

Institutional Documentation for Switzerland 1992

This documentation is taken from: Social Security Programs Throughout the World-1993. You'll find the main information about the different social protection programs in Switzerland at the time of the survey. Before the actual information about the programs you'll find which LIS- variables are related to these programs. For more information about the composition of the LIS variables, please see the LISIFICATION tables in the documentation by country.

Old Age
Old Age pensions ? Lis variable V19 includes
v19s1 basic old age benefit,
v19s2 supplementary old age benefit,
v19s3 early retirement benefit,
v19s4 survivors pensions and
v19sr other social retirement income

Legislation:

First Laws: 1946: old age and survivor pensions, effective since 1948
1959: disability pensions, effective since 1960
1982: old age, survivor and disability pensions, effective since 1985

Old Age benefits are part of the social insurance system; there is also a mandatory occupational pension system under 1982 law.

Coverage:

All persons domiciled in Switzerland who are gainfully employed.
Excluded are: Diplomats, alien employees of international organizations, aliens under equivalent foreign system if their inclusion would impose an unreasonable burden, residents not engaged in paid activities
Swiss citizens residing abroad may join voluntarily

Mandatory occupational systems: Employees whose earnings exceed 22.560 francs annually. (1.00\$ equals 1.43 francs)

Self-employed may insure on a voluntary basis

Qualifying conditions

Old age pensions (LIS variable V19S1 basic old age benefit)

Age 65 for men, 62 for women. To be entitled to a full pension it is required to have made contributions in all years since 1948, or from age 21 if later.

A partial pension is payable for shorter insurance periods, however at least 1 year's contribution is required to make a claim.

Disability pension (LIS variable V19sr)

Full pension if person is at least 66.6% disabled, one-half pension if at least 50 % disabled, and one quarter pension if at least 40% disabled. To receive a full pension it is required to have made contributions in all years since 1948, or from age 21 if later.

Survivor pension (Lis variable V19 S4, no separate variable available in survey, therefore included in V19 S1)

For full pensions, the deceased widow/widower must have been contributed since 1948 or from age 21 if later.

At least one year of contributions is required to receive any pension.

Mandatory occupational pensions are payable at age 65 (men) or age 62 (women); disability and survivor pensions are payable to widows, widowers as well.

Size of benefits

Old age benefits (LIS variable V19s1)

80% of minimum monthly pension, plus 1.67% of average annual revalued earnings.
Minimum and Maximum pensions, 940 francs and 1880 francs a month (1993) Husband and wife qualify at age 65 and 62, respectively

A couple's pension equals 150% of the single pension if husband and wife both have reached pensionable age.

Partial pension: Percent of full pension related to number of years since 1948 or age 21 if later) in which contributions have been made.

Dependent's supplements: Spouse aged 55-61, 30% of pension.
Each child under age 18 (25 if student), 40% of pension.

Means-tested allowances for aged citizens? (LIS variable V19s2 but since this is a means tested variable it's included in Lis variable V25 S2, Old Age assistance)

All these benefits are adjusted every 2 years, based on changes in prices and wages.

Mandatory occupational pensions: 7.2% of accumulated funds in personal account, with interest. Child will receive 20% of pension of insured. Adjusted for price increases as available funds permit.

Permanent Disability Benefits

Disability pension: 80% of minimum monthly pension plus 1.67% of average annual revalued earnings.

Minimum and Maximum pensions, 940 francs and 1880 francs a month.

Couple's pension 150% of single pension, ranging from 1410 to 2820 francs per month. Payment of either full pension, 50% of pension or 25% of pension; based on degree of disability shown under qualifying conditions. Partial pension, same as for old age pensions.

Dependent's supplement: Wife, 30% of pension.

Child under age 18 (25 if student), 40% of pension, 60% if more than one child

Mandatory occupational pension: 7.2% of accumulated funds to age 65 (men), 62 (women) with interest. Full pension if 2/3 disabled, half pension if 45 %disabled.

