



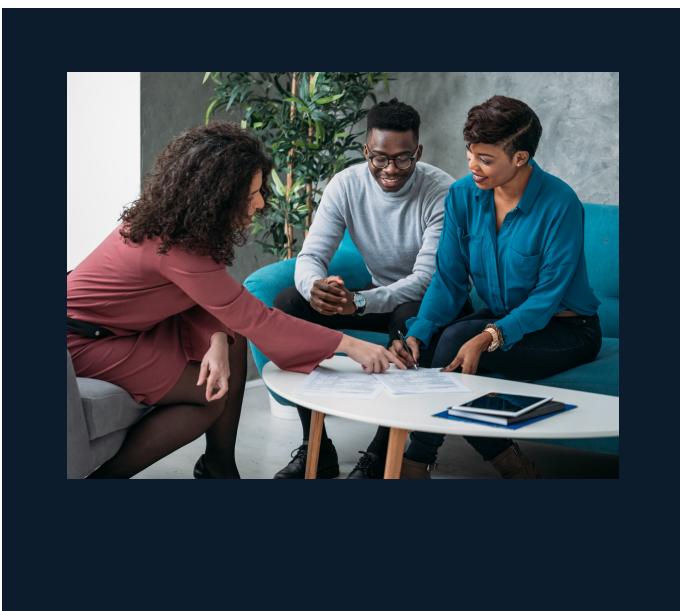
# Your Guide to Arriving in Switzerland

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## A Step-by-Step Guide

to what you should know before or whilst living in Switzerland to make the most of your finances and how having a financial planner can benefit you.



When arriving in Switzerland, our job as Financial Planners is simply to:

Help you understand the Swiss Pension System (1st, 2nd, 3rd)

Discover how to optimize your taxes & financials  
Source and Present suitable solutions

Implement holistic solutions catered to your lifestyle

Keep you on track and assist on an ongoing basis

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# Table of Contents



## About Us

A brief description of Swisstantial

## Obligations

What are my rights & obligations as a Swiss resident?

## Swiss System

How does the Swiss pension system work?

## Payslip

How do I read my payslip? What does it mean?

# About Us

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We would like to take this opportunity to introduce ourselves as Swissential, a premier financial services and intermediary company based in Switzerland. We are thrilled to provide you with our comprehensive range of financial solutions and services.

At Swissential, we pride ourselves on offering customized financial solutions that cater to your specific needs and preferences. Whether you are an individual or a business, we are committed to helping you achieve your financial goals by providing expert advice and tailored solutions.

In this case, arriving in Switzerland and knowing where to begin is a priority for you, and we hope our guide will be a good starting point for this. This guide is intended to provide further information towards questions we often receive from clients who may have recently come to Switzerland or have been here a little while and are ready to know more about their financial benefits. May you enjoy this guide as much as we did writing it.

~ Swissential Team





# What are my obligations and rights as a Swiss resident?

As a Swiss resident and a valid permit holder, you have rights provided by and obligations to fulfil towards your new host country. Some of the rights most relevant to you are State Pension Benefits, Mandatory Company Pension Coverage, Accident insurance, Child Benefits, Unemployment Benefits, as well as the right to access all or part of your pension in cash when leaving Switzerland.

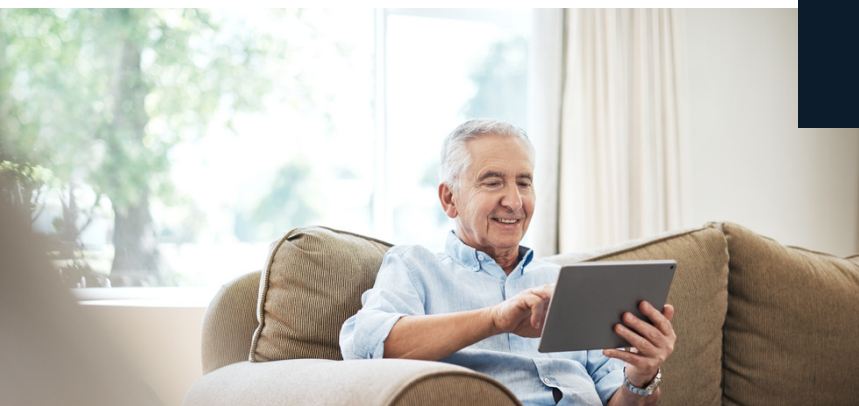
As an expat living as a Swiss resident, you have both financial rights and obligations. Here are some of the key points to keep in mind:

## Financial Rights

- You have the right to open a bank account in Switzerland, regardless of your citizenship or residency status.
- You have the right to work and earn income in Switzerland, subject to Swiss labour laws and regulations.
- You may be eligible for social security benefits under the Swiss pension system, depending on your employment status and contributions.
- You may be entitled to tax credits and deductions, depending on your income, expenses, and residency status.
- You have the right to purchase and own property in Switzerland, subject to certain restrictions for non-Swiss citizens.

