



Private Household Employees Ordinance (PHEO)

Information Sheet No. 2

OCCUPATIONAL PENSION INSURANCE SCHEME

Occupational pension insurance (old age, survivors' and disability insurance – LPP) is a supplementary insurance to Swiss social insurance scheme (see Information Sheet No. 1). It is compulsory in Switzerland for all employees subject to Swiss social insurance scheme AVS/AI/APG/AC/AFam, if their total salary (monthly wage in cash plus benefits in kind) is CHF 21,510 per annum or CHF 1,792.50 per month or higher.

Compulsory registration:

If the private household employee is registered for Swiss social insurance scheme AVS/AI/APG/AC (see information Sheet No. 1), the employer is obliged to register him/her for the occupational pension insurance scheme with an existing Swiss provident fund (operated by an insurance company or bank) or via the supplementary occupational pension insurance scheme foundation (*Institution supplétive LPP*).

If the private household employee is exempted from the Swiss social insurance scheme due to his/her affiliation to a social security insurance scheme in a another State, he/she is not subject at the LPP and the employer doesn't have to provide any exemption form to LPP.

Contributions:

The employer must contribute alone to the payment of all contributions for both employer and employee. He/she cannot make any deductions on the net monthly salary of his/her private household employee. The amount of the contributions is calculated by the institution concerned based on the total salary of the private household employee declared by the employer. The total salary includes:

- the amount of the salary in cash and
- the value of the salary in kind (CHF 345.— for the accommodation and CHF 645.— for the food) or, depending the case, the amount paid to the rent by the employer who is furnishing at his/her private household employee an accommodation which is not within the employer's home or even the amount of the indemnity that the employer pay to his/her private household employee for the accommodation and/or the food.

The costs related to the Swiss health insurance or in another State, at the Swiss accident-insurance or another State and the contributions of the occupational pension insurance that the employer must pay are however not add to the total salary of the private household employee and theses amounts are not subject for LPP contributions.



The contribution rates vary from one occupational pension institution to another and following the method of financing that has been chosen by the employer. By way of indication, the medium rate in percentage to the salary of the LPP contributions, depending of the age of the assured person, is as follows:

Rate in % of the LPP coordinated salary

- from 25 to 34 year old age: 7% of the total salary
- from 35 to 44 year old age: 10% of the total salary
- from 45 to 54 year old age: 15% of the total salary
- from 55 to 65 year old age: 18% of the total salary

Reimbursement of contributions:

The private household employee who leaves Switzerland definitively may request reimbursement of the total amount of contributions (i.e. both the employer's and the employee's share) for old age insurance excluding the portions paid to cover death and disability. Requests for reimbursement have to be addressed to the institution with which the private household employee is insured.

Vested benefits:

Please refer to the information of the Federal Social Insurance Office (<https://www.bsv.admin.ch/bsv/en/home/social-insurance/bv/grundlagen-und-gesetze/grundlagen/vergessene-freizuegigkeitsguthaben.html>).