Means tested allowance payable to disabled citizens.

Benefits adjusted every 2 years, based on changes in prices and wages.

Survivor benefits

Survivor pension: 80% of pension of insured, payable to widow if caring for child, or if age 45 and married at least 5 years when widowed. Minimum and maximum benefits 9024 and 18048 francs a year respectively. Other widows, lump sum of 2 to 5 years' pension according to age when widowed

Orphans: (LIS variable V20S3, orphans pension allowance, included in V20, child or family allowances)

40% of pension of insured for each orphan under age 18 (25 if student); 60 % if both parents deceased.

Means tested allowance also payable to survivor citizens.

Mandatory occupational pensions: Widow 60% of full disability pension

Orphans' pension 20% of full disability pension.

Adjustment: Benefits reviewed every two years based on changes in prices and wages

Financing of old age benefits

- Insured person:

Employees pay 4.2 % of earnings for old age and survivors benefits, 0.6% for disability benefits.

Self employed pay 7.8 % of earnings for old age and survivors benefits, 1.2 % for disability benefits (according to a decreasing scale of contributions).

- Employer

Employers pay 4.2 % of payroll for old age and survivors benefits, 0.6 % of payroll for disability benefits. For the mandatory occupational system, the contribution of the employer has to be at least equal to the employee's contribution.

- Government

Annual subsidies to social insurance system covering about 20.5 % of costs for old age pensions (17.5% from federal government, 3% from cantons)
The government pays 50% of cost for disability benefits (3/4 federal, 1/4, from cantons).

Administrative Organization

Federal department of interior has the general supervision.

Federal Social Insurance Office in Department takes care of the national administration of program.

Collection of contributions, recording of contributions, and payment of pensions are carried out by decentralized network of cantonal, industrial and federal equalization funds.

Government central equalization office maintains a register of all insured persons and pensioners.

Mandatory occupational pensions are under general supervision of Federal Social Insurance Office and cantons.

Some 15.000 insurance companies do the administration.

Unemployment ? LIS variable V21 S1, Unemployment Insurance
Including:
V21 s2: training or retraining allowance and
V21 s3: placement or resettlement benefits, for the two latter no separate variables were available in the original dataset and are therefore included in V21S1

Legislation: First federal law: 1924 (subsidies effective 1925)

Current federal law: 1982 (compulsory insurance effective January 1984)

The unemployment insurance is part of the social insurance system.

Coverage: employed persons

excluded are: self-employed persons, family farm workers and old age pensioners.

Qualifying conditions: 6-18 months of employment during the last 2 years; waived for certain categories. One has to be registered at the communal employment office and be willing and able to accept suitable work.

Size of benefits

Unemployment benefits: 70% of daily earnings (80% if married), payable after a 2-day waiting period for up to 85 days with 6 months contribution (170 days with 12 months contribution and 250 days with 18 months contribution. Children's supplement if not receiving family allowances.

Benefit is reduced with 5 % after 85 days and a further 5% after 170 days. (no reduction if aged 55 or older or disabled or if benefit is less than 90 francs)

Partial unemployment benefit: 80% of loss of earnings in case of short-time work for up to 12 months in a 2 year period; or in case of bad weather, without limitation.

Benefits also paid in case of employer insolvency (up to maximum of 3 last months)

Administrative organization: Federal Office on Industry, Trade and Labor for the approval and supervision of unemployment funds in collaboration with cantonal employment offices.

Federal Social Insurance Office supervises the payment of contributions

Cantonal and communal unemployment funds (public funds) administer program for cantons and communes. In addition, some funds administer programs for certain professional groups.

Financing

- Insured person: 1% of earnings
- Employer: 1 % of payroll
- Government: federal and cantonal low interest loans to cover deficits.

Maximum earnings for contribution and benefit purposes. 97.200 francs a year.

