
03

Work, Social Security & Regulated Activities

What are the rights and obligations of the company and its staff?

This chapter gives information on some important aspects of employment law and compulsory social security contributions.



Contents

P.51	01. Aspects of employment law
	1.1 Employment contract
	1.2 Working hours
	1.3 Daytime work
	1.4 Night work
	1.5 Leave and public holidays
	1.6 Individual and collective dismissals
	1.7 Working remotely

P.56	02. Social security
------	----------------------------

P.58	03. Regulated activities
------	---------------------------------

P.59	Useful addresses
------	-------------------------

01. Aspects of employment law

1.1 Employment contract

- The employment contract is validly concluded when a company and an employee have mutually expressed their willingness to provide work in exchange for a salary.
- The contract can be oral or written. The contract must be in written form for apprenticeship contracts or when both parties agree on conditions which are different from those provided for by the Swiss Code of Obligations (CO) (e.g. notice periods, salary payment in the event of illness or accident, etc.).
- The employment contract may be permanent or fixed-term. For permanent contracts, the law provides that, unless otherwise agreed by the parties, the first month is considered a trial month, during which time the contract can be terminated with a notice period of 7 days net. The trial period cannot under any circumstances be agreed for a period exceeding 3 months, except in cases where the work is interrupted during this period due to accident, illness or fulfilment of a legal obligation incumbent on the employee without asking to take on the obligation. In any of these cases, the trial period is extended accordingly.
- If the employment relationship has been agreed for a permanent period or for more than one month, the company must inform the employee of the following points in writing no later than one month after the start of the employment contract:
 - start date of the employment relationship,
 - position of the person employed,
 - salary and any wage supplements,
 - weekly working hours.

When elements subject to compulsory written information are modified during the employment relationship, these modifications must be communicated in writing to the employee, at the latest one month after they take effect.

Characterised by the hierarchical relationship linking the employee to the company, the employment contract is fundamentally differentiated from contracts relating to the company, an agency, mandates or limited partnerships, in which the contractor remains independent.

This distinction is particularly important with regard to compulsory social security contributions (see "Social Security" table p.56).

1.2 Working hours

Swiss law states the maximum weekly working hours as follows:

- 45 hours for people employed by a company in the industrial sector and for office staff, technical staff and other employed persons, including retail sales staff.

- 50 hours for other types of employment, except where specific regulations apply (professional drivers; clinics and hospitals; hotels, restaurants and cafés; building and civil engineering professions, etc.).

Working hours are specified in the employment contract. In Switzerland, the average working hours are set at 41.7 hours (Federal Statistical Office - 2022).

Working hours can also be set through a collective labour agreement.

1.3 Daytime work

Unless exempted, the law limits daytime work between the hours of 6am and 8pm, and evening work between 8pm and 11pm.

The company can introduce evening work without authorisation but after consulting with the employees concerned.

Day and evening work should in principle last no longer than 14 hours at a time, breaks included.

For young people under 18 years of age, this limit is reduced to 12 hours, and working hours should not exceed 9 hours. In addition, work cannot end after 8pm the day before lessons.

1.4 Night work

Unless otherwise specified, night work runs from 11pm to 6am.

Apart from certain business categories where it is permitted (clinics, hotels and restaurants, pharmacies, bakeries, etc.), night work is prohibited. However, under certain conditions and if the employees concerned give their consent, night work may be authorised by the cantonal authorities (in Geneva, the Cantonal Office of Inspection and Labour Relations - OCIRT) or federal authorities (State Secretariat for Economic Affairs - SECO).

In the case of temporary night work - less than 25 nights per year - employees are entitled to an additional salary of 25%. From the 25th night of the year, the employee has the right to 10% time off as compensation, and the company should take special protection measures.

1.5 Leave and public holidays

The minimum legal annual leave is set at 5 weeks up to the age of 20, and 4 weeks for those over 20 years of age.

Employees' salaries are due in full during leave and, with some exceptions (particularly when a contract ends), the right to annual leave cannot be replaced by monetary benefits.

Annual leave dates must be agreed with the company and should include at least 2 consecutive weeks once a year.

- New Year (1 January)
- Good Friday
- Easter Monday
- Whit Monday
- Ascension
- 1 August
- Jeûne Genevois (September)
- 25 December
- 31 December

1.6 Individual and collective dismissals

Unless there is an exception (immediate dismissal on valid grounds), dismissals can only be made subject to a notice period.

