

Legal Switzerland Knowledgebase

Hiring blueprint

Core employment practices

Freedom of contracting

In Switzerland, the principle of freedom of contracting governs employer-employee relationships, allowing parties to freely negotiate the terms of their agreement within the framework set by the Swiss Code of Obligations (CO). The CO permits contractual terms as long as they comply with mandatory legal provisions, public policy, and morality.

Employment contracts must adhere to specific minimum standards, which regulate aspects like working hours, notice periods, and salary protections. For instance, deviations from mandatory provisions such as minimum leave or protection against unfair dismissal are invalid. Furthermore, collective labour agreements can impose binding conditions on employment contracts in certain industries. This balance ensures flexibility while protecting employees from exploitative practices, reinforcing the importance of legal compliance in exercising contractual freedom.

Priority of employment rights

In Switzerland, employment rights take priority over contractual freedom where mandatory provisions of the Swiss Code of Obligations (CO) or public policy are concerned. The CO distinguishes between mandatory and semi-mandatory provisions. Mandatory provisions, such as those protecting employees from unjust dismissal cannot be altered by agreement. Semi-mandatory provisions, like minimum notice periods, can only be modified in favor of the employee. Additionally, the Federal Act on Work in Industry, Crafts, and Commerce (Labour Act) mandates strict compliance with working time and occupational health standards, ensuring employee protection irrespective of contractual terms. Collective labour agreements often establish additional binding rights, further prioritizing worker protections. Employers must ensure compliance with these overarching frameworks to avoid void or unenforceable contract clauses, safeguarding the rights of employees as a matter of legislative priority.

Employment contracts

In Switzerland, employment contracts are primarily regulated by the Swiss Code of Obligations (CO), which outline essential rights and obligations for both employers and employees. An employment contract is established when an employer agrees to

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compensate an employee for work performed. Contracts can be oral, written, or implied through conduct, but written contracts are preferred for clarity, especially when modifying semi-mandatory provisions like probation periods. Mandatory provisions, such as those governing minimum leave and protection against wrongful dismissal cannot be waived. Fixed-term contracts automatically end on the agreed date while indefinite contracts require notice for termination (Article 335 CO). Additional terms may arise from collective labour agreements or industry-specific regulations, ensuring compliance with broader labour protections. Employers must draft contracts carefully to align with legal requirements and protect both parties' interests.

Working hours

In Switzerland, working hours are regulated by the Federal Labour Act (Arbeitsgesetz, ArG) and related ordinances, ensuring employee protection while allowing flexibility for employers. The Act sets a maximum of 45 hours per week for industrial workers, office staff, technical employees, and retail workers, and 50 hours per week for other employees. Overtime is permitted but must not exceed 140 hours annually for 45-hour workers and 170 hours annually for 50-hour workers, with compensation in either additional pay (minimum 25% premium) or time off. Night work and Sunday work require special authorization and are subject to strict limitations. Flexible arrangements, including part-time work or annualized hours, are common but must comply with legal requirements. Employers must also adhere to rest periods, ensuring 11 consecutive hours of daily rest and weekly rest of 35 hours minimum.

Leave entitlements

Leave entitlements in Switzerland are regulated under the Swiss Code of Obligations (CO) and the Federal Labour Act (ArG), ensuring employees receive adequate time off. Employees are entitled to a minimum of four weeks of paid annual leave per year, increasing to five weeks for employees under 20 years of age. Employers must allow at least two consecutive weeks of leave annually, and unused leave cannot typically be forfeited but must be taken within a defined period unless exceptional circumstances apply. For maternity leave, the law mandates 14 weeks of paid leave at 80% of the employee's salary. Paternity leave was introduced in 2021, providing 10 days of paid leave within the first six months after a child's birth. Additional leave types, such as unpaid parental leave or sick leave, may be negotiated contractually or covered by collective agreements.

Termination of employment

Termination of employment in Switzerland is governed by the Swiss Code of Obligations (CO), which provides a clear framework for both employers and employees. Employment contracts can be terminated by mutual agreement, unilaterally with notice, or for just

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cause without notice. The notice period for indefinite contracts varies based on the duration of employment: one month during the first year, two months in the second to ninth years, and three months thereafter. Termination must occur at the end of a calendar month unless otherwise agreed. Employees are protected from unfair dismissal, which prohibits termination for discriminatory or retaliatory reasons, with penalties including compensation of up to six months' wages. During protected periods, such as illness, pregnancy, or military service, termination is invalid. Compliance with these provisions ensures lawful and equitable termination practices.

Health and safety

Health and safety in Switzerland are regulated under the Federal Labour Act (ArG) and the Ordinance on the Prevention of Accidents and Occupational Diseases (VUV), imposing strict obligations on employers to ensure safe working conditions. Employers must identify and mitigate risks through preventive measures, provide appropriate training and equipment, and comply with specific industry safety standards. The law mandates regular risk assessments and consultation with employees on safety policies. Under the VUV, employers are required to appoint safety officers where necessary and ensure the implementation of workplace safety systems. Special protections apply to vulnerable groups, such as pregnant employees, who must not perform tasks that could harm their health or that of the unborn child. Employees, in turn, have a duty to follow safety instructions and report hazards promptly. Failure to comply can result in sanctions or liability for workplace accidents.