Sickness ? LIS variable V26 S3 Medical benefits
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Legislation: First and current Federal law: 1911 (subsidies and minimum standards, effective progressively 1912 and 1914)

Cantonal laws govern program in each Canton, subject to minimum standards of Federal Law

Mixed compulsory and voluntary social insurance system

Coverage: members of approved sickness insurance funds (providing medical benefits mainly). Funds may fix age requirements for membership. Family members must join the

fund individually to be covered. Membership in a fund is generally compulsory, especially for residents with income below specified limit (about 23% of all Swiss residents). Elsewhere, membership is voluntary (no Canton makes insurance compulsory for cash benefits). About 99% of population belongs to a sickness fund and has medical and pharmaceutical coverage.

Qualifying conditions

Cash sickness benefits: Funds may require 3 months of membership

Size of benefits

Sickness benefits: federal minimum, applicable to all funds, 2 francs a day. Higher benefits according to fund and rate for which person is insured. Sickness benefits are payable after waiting period of not over 3 days (or less at local option) for up to 720 days in a period of 900 consecutive days as fixed by individual funds

Financing

- Insured person: Membership fees vary among funds and according to benefits for which one is insured. Fees cover about 78 % of cost, on average. Coinsurance payments cover about 7% of cost.
- Employer: none, by law (some collective agreements require employer to share employees' membership fees)
- Government: Federal and cantonal subsidies to all approved funds, based on membership and benefits provided; special subsidies for maternity, tuberculosis, mountain residents and disabled. Also some cantonal and communal (municipal subsidies)

Administrative Organization

Federal office of Social Insurance is charged with supervision of sickness funds and their compliance with federal standards for purposes of subsidies.

Approved sickness insurance funds, administration of contributions and benefits for members. Funds number about 269, of which about 40% are public funds operated by Cantons or Communes (municipalities) and open to all qualified residents, remainder are cooperatives or private associations, either open to all or limited to a particular industry or establishment.

Maternity ? LIS variable V22, maternity allowances, is part of the sickness insurance in Switzerland so this is included in V26S3

Coverage (see sickness)

Qualifying conditions:

To receive maternity benefits one has to be member of a sickness insurance fund for 9 months without interruption of more than 3 months, according to fund.

Maternity benefits

Ordinary sickness benefit, payable for up to 10 weeks, including at least 6 weeks after confinement: insured at least 270 days prior to confinement, with no more than 3 months interruption.

Nursing allowance: 50 francs.

Family allowances ? LIS variable V20, child or family allowances includes :

v20s1 child allowances, these are included in V1

v20 s2 advanced maintenance payment, does not exist or is included in V1

v20s3 orphans pension allowance, if present included in V19S1 and

v20sr other child allowances, no information in survey

Legislation: First and current federal law: 1952 (agriculture only)

Cantonal laws: All cantons have laws enacted during or after 1943.

Type of program: Employment related system

Coverage: Agricultural employees and small self employed farmers who have 1 or more children or who are married

Cantonal programs: Nonagricultural employees and small self-employed farmers with 1 or more children; several cantons also cover some self-employed, including farmers. Employers usually affiliate with family allowance funds in some cantons, employers may guarantee payment. There is a special system for public employees.

Qualifying conditions

Federal program: child must be under age 16 (20 if unable to work and not receiving a full disability pension), 25 if student

Cantonal programs: In most of these programs, child must be under 16 (18-20, if disabled, 25 if student)

Size of Benefits

Federal program: 155 francs a month for first 2 children, 160 francs a month for third and subsequent children (mountain regions)

135 francs a month for 2 first children and 140 francs a month for the third and subsequent children (other than mountain regions)

Cantonal Programs: legal minimum, 120 francs to 280 francs a month for each child according to canton. Funds often pay higher amount than legal minimum. Birth grants (600 francs to 1300 franc a month) and higher education allowances (135 francs to 360 francs a month) in some cantons.

Administrative Organization

Cantonal programs: Administered by numerous public and approved private family allowance funds, supervised by cantonal governments. Employers usually pay allowances with wages and settle only surplus or deficit with fund.