## Financial Obligations

- You are required to pay taxes on your income and assets in Switzerland, regardless of your citizenship or residency status.
- You are required to comply with Swiss banking and financial regulations, such as reporting foreign bank accounts and complying with anti-money laundering laws.
- You may be required to contribute to the Swiss pension system, depending on your employment status and contributions.
- You are required to obtain health insurance coverage, either through a private insurer or the Swiss public health insurance system.
- You may be required to obtain a work permit or residency permit, depending on your employment status and residency status.



It is important to consult with a qualified financial advisor or accountant to fully understand your financial rights and obligations as an expat living in Switzerland.

# How does the Swiss pension system work & apply to you?

1st Pillar, 2nd Pillar, 3rd Pillar, Mandatory contributions, Sur-obligatory contributions, lock-in period, buy-back, buy-forward, AVS bridge, tax-optimization, access to a property using pension funds (primary?). According to the latest survey a third of Swiss Nationals do not know how their pension system works; who can blame you for not understanding it yourself when parachuted in from abroad?

## What is the Swiss Pension System?

The Swiss pension system, also known as the three-pillar system, is a comprehensive system that provides retirement, disability, and survivor benefits to individuals living and working in Switzerland. The system consists of three pillars, each with its own purpose, rules, and financing:



### 1. The First Pillar - The OASI/DI

The first pillar is a mandatory, public social insurance system that provides basic retirement, disability, and survivor benefits to all residents of Switzerland, regardless of their income or wealth. This pillar is funded by payroll taxes and is managed by the Swiss social security agency, known as the Swiss Compensation Office (SCO). The benefits provided by the first pillar are designed to ensure a minimum standard of living for retirees, disabled individuals, and their dependents.



### 2. The 2nd Pillar - 2a/b Workplace Pensions

The second pillar is a mandatory, occupational pension system that provides supplementary retirement, disability, and survivor benefits to employees and self-employed individuals who earn at least CHF 25,725 (2023) per year. This pillar is funded by contributions from employers and employees and is managed by pension funds, which are typically established by employers. The benefits provided by the second pillar are designed to supplement the benefits provided by the first pillar and ensure a comfortable standard of living for retirees.



### 3. The 3rd Pillar - Private Pensions

The third pillar is a voluntary, private pension system that provides additional retirement savings options for individuals who want to supplement their first and second-pillar benefits. These are funded by individuals and can provide tax benefits. The benefits provided by the third pillar are designed to provide additional financial security and flexibility in retirement.

Overall, the three-pillar system in Switzerland is designed to provide a comprehensive and sustainable system of retirement, disability, and survivor benefits for individuals living and working in Switzerland.

# How do I read my payslip? What does it mean?

OASI / AVS / AHV, Maternity Insurance, Unemployment Insurance, Non-Professional Insurances, Obligatory Pension, Extra-Obligatory Pension, Specific company savings plans (ISOP, etc.), and Tax at source; whilst it is easy to find definitions of these terms on Google, it may not be clear why they are deducted from your payslip and what entitlements they offer in return. To add further confusion, if you work for a mid-size company your payslip will almost certainly be in French or German, making it difficult to understand.



## Payslip in Switzerland

Reading a Swiss payslip can be complex, but it is important to understand the information contained in it to ensure that you are being paid correctly and to monitor your taxes and social security contributions.

Here are some of the key elements typically found on a Swiss payslip:

- **Gross salary:** This is your total salary before any deductions are made.
- **Social security contributions:** This includes contributions to the Swiss pension system (first pillar) and the occupational pension system (second pillar).
- **Taxes:** The amount of taxes withheld from your salary is listed on your payslip. It is important to note that taxes in Switzerland are calculated on a progressive scale, so the more you earn, the higher the tax rate.
- **Other deductions:** This includes any other deductions made from your salary, such as health insurance premiums or voluntary contributions to a private pension plan.
- **Net salary:** This is your salary after all deductions have been made.
- **Benefits:** This includes any additional benefits you may be receiving, such as vacation pay or bonuses.
- **Hours worked:** The number of hours you worked during the pay period is typically listed.
- **Dates:** The pay period start and end dates are typically listed, along with the date of the payslip.

It is important to carefully review your payslip to ensure that all of the information is accurate and that you are being paid correctly. If you have any questions or concerns, it is best to speak with your employer or a qualified financial advisor.





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# Thank you!

for downloading our guide. We'd love to hear your feedback and see how we could further assist with any of your questions & circumstances.



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