Discrimination and equal treatment

Discrimination and equal treatment in Switzerland are primarily governed by the Federal Act on Gender Equality (GEA) and the Swiss Constitution, which prohibit discrimination in employment based on gender, marital status, pregnancy, or family responsibilities. Employers must ensure equal pay for equal work and may face sanctions for wage discrimination or failure to address workplace harassment. The Labour Code (ArG) also mandates non-discriminatory hiring and workplace practices, extending protections to race, religion, and nationality under the principles of international treaties such as the European Convention on Human Rights. Pregnant employees and new mothers receive specific safeguards, including protection from dismissal during pregnancy and 16 weeks postpartum. Employers are obligated to promote equality through fair recruitment, promotions, and terminations. Violations can result in claims for damages and legal action, ensuring accountability and fostering inclusive employment practices.

Collective bargaining

Collective bargaining in Switzerland is regulated by the Swiss Code of Obligations (CO), and operates within the framework of freedom of association as protected by the Swiss

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Constitution. Collective labour agreements (CLAs) negotiated between employers or employer associations and trade unions set binding employment terms, such as wages, working hours, and leave entitlements, often exceeding statutory minimums. These agreements can apply at company, regional, or industry levels and may include provisions on dispute resolution and workplace safety. The CLAs are binding on all parties involved and, in some cases, extend to non-unionized workers within the covered sector. The Federal Council may declare CLAs universally applicable to ensure equitable standards across an industry. Employers must adhere to CLA terms where applicable, while employees retain individual rights that cannot be waived through collective negotiations.

Employment of foreigners

The employment of foreigners in Switzerland is governed by the Federal Act on Foreign Nationals and Integration (FNA) and associated ordinances, which impose strict requirements based on nationality and residency status. Citizens of EU/EFTA countries benefit from free movement agreements, allowing relatively unrestricted access to the Swiss labour market under the Agreement on the Free Movement of Persons (AFMP). Non-EU/EFTA nationals require a work permit, issued only if the employer demonstrates compliance with the principle of priority for domestic and EU/EFTA workers. The employer must also show that the foreign worker meets the qualifications for the role and that employment conditions align with Swiss standards. Work permits are typically tied to the specific employer and position. Special provisions apply to cross-border commuters and short-term assignments. Employers must ensure compliance with these regulations to avoid legal penalties and protect foreign workers' rights.

Salary disbursement and monthly client invoicing

Minimum wage

Switzerland does not have a federally mandated national minimum wage, but cantonal and sector-specific minimum wages apply under certain conditions. Since 1st January 2024, the gross salary per hour is CHF 24,32. As of 1st January 2025, it will increase to CHF 24,48. Minimum wage standards are often determined through Collective Labour Agreements (CLAs), as per the Swiss Code of Obligations (CO), which may impose industry-specific wage floors applicable to both unionized and non-unionized workers. Employers in cantons or sectors with such requirements must ensure compliance, with penalties for violations, including fines or compensation claims. The absence of a universal minimum wage aligns with Switzerland's market-driven approach, emphasizing contractual freedom while addressing income inequality through regional and sectoral regulations. Employers should verify applicable standards to ensure fair compensation practices.

Pay increases

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In Switzerland, pay increases are not mandated by federal law but are often influenced by market conditions, collective labour agreements (CLAs), and individual employment contracts. Under the Swiss Code of Obligations (CO), CLAs frequently include provisions for regular salary reviews or adjustments tied to inflation, industry standards, or employee performance. Employers bound by such agreements must implement pay increases as stipulated. In the absence of a CLA, pay raises are at the discretion of the employer, subject to negotiation or performance evaluations, provided they comply with equal pay requirements under the Federal Act on Gender Equality. Additionally, employees may seek pay adjustments based on changes in role responsibilities or market benchmarks. Employers must document pay policies clearly in employment contracts or internal policies to ensure transparency and compliance with anti-discrimination standards, fostering equitable and competitive compensation practices.

Reduction of wages

In Switzerland, a reduction of wages is permissible only under strict conditions and must comply with the Swiss Code of Obligations (CO). Employers cannot unilaterally decrease wages without the employee's consent unless justified by significant economic necessity or changes in the nature of the job, which must be communicated clearly in advance. According to, employment contracts may only be modified through mutual agreement, and any unilateral reduction risks being deemed a breach of contract. Reductions must also adhere to collective labour agreements or sector-specific minimum wages where applicable. Furthermore, wage reductions must not violate the principle of equal pay under the Federal Act on Gender Equality or lead to discriminatory practices. Employers are advised to negotiate changes transparently and provide notice in accordance with termination or contract amendment clauses, ensuring legal and ethical compliance.

Social security and benefits

Social security and benefits in Switzerland are governed by the Federal Social Insurance System, requiring employers and employees to contribute to various schemes. The key pillars include Old Age and Survivors' Insurance (AHV/AVS), Disability Insurance (IV/AI), and Unemployment Insurance (ALV/AC), as mandated by the Federal Act on Old Age and Survivors' Insurance. Contributions are shared equally, typically amounting to 10.6% of gross salary for AHV/IV/EO. Employers must also enroll employees in mandatory occupational pension plans (BVG/LPP) if annual earnings exceed CHF 22,050, ensuring income security post-retirement. Health insurance, while compulsory for individuals, is not employer-provided but is a significant aspect of the social security framework. Additionally, contributions to Accident Insurance (UVG/LAA) cover workplace and non-workplace injuries, with employers fully funding the former. Non-compliance with these obligations can result in penalties and legal liability, making adherence a crucial component of employment practices in Switzerland.

Labour laws

Legal framework

The legal framework governing employment in Switzerland provides a comprehensive structure for employee-employer relationships, emphasizing clear contractual obligations under Swiss labour law.

The Swiss employment framework, governed by the Swiss Code of Obligations (CO), outlines key obligations and protections for employees and employers. Employment contracts must specify terms such as job duties, working hours, compensation, and notice periods. While agreements can be oral, written confirmation is required for clarity, especially for contracts exceeding one month.

