

2.06 Contributions



Domestic work

Position as of 1st January 2023



A brief overview

If you employ domestic staff you have a duty to pay social insurance contributions even if the cash payment or payment in kind amounts to less than 2 300 francs per year. Basically, any paid work performed in private households is subject to compulsory contributions.

- In 2023, if you employ domestic staff born in 2005 or earlier, you will be required to register with the cantonal compensation office with a view to paying social insurance contributions.
- You only need to register domestic staff born between 1998 and 2005 if their pay in 2023 exceeds 750 francs. Pay below this threshold is exempt from contributions unless the employee asks for contributions to be paid.
- You do not need to pay contributions for domestic staff born in 2006 or later and are therefore not required to notify the compensation office.

The term “domestic work” refers to the following activities performed in private households:

- Cleaning
- Au pair jobs
- Babysitting
- Childcare
- Home help
- Help with homework
- Supervision of older persons
- Auxiliaries who carry out work in or around a house or apartment (e.g. neighbour who does gardening work for payment).

For the purposes of social insurance law, domestic work counts as gainful employment.

Domestic work does not include activities in buildings of multiple occupancy, which are performed in those areas situated outside the accommodation areas (apartments) and in any commercial premises within these buildings (e.g. caretaker duties).

This leaflet provides information for employers of domestic staff.

Obligations of employers of domestic staff

1 When do I have to pay social insurance contributions?

If you live in your own home and employ domestic staff, paying them either in cash or in kind, you are obliged to pay social insurance contributions on their wages, however modest those wages might be. The only exception is young domestic staff, as mentioned in the introduction. Holiday pay is also subject to compulsory contributions. Contributions are due both on cash payments and on payments in kind.

If you fail to register your staff you may render yourself liable to criminal prosecution.

For short-term or short-hours employment contracts, as is commonly the case for domestic work in private households, a simplified settlement procedure is now available to employers. You will find more information in Factsheet 2.07 – Vereinfachtes Abrechnungsverfahren für Arbeitgeber (*Simplified settlement procedure for employers*) as well as on the SECO website at > Arbeit > Personenfreizügigkeit und Arbeitsbeziehungen > Schwarzarbeit > Arbeit korrekt melden > Das vereinfachte Abrechnungsverfahren (available in German, French and Italian).

2 What are the rates for payments in kind?

| Rates for payments in kind | per day | | per month | |
|------------------------------|---------|-------|-----------|-------|
| Breakfast | CHF | 3.50 | CHF | 105.– |
| Lunch | CHF | 10.00 | CHF | 300.– |
| Dinner | CHF | 8.00 | CHF | 240.– |
| Accommodation | CHF | 11.50 | CHF | 345.– |
| Full board and accommodation | CHF | 33.00 | CHF | 990.– |

3 Where do I have to register?

You must register to pay social insurance contributions with the cantonal compensation office at the location of your home.

If you are already paying contributions to a compensation office organized by an employers' association for other staff, you can pay the contributions for your domestic staff to this office as well.

4 Do I have to ask my staff for their insurance card?

When your domestic staff start working for you, as their employer you must ask them for their AVS/AI insurance card or health insurance card, which will show their social security number for registration. Based on the AVS/AI insurance card or health insurance card you can identify the domestic staff and record their social security number, first and last name and date of birth, so that the income at the end of the year can be booked to these persons' individual accounts. If they do not have an insurance card or health insurance card or if their personal details have changed, you will need to complete a registration form. Forms can be obtained from any OASI compensation office or at www.ahv-iv.ch.

Contributions

5 Who is required to pay contributions?

Anyone engaged in gainful employment is required to pay contributions from 1st January of the year following their 17th birthday. Young domestic staff are exempt from payment of contributions until 31st December of the year in which they turn 25 provided that their income does not exceed 750 francs per calendar year. However, contributions must be paid if they so request.

Domestic staff who have reached ordinary retirement age still pay contributions to the OASI, DI and IC schemes, but not to unemployment insurance. They also have a personal allowance of 16 800 francs per year or 1 400 francs per month. Contributions to the OASI, DI and IC schemes are due on that portion of their income which exceeds this allowance.

However, there is no personal allowance for individuals who have taken early retirement (at age 62 in the case of women and age 63 in the case of men) and are receiving their old-age pension early. These individuals must also pay contributions to unemployment insurance.

6 What are the contribution rates?

| Contribution rates | | |
|--|----------------------------|-------------------------------------|
| | Employer of domestic staff | Domestic employee |
| OASI/DI/IC | 5.3 % | 5.3 % |
| Unemployment insurance (ALV/AC) cover for salaries up to a maximum of 148 200 Swiss francs | 1.1 % | 1.1 % |
| Family compensation fund (FCF) | Fund-specific | Only in the canton of Valais: 0.3 % |
| Administration costs | Fund-specific | None |

The OASI compensation offices normally also collect FCF contributions. They are only collected by a different family compensation fund in exceptional cases. In these cases, the OASI compensation office in charge will refer you to the relevant FCF.

