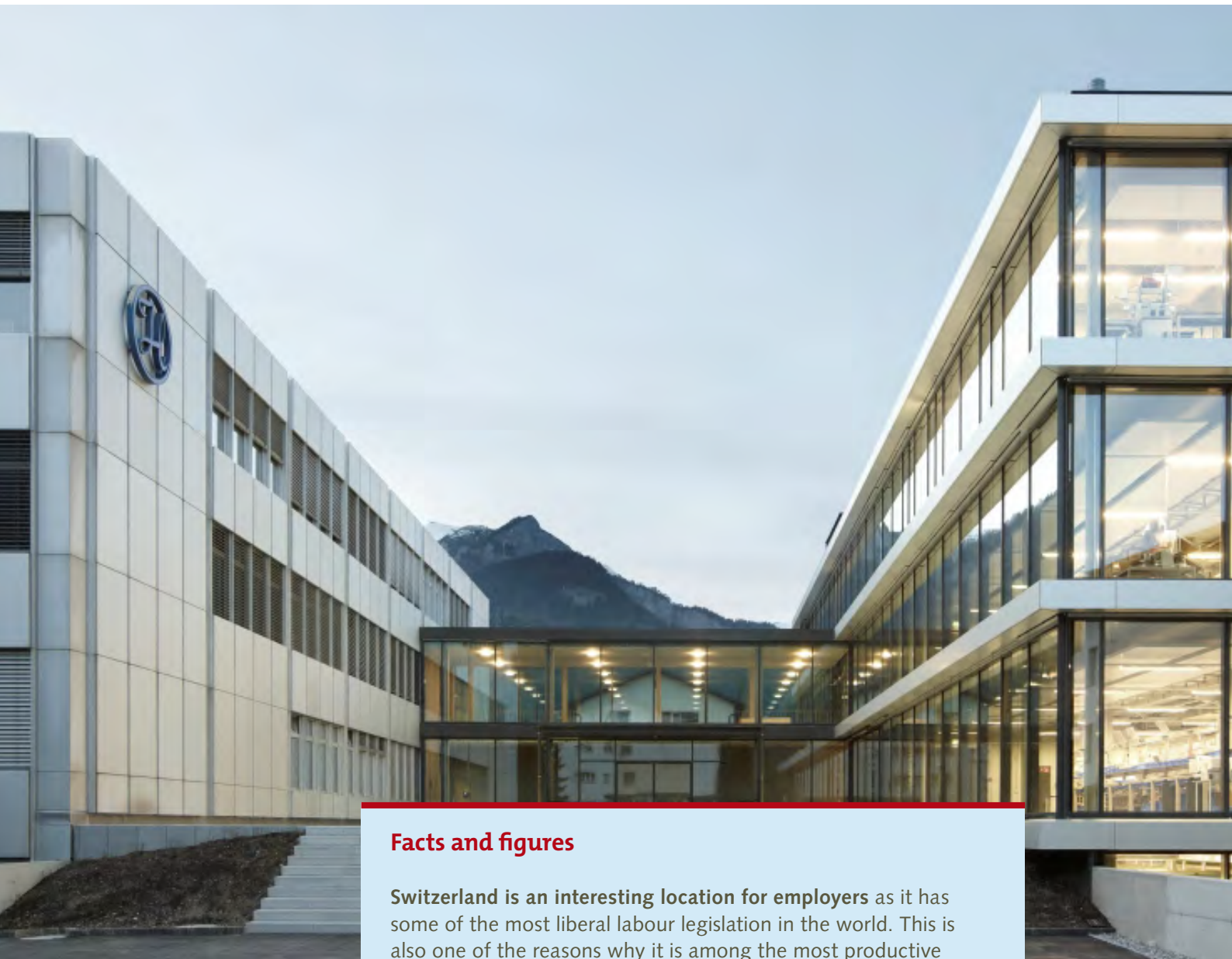


Liberal and international



Hamilton Bonaduz AG,
Bonaduz

Facts and figures

Switzerland is an interesting location for employers as it has some of the most liberal labour legislation in the world. This is also one of the reasons why it is among the most productive countries in the world. Business relationships with foreign countries are close – above all in the Grisons thanks to its central location on the north-south axis Stuttgart/Munich-Milan.

Workers from abroad value the opportunity to work here: Labour market conditions are among the best in the world and at the same time, workers in the Grisons enjoy a relaxed lifestyle and high quality of life.