Essential written details include the parties' names, job description, start date, and remuneration. Collective labour agreements (CLAs) set minimum standards for wages, working hours, and holidays in sectors like construction and hospitality. Employers must ensure compliance with mandatory paid leave, health and safety standards, and social insurance contributions, including pensions and unemployment insurance.

Disputes are handled by cantonal labour courts, which enforce rights under the CO and CLAs. Contracts may also address confidentiality, non-competition, and intellectual property, provided these align with Swiss employment law. Employment contract essentials

Swiss law mandates that employment contracts specify the nature of the work, duration of employment, and payment terms. Indefinite contracts require no formal structure but must explicitly state probation periods, which are capped at three months. Non-standard clauses, such as those on termination without notice or confidentiality, must comply with Swiss law to be enforceable.

Health and safety obligations

Employers are required to provide safe working conditions under the Federal Act on Accident Insurance (UVG) and the Swiss Labour Act. This includes implementing safety guidelines, supplying appropriate equipment, and adhering to legal limits on working hours (45–50 hours per week depending on the industry). Contracts may address safety protocols, particularly for remote work, to reduce liability for workplace injuries or stress-related claims.

Termination and dismissal protections

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Termination is governed by the Swiss Code of Obligations, which requires notice periods of 1–3 months based on tenure. Dismissals for discriminatory or retaliatory reasons are prohibited and can be legally challenged. Contracts may include additional termination terms, such as severance, provided they meet statutory requirements. Employers must also continue salary payments during illness or accident for a defined period.

Intellectual property and confidentiality

Work created during employment is generally the employer's property if stipulated in the contract. Confidentiality and non-competition clauses must be reasonable, with non-compete clauses limited to 2–3 years and narrowly tailored to legitimate business interests.

Dispute resolution

Employment disputes are typically resolved in cantonal labour courts, with employees able to file claims in their canton of residence or workplace. Contracts may specify jurisdiction for disputes, and mediation is encouraged as a first step to promote amicable resolutions.

Employment contract

Types of employment contract

Types of employment contracts in Switzerland are legally structured to accommodate various work relationships, each with specific terms regulated under Swiss labour law.

In Switzerland, employment contracts are regulated by the Swiss Code of Obligations (CO), which governs permanent, fixed-term, and temporary contracts.

Permanent contracts are the most common, offering indefinite employment with protections like notice periods and paid leave. Fixed-term contracts are for specific durations, ending automatically unless otherwise stated, and are often used for project-based or seasonal work, with the same standards for conditions, pay, and insurance as permanent contracts. Temporary contracts, frequently arranged through staffing agencies, are flexible but must comply with the Swiss Labour Leasing Act and relevant collective labour agreements.

While contracts may be oral, written confirmation of terms is advisable, especially for fixed-term and temporary arrangements, to prevent disputes. Swiss law also supports specialized contracts, such as apprenticeships and teleworking agreements, which must comply with labour standards to ensure legal validity.

Permanent employment contracts

Permanent contracts, or open-ended contracts, are the standard in Switzerland, providing indefinite employment until terminated by either party. Termination requires adherence to statutory notice periods, starting at one month and increasing with tenure or contractual agreement. These contracts include rights to paid leave, social security contributions, and protection against unjust dismissal. Employers must comply with labour laws, including pension contributions, accident insurance, and working hour regulations. Non-compete clauses must be reasonable in scope and duration, typically limited to two years post-employment.

Fixed-term employment contracts

Fixed-term contracts are for roles with defined end dates and terminate automatically upon expiration. If work continues after the end date, the contract converts to a permanent one. Fixed-term employees are entitled to the same protections as permanent employees, including sick leave, holiday pay, and insurance. Premature termination requires just cause, or the employer risks breach of contract liability. These contracts are common in industries with seasonal demands, such as tourism and agriculture.

Temporary and casual contracts

Temporary contracts, often arranged through staffing agencies, are regulated by the Swiss Labour Leasing Act and relevant collective labour agreements (CLAs). Agencies handle wages and social insurance, while host employers ensure safe working conditions. Temporary contracts are used for short-term needs but must meet minimum wage and safety standards. Contracts must specify the nature and duration of the assignment, with deviations from standard terms clearly justified.

Specialized employment contracts

Specialized contracts include apprenticeships and teleworking agreements. Apprenticeships combine training and education under written agreements, while teleworking contracts address remote work terms such as data protection, equipment provisions, and expense reimbursements. Both contract types are governed by specific legal frameworks to ensure clarity and compliance.

Collective Labour Agreements (CLAs)

CLAs set industry-specific standards for wages, hours, and leave entitlements and must be reflected in individual employment contracts. They are particularly influential in sectors with high levels of temporary or seasonal work. Employers must ensure compliance with applicable CLAs to meet legal obligations.

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Swiss labour law offers flexibility in contract types, balancing employer needs with employee protections, provided all terms comply with the Swiss Code of Obligations and labour regulations.

Content of an employment contract

The content of an employment contract in Switzerland must include specific terms to comply with Swiss labour law, ensuring clear obligations and rights for both parties.

In Switzerland, employment contracts are regulated by the Swiss Code of Obligations (CO) and, in some cases, by collective labour agreements (CLAs), which set minimum requirements. Contracts can be written or oral, but documenting essential terms like job title, duties, compensation, working hours, and notice periods is recommended for clarity.

Employers must include details on salary, overtime, bonuses, and contributions to social security, accident insurance, and pensions. Contracts should specify working hours, overtime rules, and holiday entitlements, with at least four weeks of paid leave annually. Confidentiality and intellectual property clauses may also be included, provided they align with Swiss legal standards.