You pay the full contributions to the compensation office, deducting the domestic employees' share from their gross pay.

If you agree on a net wage (i.e. you also pay the employees' contributions), you must convert the amount to a gross wage. The compensation office will provide you with information on this. You can also find a conversion table at www.sozialversicherungen.admin.ch > AHV > Grundlagen AHV > Weisungen Beiträge > Netto-/Bruttolöhne (available in German and French).

You will also find more information on salary statements at www.bsv.admin.ch > Information for ... > Companies/SMEs > Specific cases > Payslips (available in German, French and Italian).

7 Do contributions still have to be paid even on very low wages?

Yes. Normally, if an individual's relevant pay does not exceed 2 300 francs per calendar year and per employer, contributions will only be collected at the request of the insured. However, contributions must always be paid for staff employed in private households. The only exception is for domestic workers aged 25 or younger earning 750 francs per calendar year or less (see Section 5).

Family allowances

8 Are domestic staff entitled to family allowances?

Yes. Persons engaged in domestic work who receive a wage are entitled to family allowances provided they meet the legal requirements.

Domestic staff can submit family allowance applications to the relevant family compensation office (usually the OASI compensation office).

Compulsory accident insurance

9 Do domestic staff have to be insured against accidents?

Yes. You have a duty to insure your staff against accidents. To do so you need to register with an accident insurance scheme. You can take out cover with any approved accident insurer – with the exception of Suva, as domestic work does not fall within its scope of activity. A list of accident insurers can be found at www.bag.admin.ch.

- You only need to insure domestic staff working less than eight hours per week against occupational accidents and occupational diseases.
- You must also insure domestic staff working eight hours or more per week against non-occupational accidents.

10 Who pays the premiums for accident insurance?

Premiums for occupational accident insurance are paid by the employer of the domestic staff, while premiums for non-occupational accident insurance are paid by the employee. As an employer of domestic staff, you are required to pay the full premium and deduct the employees' share from their wages. These rules apply subject to more favourable agreements for the benefit of the insured. The following exception must be observed: No premium is deducted before insured accidents if persons receive from an employer, per calendar year, a salary of up to 750 francs until 31st December in the year in which they turn 25. If a domestic worker in these circumstances has an insured accident, the UVG compensation fund is responsible for handling the case. On the one hand it pays the statutory insurance benefits to the domestic worker who has had an accident, and on the other it claims a compensatory premium from their employer for up to five years.

If you fail to take out accident insurance, you will render yourself liable to criminal prosecution and will be required to pay compensatory premiums.

11 What salary is deemed to be subject to compulsory contributions?

The requirement to pay compulsory contributions is normally based on the same relevant pay as for OASI purposes. Premiums are charged at a rate per thousand on salaries subject to premiums. For employees who are only employed sporadically or who are regularly employed for short periods, the insurance companies charge annual flat-rate premiums. Individual cases are set out in their tariffs.

You will find further information in leaflet 6.05 – *Obligatorische Unfallversicherung UVG (Compulsory accident insurance under the AIA (Accident Insurance Act))*.

Occupational pension provision

12 Is occupational pension provision compulsory?

Occupational pension provision is only compulsory for monthly salaries of more than 1 837.50 Swiss francs (for temporary contracts of at least three months) or annual salaries of more than 22 050 Swiss francs. These figures refer to gross salaries (same salary as for the OASI scheme). If the salaries you pay reach this minimum threshold you will need to be affiliated to a registered pension scheme. The compensation offices will check whether you are affiliated to a scheme.

13 Who is exempt from mandatory affiliation?

Mandatory affiliation does not apply to employees who work part-time and already have compulsory insurance elsewhere for their principal employment or who are primarily self-employed. Unlike the cantonal compensation offices, pension schemes are not under any obligation to accept members. The only institution with a legal obligation to take employers is the Substitute Occupational Benefit Institution.

14 Who pays the contributions for occupational pension cover?

The contributions for occupational pension cover are charged directly to you as an employer of domestic staff. Contribution rates vary depending on the pension fund. However, you are required to pay at least half of the total contributions.

15 Where can I get more information?

The addresses of the regional offices of the Substitute Occupational Benefit Institution can be obtained from:

Stiftung Auffangeinrichtung BVG

Direktion

Elias-Canetti-Strasse 2

8050 Zürich

Tel. 041 799 75 75

www.aeis.ch

For further information please consult leaflet 6.06 – *Auffangeinrichtung BVG (Mandatory pension scheme affiliation under the Occupational Pensions Act (OPA))*.