Switzerland and Europe

From a cultural and geographical point of view, Switzerland lies at the heart of Europe. Even if it is not a member of the European Union, it still has close political and economic connections to its European neighbours. Different bilateral agreements and dynamic European policies create an intensive political partnership and a high degree of European integration – to the advantage of both Switzerland and the EU.

The European Union is Switzerland's most important trade partner: 55 % (2014) of Swiss exports are headed for countries in the EU region and conversely, 73 % (2014) of all imports to Switzerland originate in the EU. A comprehensive free trade agreement and the bilateral agreements make free exchange of goods and services possible – even without Switzerland being an EU member. Based on these agreements, Switzerland is fully integrated into the EU market with its 505 million consumers, but still remains politically independent.

Switzerland and third countries

Switzerland also has intensive relationships with other important international markets, in particular America and Asia. More than 28 free trade agreements with 38 partners throughout the world supplement the EFTA convention and the free trade agreements with the EU. The Swiss free trade policy creates top framework conditions and is aimed towards continually optimising these in order to exchange goods and services with important partners. Agreements with all major industrial countries ensure that companies are only taxed in one country.

Relations with Europe and the EU

www.europa.admin.ch

Relations with other international markets

www.seco.admin.ch

The Swiss labour market is one of the most liberal in the world

Key figures

1st place
for attraction of Switzerland
for a highly-qualified labour force

130
nationalities have permanent
residence in the Grisons

30 %
higher work productivity
than the European average

1st place
Switzerland is the
most competitive country
in the world

Source: IMD 2013, Statistik Graubünden 2015 and the WEF Global Competitiveness Report 2015

The World Economic Forum (WEF), Davos



International companies find ideal conditions

Less expensive than elsewhere in the end

One of the most important aspects of work performance is productivity. This is measured in an international comparison, as gross national product per work hour. Switzerland is represented as one of the most productive countries in the world. Internationally active companies located in the Grisons, such as Trumpf, Wittenstein, Hamilton or EMS CHEMIE confirm that they find a very good price-to-performance ratio here. Reasons for this are, on the one hand, high productivity, and on the other hand the low administrative outlay, real estate prices and salary levels in the Grisons as well as the business-friendly environment.

An open business culture

The business culture in the Grisons is uncomplicated and solution-oriented. The share of foreign workers in the working population is just under 25 %. Foreign employers and companies value the internationality in the Grisons. Around 130 nationalities have permanent residence here. Tolerance and lingual and cultural diversity are characteristics of the canton. Most inhabitants of the Grisons speak at least one foreign language. English is very present in international business life along with the official languages and is often used by management leaders. Expats value the Grisons not just as a place to work, but also as a place to live.

High purchasing power

Swiss employees have very high purchasing power. In 2014, Switzerland was rated first place in Europe with an available income of EUR 37,153.– in front of Norway and Luxembourg.

Stable with little bureaucracy

Legal security and long-term stable decision-making principles are important criteria for internationally-oriented companies. This is compounded by a relatively low degree of regulation: International comparisons confirm that management leaders in Switzerland are required to devote less time than elsewhere to federal bureaucracy. Companies in the Grisons benefit from a leanly organised government and a business friendly climate.

“We were looking for a production location which is competitive against low-wage countries and which offers legal stability.”

Alfred Lingg,
CEO Li & Co AG, Müstair



The Swiss-Made label is particularly important for high-tech products

Work and residential permits for foreigners



There are four different work or residential categories for EU/EFTA citizens:

Cross-border commuters (G Permit)

Cross-border commuters receive a permit allowing them to work but not live in Switzerland.

Short-term residential permit (L Permit)

These permits are granted for a limited work contract with a maximum duration of 364 days.

Residential permits from 365 days (B Permit)

These residential permits are granted for unlimited contracts and those which have a duration of more than 12 months. Self-employed workers resident in Switzerland also receive a B Permit. These permits are generally valid for a period of 5 years.

Permanent residential (C Permit)

After holding a residential permit for 5 years, a permanent residential permit C can be applied for.

The canton Grisons has an uncomplicated permit procedure. Applications to start self-employed work are generally processed within one week. Foreign workers who have an employment contract in the canton Grisons have the possibility of travelling into the country before receiving a permit and to start work as soon as they have completed the registration procedure with the community authorities at their place of residence.

The following regulations apply for third states as well as Croatia, and from May 31, 2016 at the latest also for Romania and Bulgaria:

Residential permits from 365 days (B Permit)

As a rule, these permits are limited to a duration of 12 months. A change of job or canton is possible after approval. Holders are taxed at source, contingents apply. (Exemptions in some cases: e.g. spouses of Swiss citizens have the same rights as Swiss citizens.)