Job description and expectations

Contracts must include a clear job description outlining duties, responsibilities, and required skills. While employers may adjust duties within reason, significant changes require mutual consent. A detailed description minimizes misunderstandings and establishes performance benchmarks.

Compensation and benefits

Contracts must specify salary, bonuses, benefits, and compliance with industry standards. Employers must detail contributions to social insurance (AHV, accident insurance, pensions) and any additional benefits like health insurance or allowances. Overtime must be compensated with time off or extra pay, per the contract.

Working hours and leave

Standard weekly working hours are 45–50 hours, depending on the industry, with overtime compensated as specified. Employees are entitled to at least four weeks of annual paid leave, increasing to five weeks for those under 20. Additional leave terms may be included but must meet statutory minimums.

Confidentiality and non-compete

Confidentiality clauses protect sensitive information, while non-compete clauses must be reasonable in scope (usually two years) and directly relate to business interests. Intellectual property created during employment typically belongs to the employer if specified in the contract.

Termination and notice

Termination terms must comply with the Swiss Code of Obligations, including notice periods of 1–3 months, depending on tenure. Immediate termination for misconduct is permitted but must meet legal standards. Contracts must align with protections against wrongful dismissal.

Oral, written, or electronic employment contracts

Oral, written, and electronic employment contracts in Switzerland are legally valid but must adhere to specific conditions to ensure enforceability and clarity in the employee-employer relationship.

Under Swiss labour law, employment contracts can be concluded orally, in writing, or electronically, provided the essential terms are agreed upon by both parties. The Swiss Code of Obligations (CO) governs these contracts and does not mandate a specific form unless otherwise stated.

Oral contracts are legally binding if they meet the criteria outlined in the CO, including mutual agreement on the nature of work, salary, and the fundamental obligations of both parties. However, oral agreements may pose challenges in proving the agreed terms in the event of disputes, leading to a preference for written or electronic contracts for long-term or complex employment relationships.

Written employment contracts are the most common format in Switzerland, offering greater legal certainty and transparency. While Swiss law does not generally require a written contract for employment relationships, specific terms, such as non-compete clauses or probationary periods, must be documented in writing to be enforceable. Written contracts are particularly advantageous as they allow for detailed provisions, including job

descriptions, notice periods, and confidentiality agreements, ensuring clarity for both parties.

Electronic contracts, recognised under the Swiss Federal Act on Electronic Signatures, are increasingly utilized in modern workplaces, especially for remote or international arrangements. To be legally valid, electronic agreements must include secure digital signatures compliant with Swiss eIDAS standards, ensuring authenticity and integrity.

Despite their different formats, all employment contracts in Switzerland must respect statutory labour protections, ensuring fair treatment of employees. Oral contracts

Oral contracts are legally valid but limited in addressing complex terms like working hours, leave, or termination. Disputes rely on implied terms or witness testimony, making outcomes unpredictable. Employers are encouraged to confirm key terms in writing, especially for employment exceeding one month, to reduce ambiguity and ensure enforceability.

Written contracts

Written contracts provide legal clarity and are essential for roles with specific conditions or long-term commitments. They must include essential terms like salary, hours, and notice periods, and are required for enforceability of clauses such as non-compete agreements. Written agreements minimize disputes and ensure compliance with industry standards and collective labour agreements.

Electronic contracts

Electronic contracts are legally recognised if signed with a qualified electronic signature (QES) under Swiss eIDAS standards. They are ideal for international or remote workforces but must comply with data protection laws. Proper implementation ensures enforceability and avoids legal liabilities.

Impact on rights and obligations

The contract format does not affect statutory protections like leave, social security, or health and safety. However, written and electronic contracts offer clearer frameworks for resolving disputes and safeguarding both parties' interests. Employers are advised to use these formats for greater transparency and compliance.

Key requirements

Working hours

Working hours in Switzerland are strictly regulated under labour law, with specific contractual obligations to protect employees and ensure compliance with the Federal Labour Act.

Working hours in Switzerland are governed by the Federal Labour Act (Arbeitsgesetz, LTr), which sets the legal framework for maximum working hours, overtime, and rest periods. The Act specifies a maximum of 45 hours per week for office workers, technical staff, and retail employees, while a limit of 50 hours applies to other categories, such as manual laborers.

These limits are not only statutory but also form the basis of the employment contract between the employer and the employee. Any deviation from these norms must comply with specific legal requirements, such as collective labour agreements (CLAs) or cantonal regulations.

Employers and employees are permitted to agree on flexible working hours, provided the total does not exceed the legal limits. Contracts must detail the agreed-upon weekly schedule and account for potential overtime. Overtime exceeding the statutory weekly hours is regulated separately, requiring either additional pay of at least 25% or equivalent compensatory time off.

Swiss labour law also enforces daily and weekly rest periods to safeguard employee health. Employees are entitled to at least 11 consecutive hours of daily rest and 24 uninterrupted hours each week. These rest periods are non-negotiable and must be adhered to in the contract. Employers failing to comply with these provisions risk administrative penalties and potential liability for employee health issues arising from overwork.

Contractual obligations for working hours

Employment contracts in Switzerland must explicitly define the employee's standard working hours to ensure clarity and compliance with the Federal Labour Act. These contracts often specify whether the workweek will follow the maximum statutory hours or incorporate flexibility, such as variable schedules or annualized working hours. In cases where flexible arrangements are employed, contracts should outline how work hours will be tracked and how any adjustments will affect overtime calculations.

