

INFORMATION SHEET: ON SOCIAL INSURANCE IN SWITZERLAND

1. General information on social insurance

Social insurance in Switzerland is based on three pillars:

1. First pillar (AHV/IV/EO) – compulsory state pension scheme
2. Second pillar (BVG/pension fund) – occupational pension provision
3. Third pillar (private pension provision 3a and 3b) – voluntary private pension provision

2. Obligation to contribute to the 1st pillar (AHV/IV/EO)

From when must contributions be paid in?

- Persons in gainful employment: From January 1 after the 17th birthday
- Persons not in gainful employment (e.g. students): From January 1 after their 20th birthday
- When moving to Switzerland: Obligation to pay contributions applies from the time of taking up employment or after one month from moving to Switzerland for persons not in gainful employment

Calculation of contributions

- Employees: Contribution rate of 10.6% of gross salary (5.3% employer/employee)
- Non-employed persons: Contribution calculated on the basis of assets and any pension income
 - Minimum contribution 2025: CHF 530 per year
 - Maximum contribution: CHF 60'500 per year

3. Special case: Students and persons not in gainful employment

Students aged 20 and over must pay contributions as persons not in gainful employment if they earn little or no income. The contribution amount depends on assets and pension income, whereby the minimum contribution of CHF 530 (2025) applies.

4. Self-employment as a secondary occupation

Special rules apply to self-employed persons with regard to the obligation to pay contributions:

- Income under CHF 2'500 per year: Contributions are voluntary
- Income between CHF 2'500 and CHF 10'100 per year: Contributions are levied at a flat rate, minimum contribution is CHF 530
- Income over CHF 10'100 per year: Contributions are income-dependent (5.371% to a maximum of 9.7%, up to a maximum of CHF 60'500)

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5. Second pillar (BVG/pension fund)

Occupational pension provision is mandatory for employees with an annual income of CHF 22'680 or more (as at 2025).

- Employees aged 25 and over pay contributions to the pension fund.
- The contribution varies depending on age and salary level (e.g. 7% to 18% of the insured salary, half paid by the employer and half by the employee).
- Self-employed persons are not compulsorily insured, but can join voluntarily, provided that the professional association offers a pension fund.

25% rule for part-time employment

- If an employee is employed by several employers and does not exceed the BVG minimum salary with any one employer, but achieves at least 25% of a full-time workload in total, voluntary insurance in the pension fund is possible.
- In this case, a combined obligation to pay contributions via a substitute institution is possible.

6. Third pillar (private pension provision)

The third pillar is voluntary and is used for individual retirement provision.

- Pillar 3a: Tax-privileged pension provision, max. payment amount 2025:
 - Employed person with pension fund: CHF 7'258
 - Self-employed person without pension fund: 20% of income, max. CHF 36'288