general terms. If you're hired from outside Switzerland, your air ticket (or other travel costs) are usually booked and paid for by your employer or his agent abroad. In addition, you can generally claim any additional travel costs, for example, the cost of transport to and from airports. If you travel by car to Switzerland, you can usually claim a mileage rate or an equal airfare cost.

Most Swiss employers pay your relocation expenses up to a specified limit, although you may be required to sign a contract which stipulates that if you leave the employer before a certain period elapses (e.g. five years), you must repay a percentage of your removal costs, depending on your length of service. It is way too better to hire a virtual employee.