Employers have a legal obligation to monitor and document working hours accurately. Failure to provide such records may result in disputes and expose the employer to legal penalties or compensation claims. Contracts may also incorporate terms from CLAs, which

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often establish industry-specific working hour arrangements, providing employees with additional benefits beyond statutory requirements.

Overtime regulations and compensation

Overtime is a critical aspect of working hour regulations in Switzerland, and employment contracts must address how overtime will be compensated. Under the Federal Labour Act, any hours worked beyond the statutory weekly limits (45 or 50 hours) must be compensated either through additional pay or time off, as stipulated in the contract or CLA. Contracts often specify whether overtime pay is included in the salary or subject to separate calculation.

For office and technical workers, overtime exceeding 60 hours per year typically triggers mandatory compensation. Employers must ensure that employees are aware of these terms and provide mechanisms for recording overtime, as failure to do so can lead to disputes and potential liabilities.

Rest periods and breaks

The Swiss labour framework mandates specific rest periods to promote employee well-being. Employment contracts should reflect these legal requirements, ensuring that employees receive at least 11 consecutive hours of rest daily and one full day of rest each week. Additionally, employees working more than 5.5 hours per day are entitled to a minimum break of 15 minutes, increasing to 30 minutes for workdays exceeding 7 hours and 60 minutes for those exceeding 9 hours.

Employers must ensure that these breaks are included in the work schedule and respected in practice. Contracts may also include additional rest or break provisions, particularly in physically demanding roles, as a means of safeguarding health and preventing workplace injuries.

Night and Sunday work provisions

Employment contracts involving night or Sunday work require special consideration under Swiss law. Night work, defined as any work performed between 11:00 p.m. and 6:00 a.m., and Sunday work, require prior authorization from the relevant cantonal labour authorities. Employers must compensate night workers with a wage increase of at least 25% or equivalent time off.

Contracts must detail these provisions and ensure compliance with additional health and safety measures mandated for night and Sunday workers, such as medical examinations or reduced hours. Failure to include these details in the contract could render the employment terms unenforceable or expose the employer to penalties.

Night work

Night work in Switzerland is governed by strict labour laws requiring specific contractual terms to ensure compliance and protect employees' rights under the Federal Labour Act.

In Switzerland, night work is legally defined as any work performed between 11:00 p.m. and 6:00 a.m., governed by the Federal Labour Act (Arbeitsgesetz, LTr). The law imposes stringent requirements on employers to ensure the health and safety of employees engaged in night work, recognizing the physical and psychological impacts of working during these hours.

Employers intending to schedule night work must obtain prior authorization from the cantonal labour authorities, and their employment contracts must specify the scope, duration, and conditions of night work. Without this authorization, night work arrangements may be deemed unlawful, exposing employers to penalties.

Employment contracts for night workers must address key elements such as working hours, compensation, rest periods, and health and safety measures. Swiss law mandates that employees engaged in night work for more than 25 nights per year receive a health assessment at the employer's expense. Compensation for night work includes a mandatory wage supplement of at least 25% or equivalent compensatory rest.

Contracts must also ensure compliance with daily and weekly rest requirements, including a minimum of 11 hours of consecutive rest after a night shift. Night workers are entitled to reduced working hours in certain cases, such as physically demanding roles, to mitigate health risks. Employers are obligated to monitor compliance with these requirements and include clear terms in the employment contract to avoid disputes. Authorization and compliance

Employers must obtain cantonal labour authority approval for night work, demonstrating operational necessity and compliance with health and safety standards. Employment contracts must reflect this authorization, specifying the employee's role, hours, and compensation. Unauthorized arrangements violate the Federal Labour Act.

Health and safety

Night work demands health checks to ensure fitness and early issue detection. Contracts should outline these measures, including access to counseling or support services for risks like sleep disturbances. Employers must inform employees of their health rights.

Compensation and working hours

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Night workers are entitled to a 25% wage increase or compensatory rest unless otherwise agreed, such as in a collective labour agreement (CLA). High-strain roles may allow reduced working hours without pay cuts, which must be detailed in contracts.

Rest periods and breaks

Night workers must have 11 consecutive hours of rest after shifts or compensatory rest if shortened. Contracts must also specify sufficient breaks to address the demands of night work.

Employer obligations

Employers must comply with legal standards for health, safety, rest, and compensation. Employees can refuse night work if contracts or safety measures are inadequate. Clear and compliant contracts are essential to avoid disputes and penalties.

Breaks and types of leaves

Breaks and types of leave in Switzerland are extensively regulated under labour laws, ensuring employee rights and employer obligations are clearly defined in contractual terms. In Switzerland, breaks and types of leave are regulated by the Federal Labour Act (Arbeitsgesetz, LTr) and the Swiss Code of Obligations (CO). These laws establish mandatory rest breaks during the workday and a range of leave entitlements, including annual leave, sick leave, parental leave, and special leave for personal or family-related events. Employers are required to incorporate these provisions into employment contracts, ensuring compliance with statutory standards and avoiding disputes.

Employees working more than 5.5 hours per day are entitled to a 15-minute break, increasing to 30 minutes for shifts exceeding 7 hours and 60 minutes for those over 9 hours. Breaks are considered part of working hours only if the employee is required to remain at the workplace. Annual leave is a statutory right, with employees entitled to a minimum of four weeks per year, increasing to five weeks for those under 20 years of age.

Employment contracts must clearly specify holiday entitlements and any additional contractual leave provided by the employer.