The notice periods provided for by law are:

- 7 days net within trial period
- 1 month for the end of the month within the 1st year of service
- 2 months for the end of the month within the 2nd to 9th year of service
- 3 months for the end of the month beyond the 9th year of service

Note that the law allows parties to the employment contract to set different notice periods in writing, under certain conditions. The remaining period of leave cannot, however, be less than one month, unless it is set through a collective labour agreement and in the first year of service.

Dismissal cannot be given under certain circumstances (untimely dismissal):

- completion of compulsory military or civil service (including the period 4 weeks before or after),
- total or partial incapacity for work (for 30 to 180 days depending on the number of years of service),
- during pregnancy and 16 weeks after delivery (the duration of protection can be extended under certain conditions in the event of hospitalisation of the newborn),
- leave to care for a child with serious health problems (maximum 6 months from the first applicable day),
- foreign aid service ordered by the federal authority.

If the leave was taken before the occurrence of one of these cases, it is suspended during this period.

Furthermore, dismissal may be considered unfair in certain specific cases, particularly if the reason is linked to the employee's traits (for example, because of their country of origin, their religion or membership with a trade union). If the dismissal is deemed unfair by a court, this latter may in no case order the dismissed employee to be reinstated in the company.

The only sanction provided for by law in the event of unfair dismissal consists of financial compensation, which will amount to the equivalent of six months' salary at most.

Collective dismissals (particularly on financial grounds) do not exempt companies from respecting notice periods or the provisions for untimely dismissal.

Companies must announce any decisions to terminate or reduce their workforce to the Cantonal Employment Office (OCE) and, in certain cases, consult staff beforehand. In Geneva, this procedure is compulsory when the company carries out at least 6 dismissals within a period of one calendar month.

1.7 Working remotely

Swiss law does not specifically regulate working remotely. Therefore, all legal provisions applicable to general employment relationships, such as the Code of Obligations (CO) and the Federal Employment Act (EmpA), apply in the case of working remotely. Employee and company obligations arising from these provisions, particularly in connection with health protection, data protection and confidentiality, must therefore be respected when employees work remotely. Regarding costs linked to working remotely, it is necessary to distinguish between situations where the company imposes remote working and those where it is requested by the employee. In the first case, the company is required to reimburse the costs linked to working remotely (including, where applicable, part of the rent). In the second case, no compensation is obligatory, and the company may waive the reimbursement of possible costs linked to working remotely by written agreement. In all cases, it is recommended to conclude a remote working agreement.

In the case of cross-border remote working, the duration of remote work may have an impact on social security liability. If the rate of remote working exceeds a certain threshold, the employee may be subject to the social security system in the country of residence for all of the work activity. The regulations for coordinating social security systems applicable within the European Union (applicable between Switzerland and the EU) provides that, if employees (of Swiss or EU nationality) exercise at least 25% of their gainful employment (including remote working) in the country of residence (Switzerland or the EU), they are subject to the social security system in that country. As of 1 July 2023, some EU/EFTA countries have concluded an agreement which allows employees to carry out up to 49.9% of their work from the country of residence without an impact on social security rules. This new agreement namely applies between Switzerland, Germany, Austria, France, Liechtenstein and Luxembourg. When the company's headquarters and employee's home are in countries that have signed the new agreement, working remotely is possible for up to 49.9% of their work time without social security implications.

Please note: working remotely can also have tax implications. Reference should be made to the bilateral agreements between Switzerland and the country concerned in order to determine the rate of remote working tolerated from a tax perspective. For example, Switzerland and France have concluded an agreement with provisions for cross-border employees to be able to work remotely from France for up to 40% of the time without tax implications.

02. Social security

Each company is required to join a fund to contribute to compulsory social security payments, as laid out in the table below.

Provisions for businesses

Equal contribution rate on gross salaries (in effect from 1 January 2024):

