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## Wage protection

### What is it about?

The Swiss-EU discussions on wage protection concern posted workers i.e. people sent to work in Switzerland on a temporary basis by their employer who is based in an EU member state.

To ensure that this practice does not result in the unfair undercutting of wage or working conditions applicable in Switzerland, and that both domestic and foreign companies are given a level playing field, a number of accompanying measures were introduced in 2004, including the Posted Workers Act. The Act contains provisions on:

- the registration procedure for postings,
- the pay and working conditions of posted workers,
- how compliance with these conditions is monitored,
- and sanctions for violations.

Postings within the EU are also regulated. As Swiss-EU relations continue to develop, Switzerland's adoption of the EU's Posting of Workers Directive in principle is to be agreed. Many of the conditions for posted workers that apply in Switzerland also apply in the EU, but Switzerland also has its own additional measures for which solutions need to be found.

### Outcome of exploratory talks and outlook for negotiations

If Switzerland adopts EU law on posted workers, a threefold safeguard concept as set out during the exploratory talks may be agreed. This will include principles, exceptions and a non-regression clause.

- **Principles:** Switzerland implements a 'same pay for the same work in the same place' principle. This means that employers posting workers to Switzerland must comply with Swiss regulations on the payment of employees and posted workers. Another example is the continued monitoring of compliance with wage and working conditions by joint commissions (trade unions and employees) as part of a dual control system.
- **Exemptions:** These are intended to safeguard Swiss specificities, such as the pre-registration period for foreign companies wishing to provide services in Switzerland along with the obligation to pay a financial guarantee. If EU law on posted workers changes, these exemptions will not be subject to the dynamic adoption of legislation and will remain in place.
- **Non-regression clause:** If there are future amendments to EU law on posted workers that worsen the level of protection for such workers in Switzerland, there will be no obligation to adopt these amendments. The non-regression clause should therefore ensure that there is no erosion of Swiss wage protection levels.

Rules on expenses also fall under the category of wage protection. The rules that are applied for companies in Switzerland and neighbouring countries are similar; however, some EU member states have lower allowances. If a posted worker is entitled to less reimbursement than a national employee, this can result in unfair competition. This issue must therefore be addressed again in the negotiations.

Discussions with the Swiss stakeholders in this regard are ongoing. The aim is to find a satisfactory solution whereby the current level of protection can be maintained.