Sick leave and maternity leave are also key components of Swiss labour protections. Employees unable to work due to illness or accident are entitled to continued salary payment for a limited duration based on the length of service, as outlined in the CO or applicable collective labour agreements. Maternity leave is set at 14 weeks with salary

coverage under the Income Compensation Act, and additional leave types, such as paternity and adoption leave, are available under specific conditions. Breaks and rest periods

Under Swiss labour legislation, breaks are a non-negotiable component of working conditions. Employment contracts should specify the duration and timing of breaks, ensuring they align with the statutory requirements. Employers are obligated to allow employees sufficient time to rest and recover during work hours, with specific durations depending on the length of the workday. If the employee is required to remain at the workplace during breaks, these breaks must be considered paid working time, a condition that should be explicitly stated in the contract. Employers who fail to comply with these break provisions risk administrative penalties and potential claims from employees for breach of statutory rights.

Annual leave entitlements

Annual leave is a fundamental right for employees in Switzerland, with a minimum entitlement of four weeks per year. Employees under 20 years of age are entitled to five weeks. Employment contracts should detail the allocation of these leave days, including provisions for unused leave, which generally must be taken by the end of the following year unless otherwise agreed. Employers may provide additional leave beyond the statutory minimum as a benefit, and such arrangements must be clearly stated in the contract. Swiss labour law prohibits the cash payout of unused leave unless the employment relationship ends. Employment contracts should also specify the approval process for leave requests, ensuring fairness and consistency.

Sick leave and health-related absences

Sick leave is regulated under the Swiss Code of Obligations, which mandates continued salary payment during periods of illness or injury. The duration of salary continuation depends on the length of service and is calculated based on the "Bernese scale" or similar cantonal standards. Employment contracts should outline the conditions under which sick leave is granted, including the requirement for medical certificates. Employers are also obligated to contribute to accident insurance, ensuring employees are covered for work-related injuries. Contracts may include additional provisions for long-term illness or disability, specifying whether extended leave or reduced working hours are available as accommodations.

Parental leave provisions

Parental leave in Switzerland includes maternity and paternity leave, both of which are supported by statutory protections. Maternity leave is set at 14 weeks, during which the employee is entitled to 80% of her salary, funded by social insurance contributions.

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Employment contracts should confirm these entitlements and specify any additional maternity benefits offered by the employer. Paternity leave, introduced more recently, provides fathers with 10 days of leave, which must be taken within six months of the child's birth. Contracts should address whether this leave is granted as consecutive days or individual days and include any supplementary provisions for parental support.

Special and unpaid leave

Swiss labour law recognizes special leave for personal or family-related events, such as weddings, funerals, or the care of sick family members. These leave types are generally regulated by collective labour agreements or individual contracts rather than statutory law. Employment contracts should specify the conditions under which special leave is granted, including the duration and whether it is paid or unpaid. Unpaid leave is another option, typically offered at the employer's discretion, and should be documented in the contract to clarify expectations for both parties.

Annual leave

Annual leave in Switzerland is a legally protected entitlement, governed by clear statutory requirements that must be incorporated into employment contracts to ensure compliance and fairness in the employee-employer relationship.

In Switzerland, annual leave is regulated under the Swiss Code of Obligations (CO) and the Federal Labour Act (LTr), establishing a minimum entitlement for all employees. The law mandates that employees are entitled to at least four weeks of paid leave per year, increasing to five weeks for employees under 20 years of age. These statutory entitlements are non-negotiable and apply to full-time and part-time employees, with leave being pro-rated for those working less than standard hours.

The minimum entitlement is calculated based on a 52-week work year, ensuring fairness across different employment arrangements.

Employment contracts are required to specify the terms of annual leave, including any additional leave offered by the employer as part of their benefits package. Employers often provide more than the statutory minimum, particularly in industries where extended leave is considered a competitive advantage for attracting talent. The contract must also outline the process for requesting and approving leave, ensuring that both parties understand their rights and obligations.

The law prohibits cash compensation for unused leave unless the employment relationship ends, emphasizing the importance of employees taking their entitled rest periods. Employers are obligated to ensure employees take their annual leave within the prescribed timeframe, typically by the end of the following year, to avoid legal disputes. Accrual and pro-rata entitlement

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Annual leave accrues over the course of the employment relationship, with entitlement generally calculated on a monthly basis. For employees who begin or end their employment mid-year, the leave entitlement is prorated based on the number of months worked. Employment contracts should explicitly state how leave is accrued and clarify whether unused leave can be carried forward to the next calendar year.

Swiss labour law allows for the carryover of unused leave but typically requires it to be used within six months of the following year unless exceptional circumstances apply. Contracts that deviate from these norms must comply with applicable collective labour agreements or obtain mutual agreement between the parties.

Leave scheduling and employer authority

Employers in Switzerland hold significant authority over scheduling annual leave, provided they respect the employee's right to take at least two consecutive weeks of leave during the year. Employment contracts should outline the approval process for leave requests, including any notice periods or restrictions during peak operational times.

While employers can determine the timing of leave to meet business needs, they must consider the personal circumstances of employees and provide reasonable notice for any changes. In the absence of agreement, disputes over leave scheduling are typically resolved by cantonal labour courts, which prioritize employee well-being and compliance with statutory protections.

Impact of illness or maternity on leave entitlement

Swiss labour law provides specific protections for employees whose ability to take annual leave is disrupted by illness, accident, or maternity leave. If an employee falls ill during scheduled leave, the affected days are not deducted from their annual entitlement, provided they can provide a medical certificate.

Similarly, maternity leave, set at 14 weeks, does not reduce annual leave entitlements. Employment contracts should address how such situations are handled, specifying the documentation required and the timeframe for rescheduling leave. Failure to account for these contingencies can result in disputes and legal liabilities for the employer.

Termination of employment and leave balances

When an employment relationship ends, any unused leave must be compensated in cash, calculated based on the employee's gross salary. Employment contracts should specify how leave balances are managed upon termination, ensuring compliance with Article 329d of the Swiss Code of Obligations.