Contract of employment

16 Is there any need for a contract of employment?

Domestic staff are required to perform work. This means that from a legal point of view the contractual relationships between domestic staff and their employers constitute contracts of employment as defined by the Swiss Code of Obligations. This applies regardless of whether there is any written contract in place or not. It is advisable to conclude a written contract so that the agreements are clearly laid down. You are required to inform your employees about certain aspects of the employment relationship in writing. Further information on this subject and sample agreements can be found on the website of the State Secretariat for Economic Affairs (SECO) www.seco.admin.ch > *FAQ on private employment law* and at www.seco.admin.ch > *Arbeit* > *Personenfreizügigkeit und Arbeitsbeziehungen* > *Schwarzarbeit* > *Arbeit korrekt melden* > *Private Arbeitgebende* > *Mustervertrag* (available in German, French and Italian).

Certain key legislative provisions are mandatory. This means that as far as these points are concerned the parties do not have the option of concluding an agreement which would place domestic staff in a less favourable position.

17 Are there any standard contracts of employment for domestic staff?

The employment of domestic staff is also dealt with in cantonal standard contracts of employment (SCE). In particular, the cantonal SCEs contain provisions on working hours and rest periods. These provisions are directly applicable to the individual employment relationships provided there has

been no other agreement reached between the employer and the employee.

The Federal Council has also issued a standard contract of employment for domestic staff (SCE for domestic staff) which includes minimum wages for domestic staff working in private households. The SCE for domestic staff is applicable throughout Switzerland with the exception of the canton of Geneva. The scope of the SCE for domestic staff mainly includes house-keeping activities and is narrower than the activities mentioned in Section 1. In addition, several types of employment in private households are not covered by the SCE for domestic staff.

The following hourly minimum wages have been applied since 1st January 2023:

| | | |
|---|-----|-------|
| «Unskilled» category | CHF | 19.50 |
| «Unskilled with 4 years of professional housekeeping experience» category | CHF | 21.40 |
| «Skilled with Federal VET Certificate or 2 years of basic vocational training» category | CHF | 21.40 |
| «Skilled with Federal VET Diploma or 3 years of basic vocational training» category | CHF | 23.55 |

Further information on this subject can be found on the website of the State Secretariat for Economic Affairs (SECO) at www.seco.admin.ch > *Arbeit* > *Personenfreizügigkeit und Arbeitsbeziehungen* > *Normalarbeitsverträge* > *Normalarbeitsverträge Bund* (available in German, French and Italian).

18 Are domestic staff entitled to holidays?

Domestic staff are entitled to at least four weeks of paid holidays per year. A holiday week must be the same as a working week. For example, someone who works three hours per week will also be entitled to these three hours of free time during a holiday week.

For employees on hourly wages, holiday pay must be calculated and paid as a supplement of 8.33 % (10.64 % for five weeks of holidays and 13.04 % for six weeks) on the (gross) wages earned to date.

Clauses stating that holidays or holiday pay are included in the employee's wages are not permitted.

19 Do employers of domestic staff continue to pay wages while staff are on maternity leave?

If domestic staff are unable to work because of pregnancy or maternity you are required to continue to pay their wages for a limited period.

Please refer to the SECO brochure on the protection of employees during maternity: www.seco.admin.ch. Further information can be found in leaflet 6.02 – *Maternity benefit*.

20 Do domestic staff continue to receive a salary during paternity leave?

You continue to pay your domestic staff a salary while they are on paternity leave. For more information, see leaflet 6.04 – *Paternity benefit*.

21 How can employers of domestic staff terminate a contract?

Fixed-term contracts end on expiry of the agreed contract term. No notice is required.

In the case of open-ended contracts, notice must be given. If the employment relationship has existed for less than one year, a period of notice of one month is required. In the second up to and including the ninth year of service, the employment relationship can be terminated with a period of notice of two months, and thereafter with a period of at least three months; in any case, notice is given to the end of a month. The period of notice may be changed and the contract must be amended accordingly. However, a period of notice of at least one month is required..

In the event of sickness, pregnancy, maternity or military service domestic staff enjoy legal protection against dismissal.

Enquiries and further information



This leaflet merely provides an overview. Individual cases can only be assessed conclusively on the basis of the relevant legislation. The compensation offices and their branches will be pleased to answer any enquiries. A list of all compensation offices can be found at www.ahv-iv.ch.

Information on labour legislation can generally be obtained from the secretariats of the labour courts. Labour law-related information of a general nature and on a regular employment contract with a minimum wage in housekeeping services (section 17) can be found on the website of the State Secretariat for Economic Affairs (SECO) (in German, French and Italian), www.seco.admin.ch.

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