Permanent residential (C Permit)

Holders have the same rights as Swiss citizens with regard to the labour market; no taxation at source.

Cross-border commuters

A change of job is possible if approved. A change of canton is not possible. Holders are taxed at source.

Short-term residential permit (L Permit)

A change of job or canton is not possible. Holders are taxed at source.

Trainee permits (Stagiaire permits)

Valid for maximum 18 months; only applicable for vocational trainee programmes for qualified young professionals.

Management transfers

According to the General Agreement on Trade in Services (GATS), indispensable management executives may receive a permit to stay in Switzerland for three years. This permit may be extended for a further 12 months.

Citizens from countries outside the EU/EFTA region require in any case a work and residential permit. Holders of a permanent residential permit may change their place of work or profession or may carry out self-employed work in any area of the country without special approval. Control and due diligence obligations with regard to the permits are the responsibility of the employer who must also ensure that foreign workers have all necessary approvals to be entitled to start work.

Work productivity in a country comparison

Per employee and per year in USD

Switzerland	145,893
Germany	86,872
Italy	92,386

Source: IMD World competitiveness 2014

General labour market conditions



General points

Swiss labour-market laws are characterised by large private autonomy. In this way, employers and employees can agree on contractual conditions themselves while taking into account the stipulated minimum values as well as any already existing individual or general work contracts.

Wages

No legal regulations governing minimum or maximum wages exist in Switzerland. Conventional local and segment wage levels should be followed in each case as well as any existing trade-specific general or standard work contracts.

Wage costs

Monthly salary	As per individual agreement
Paid holidays	approx. 20–25 days
Paid public/religious holidays	approx. 10 days
Paid short absences (e.g. marriage, births, moving)	As per individual agreement
Annual year-end salary	13 th months' salary (not legally compulsory)
Social contributions (see table on right)	Are calculated onto the wage costs
Total labour costs	Including all above-mentioned items



“The internationality and good infrastructure led to various Würth subsidiaries being located today in the Grisons.”

Michel Kern, CEO and Member of the Central Managing Board of the Würth Group, Würth International AG, Chur

A model social insurance system

Switzerland has a large network of social insurance providers that offer extensive protection for people living and working in this country and their families against risks with financial consequences.

Retirement provisions are based on three pillars: state, employer, and individual contributions. The individual shoulders a high degree of personal responsibility, so contributions for companies and insured parties are correspondingly moderate.

Social contribution rates

	Employer	Employee
Old-age welfare and invalidity pension (AHV, IV, EO)	5.15 %	5.15 %
Unemployment insurance (ALV) → Without solidarity contribution	1.1 %	1.1 %
Income above CHF 126,000.–	0.5 %	0.5 %
Obligatory company pension scheme (BVG) → Without risk premiums (3–4 %)	3.5–9.0 %*	3.5–9.0 %*
Compulsory accident insurance (medical costs for work and private accidents) (UVG)	–	Variable depending profession and risk
Non-occupational accidents	–	Variable depending profession and risk
Child benefits/family allowance (FAK)	1.65 %	–

*depending on age and gender, in % of the insured wage

Accident/sickness insurance schemes

The compulsory accident insurance (UVG) covers medical costs arising from occupational accidents and diseases and, depending on the degree of employment (part-time, hours worked each week) can also cover non-occupational accidents. It is financed jointly by employers and employees. All employees working in Switzerland must be covered by the compulsory UVG accident insurance.

In accordance with the health insurance law (KVG), basic health/medical care insurance is compulsory for everyone residing in Switzerland and is financed privately.

Termination of employment

It is a basic principle that an employer or an employee may freely terminate an employment relationship while observing the specific periods of notice. In Swiss Law, no provision is made for co-determination by a works council or employee representation in the event of termination of employment.

During a probationary period, which may last up to three months, an employment relationship can be terminated at any time while observing a period of notice of up to seven days. Afterwards, the period of notice for an employment relationship lasting less than a year is one month. From the 2nd to the 9th year of employment, the period of notice is two months and afterwards three months. A longer period of notice is also permissible. In only a very few cases does Swiss Industrial Law provide protection against wrongful dismissal. A distinction is made between protection against wrongful/unlawful dismissal and protection against termination of employment at an inopportune time.



Industrial zone
Prattigau

Tips and Information

Permits, entering the country
www.bfm.admin.ch

Social insurances
www.bsv.admin.ch

Economy in general, location
development, labour-market laws
www.seco.admin.ch