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Employers must also provide clear records of accrued and used leave to avoid disputes. If an employee has taken more leave than they have accrued at the time of termination, employers may offset the excess leave against the final salary payment, provided this arrangement is detailed in the contract and does not violate statutory protections.

Public holidays

Public holidays in Switzerland are governed by cantonal regulations, requiring employers to clearly define entitlements and obligations within employment contracts to ensure compliance and fairness.

The official holidays for 2025 for Switzerland are listed below:
(National):

- August 1 (Friday) - National Day

Note: Public holidays in Switzerland vary significantly by canton. Some cantons have more public holidays than others. The provided holiday is the only federal public holiday.

Cantonal variations

Public holiday rules vary by canton, with Zurich and Geneva observing fewer holidays than regions like Ticino. Employers must specify applicable holidays in contracts based on the work location. For employees working across cantons or remotely, contracts should define which jurisdiction's rules apply. Consulting legal experts ensures compliance and avoids disputes.

Compensation for public holiday work

Employees working on public holidays are entitled to wage supplements or compensatory time off, unless otherwise specified in a CLA or contract. Contracts should detail compensation terms, including overtime or rest days, especially for essential industries. Part-time workers must have prorated entitlements clearly outlined to avoid liabilities.

Public holidays and annual leave

Public holidays during vacation do not count against leave balances. Contracts should state this explicitly and address holidays falling on weekends, clarifying whether replacement days or extra pay apply. Accurate record-keeping ensures compliance with these rules.

Shift and night workers

Contracts for shift and night workers must specify compensation and rest arrangements for public holiday work. Swiss law emphasizes fair treatment and adequate rest for irregular hours. Employers must track holiday work and ensure compliance to avoid disputes or penalties.

Salary

In Switzerland, salary terms are primarily regulated under the Swiss Code of Obligations (CO) and supplemented by collective labour agreements (CLAs) in certain industries. The CO requires that employment contracts clearly define the agreed salary, including the base amount, payment frequency, and any additional components such as bonuses or allowances. Salary arrangements are typically expressed in gross terms, with the employer responsible for deducting social security contributions, taxes, and other statutory deductions.

Switzerland does not have a federally mandated minimum wage, but some cantons and industries have their own wage regulations. Geneva and Basel are among the cantons with a set minimum wage, which, as of January 1, 2025, stands at CHF 24.48 per hour in Geneva and CHF 22.00 per hour in Basel. CLAs in industries like construction, hospitality, and healthcare may also set minimum salary thresholds that are binding on all employers and employees within those sectors.

Employment contracts must specify the payment schedule, with salary typically paid monthly unless otherwise agreed. Employers are legally obligated to pay salaries on time and in the agreed amount. Delays or discrepancies in salary payments can expose employers to legal claims for damages or interest.

The CO also mandates that employers provide employees with a clear salary statement detailing gross pay, deductions, and net salary. Employees are entitled to request adjustments or clarifications if they identify discrepancies. Contracts may include additional salary-related benefits, such as performance bonuses, 13th-month salaries, or expense reimbursements, all of which must be explicitly stated to avoid disputes.

Salary components and deductions

Swiss salary structures typically consist of a base salary supplemented by various additional components. Employment contracts should clearly outline these components, including performance-based bonuses, overtime pay, and other allowances. Employers and employees may agree on bonuses tied to individual or company performance, but such agreements must be precise in their terms to ensure enforceability. If bonuses are discretionary, contracts must explicitly state this to avoid legal challenges.

The 13th-month salary is common in Switzerland, often considered part of the annual salary and divided into monthly installments or paid as a lump sum in December. If included, this must be documented in the employment contract.

Deductions from gross salary are governed by Swiss labour law and include mandatory contributions to social security (AHV/AVS), unemployment insurance (ALV), pension schemes (BVG), and accident insurance. Contracts must specify the employee's share of these contributions, ensuring transparency in net salary calculations. Additional deductions, such as those for private health insurance or employee savings plans, require explicit employee consent and should be included in the contract.

Overtime and special payments

Swiss labour law mandates compensation for overtime hours, either through additional pay or equivalent time off, as agreed in the employment contract or collective labour agreement. Overtime pay typically includes a premium of 25% above the regular hourly rate unless the contract specifies alternative terms. Employment contracts must address how overtime is calculated and compensated to ensure compliance with the Federal Labour Act. For salaried employees, particularly those in managerial roles, contracts may include provisions exempting them from overtime compensation, but this must be explicitly stated.

Native Teams

Special payments, such as travel allowances, meal vouchers, or relocation assistance, are common in Switzerland and should be detailed in the employment contract. These benefits may be taxable, depending on their nature, and employers must ensure that employees are aware of any associated tax implications. Transparent documentation of such payments fosters trust and reduces the likelihood of disputes.

Adjustments and salary increases

Salary adjustments are not automatically mandated under Swiss law but are often influenced by market conditions, inflation, or company performance. Employment contracts may include clauses specifying the conditions under which salary reviews or increases occur, such as annual appraisals or performance evaluations. Collective labour agreements in certain industries may impose mandatory annual salary adjustments, and employers bound by such agreements must comply with these terms. Contracts should clearly outline the process for salary reviews to manage employee expectations and ensure consistency.

Termination and final salary payments

Swiss law requires that upon termination of the employment relationship, employees receive their final salary, including any outstanding components such as unused holiday pay or prorated 13th-month salaries. Employment contracts should specify the terms for final payments, ensuring compliance with the Swiss Code of Obligations. Employers must provide a detailed final salary statement, and failure to do so can result in legal claims for unpaid wages or damages. Contracts may also address how salary is managed during notice periods, particularly in cases of garden leave or termination for cause.