	Business	Employee
OASI/IV/EO Obligation to contribute from 1 January following the employee's 17th birthday and until the end of the month during which the insured party reaches the reference age.	5,3%	5,3%
Unemployment insurance Up to an annual salary of CHF 148,200.	1,1%	1,1%
Child benefit Geneva rate.	2,28%	
Maternity insurance In Geneva only.	0,038%	0,038%
Contributions for early childhood support In Geneva only.	0,07%	
Contribution for professional training (LFP) In Geneva only. Regressive rate according to payroll.	Between 0.03% and 0.15%	
OPA (Average rate as a % of insured salary) Compulsory from 1 January following the employee's 17th birthday and until the end of the month during which the insured party reaches the reference age. If income is greater than CHF 22,050 per year or CHF 1,837.50 per month. If the employment contract is planned for 3 months or more.	6,5%	6,5%
Loss of earnings insurance in the event of illness (IPA) Daily allowance insurance protects employees against loss of earnings in the event of illness. Cover varies from 80% to 90% for a maximum of 730 days, with waiting times varying from 3 to 90 days. This insurance is optional.	0,9%	0,9%
AIA Occupational accidents * Non-occupational accidents * In the event of incapacity for work, this insurance covers 80% of the employee's salary capped at CHF 148,200 per year, as well as treatment costs. Premiums for compulsory insurance against non-occupational accidents are due as soon as working hours at a single company reach at least 8 hours per week.	0,8%	1,3%

*Average rate as a % of insured salary.

Provisions for the self-employed

All self-employed people pay a contribution, calculated on their net income, used to determine personal OASI/IV/EO, child benefit and maternity insurance contributions.

OASI/IV/EO contributions now amount to 10%. The upper limit of the regressive scale for self-employed people's contributions is set at CHF 58,800. The lower limit is CHF 9,800.

Personal OASI/IV/EO contribution rate (in effect from 1 January 2024):

Annual income in CHF from work		OASI/IV/EO contribution rate
of at least	but less than	as a % of work income
CHF 9,800	CHF 17,500	5,371%
CHF 17,500	CHF 21,300	5,494%
CHF 21,300	CHF 23,800	5,617%
CHF 23,800	CHF 26,300	5,741%
CHF 26,300	CHF 28,800	5,864%
CHF 28,800	CHF 31,300	5,987%
CHF 31,300	CHF 33,800	6,235%
CHF 33,800	CHF 36,300	6,481%
CHF 36,300	CHF 38,800	6,728%
CHF 38,800	CHF 41,300	6,976%
CHF 41,300	CHF 43,800	7,222%
CHF 43,800	CHF 46,300	7,769%
CHF 46,300	CHF 48,800	7,840%
CHF 48,800	CHF 51,300	8,209%
CHF 51,300	CHF 53,800	8,580%
CHF 53,800	CHF 56,300	8,951%
CHF 56,300	CHF 58,800	9,321%
CHF 58,800		10%

Canton	Insurance	Annual income	Rate
Geneva	Child benefit	Up to CHF 148,200	2,28 %
Geneva	Maternity	No upper limit	0,038 %
Geneva	Contributions for early childhood support	No upper limit	0,07 %

03. Regulated activities

Switzerland practises the principle of free trade on a broad scale. Most professions are therefore unregulated.

Professions that are regulated, or even subject to authorisation, are relatively few, but it is advisable to check this information beforehand.

A list of regulated professions, together with their requirements and authorities to contact, can be consulted at the State Secretariat for Education, Research and Innovation, Einsteinstrasse 2, 3003 Bern, or on the website sbf.admin.ch.

This list is not guaranteed to be exhaustive, but it gives a good overview. It is nevertheless advisable to verify information on a case-by-case basis with the relevant authorities.

The Cantonal Office for Economy and Innovation (OCEI) in Geneva can also provide information on the subject.

Useful addresses

Office cantonal des assurances sociales (OCAS)

(Cantonal Social Insurance Office)

Rue des Gares 12 | Case postale 2696 | 1211 Genève 2
Tél. +41 22 327 27 27 | ocas.ch

Fédération des Entreprises Romandes Genève (FER Genève) Département des affiliations

Rue de St-Jean 98 | Case postale 5278 | 1211 Genève 11
Tél. +41 58 715 32 50 | fer-ge.ch

NODE – Nouvelle Organisation Des Entrepreneurs, depuis 1922

Rue de Malatrex 14 | 1201 Genève
Tél. +41 22 338 27 27 | node1922.ch

Office cantonal de l'inspection et des relations de travail (OCIRT)

(Cantonal Office of Inspection and Labour Relations)

Rue David-Dufour 5 | Case postale 64 | 1211 Genève
Tél. 022 388 29 29 | ge.ch/organisation/ocint-direction-generale-office-cantonal-inspection-relation-de-travail

Office cantonal de l'emploi (OCE)

(Cantonal Employment Office)

Rue des Gares 16 | 1201 Genève
ge.ch/organisation/office-cantonal-emploi-oce

Office fédéral des assurances sociales (OFAS)

(Federal Social Insurance Office)

Effingerstrasse 20 | 3003 Berne
Tél. +41 58 462 90 11 | bsv.admin.ch