Sick leave

Sick leave in Switzerland is comprehensively regulated under labour law, with mandatory contractual provisions ensuring fairness and clarity in the employee-employer relationship. In Switzerland, sick leave is governed by the Swiss Code of Obligations (CO) and Federal Labour Act (LTr), requiring employers to provide paid leave during illness. Salary

continuation depends on employment duration and regional scales like the Bernese, Basel, or Zurich scales.

Contracts must specify sick leave conditions, documentation (e.g., medical certificates for absences over three days), and salary continuation terms. Employers must comply with statutory minimums or applicable collective labour agreements (CLAs). Accident insurance covers work-related injuries separately, and contracts should distinguish between illness and accident-related absences. For long-term illnesses, coordination with disability insurance may also be addressed. Salary continuation

Salary during sick leave depends on employment duration, starting at three weeks in the first year and increasing with tenure based on regional scales like the Bernese or Zurich scales. Some employers offer extended coverage through daily sickness insurance, providing up to 720 days of benefits. Contracts must clarify entitlements, insurance terms, and any employee contributions.

Medical certification

Employers may require medical certificates for absences over three days or less if stipulated in the contract. Contracts should define submission timelines, compliance requirements, and privacy protections under Swiss data laws. Periodic medical updates may be required for extended leave.

Long-term illness and disability

After salary continuation ends, disability insurance (IV) provides support. Contracts should specify salary obligations, insurance coordination, and job security during illness. Swiss law protects employees from termination for 30–180 days, depending on tenure.

Impact on other entitlements

Sick leave does not reduce annual leave or affect public holiday entitlements. Contracts should address rescheduling vacations or holidays during sick leave. For probationary periods, sick leave may extend the probation if specified in the contract.

Parental leave

Parental leave in Switzerland is governed by specific labour legislation, requiring clear contractual terms to balance statutory entitlements and employer obligations.

In Switzerland, parental leave is not uniformly legislated as a single entitlement but consists of separate statutory provisions for maternity and paternity leave, with additional options for unpaid parental leave negotiated through employment contracts or collective labour agreements (CLAs).

Native Teams

Maternity leave is mandated under the Federal Act on Income Compensation (EO), providing mothers with 14 weeks of paid leave at 80% of their average salary, up to a capped amount. This entitlement begins no earlier than the birth of the child, and mothers are prohibited from working for at least the first eight weeks post-delivery, ensuring compliance with health and safety standards. Employment contracts must include clear terms regarding maternity leave, detailing payment processes, conditions for eligibility, and any extensions offered by the employer.

Paternity leave, introduced in January 2021, grants fathers 10 days of paid leave, which can be taken consecutively or in increments within the first six months following the child's birth. Like maternity leave, paternity leave is compensated at 80% of the employee's average salary, up to a capped daily amount.

Contracts should specify how paternity leave is scheduled and whether the employer offers additional benefits beyond statutory requirements. For both maternity and paternity leave, the law emphasizes continuity of employment, prohibiting termination during these periods.

Maternity leave

Swiss law mandates 14 weeks of maternity leave with job security. Employers must process payments through the income compensation system and ensure timely benefits. Contracts should detail leave entitlements, compensation, and protections, including adjusted work conditions during pregnancy. Termination during maternity leave is prohibited.

Paternity leave

Fathers are entitled to 10 days of statutory paternity leave, with job protection. Contracts should outline notification, scheduling, and any additional leave benefits. Employers must clarify if extra leave is paid or unpaid and ensure leave does not impact career progression.

Extended parental leave

Extended unpaid parental leave is optional and should be clearly defined in contracts, including duration, eligibility, and effects on benefits like pensions or vacation accrual. Reintegration measures, such as phased returns or flexible work, can support employees' transitions.

Leave interactions

Contracts must specify how parental leave interacts with other entitlements, ensuring vacation or public holidays are not lost during leave. Combining parental leave with other leave types must comply with Swiss law to avoid disputes and ensure clarity.

Termination

Methods of employment termination

Employment termination in Switzerland is regulated by clear legal frameworks, requiring specific contractual provisions to ensure compliance with statutory protections for both employees and employers.

In Switzerland, employment can be terminated through mutual agreement, resignation by the employee, dismissal by the employer, or automatic termination due to specific events such as the expiry of a fixed-term contract. The Swiss Code of Obligations (CO) governs these processes, emphasizing the need for clear contractual terms and compliance with statutory notice periods. Termination agreements must respect the principles of good faith and non-discrimination, ensuring fairness in the employee-employer relationship.

For indefinite contracts, either party may terminate the agreement by providing notice in accordance with the statutory or agreed-upon notice period. The standard notice period starts at one month during the first year of employment, increasing to two months from the second to the ninth year, and three months thereafter. Employment contracts may stipulate longer notice periods but must ensure equal terms for both parties. Fixed-term contracts, on the other hand, terminate automatically at the end of the agreed period without requiring notice unless extended by mutual consent.

Termination during a probationary period, which cannot exceed three months, requires a shorter notice period of seven days. Swiss labour law prohibits dismissals during protected periods, such as maternity leave, military service, or illness, safeguarding employees' rights during vulnerable times. Contracts must also account for the specific requirements of immediate termination for just cause, detailing the behaviors or circumstances that warrant such action. Mutual agreement termination

Termination by mutual agreement allows both parties to end the employment relationship on agreed terms. This method provides flexibility and avoids potential conflicts that may arise from unilateral terminations. Contracts should specify the procedure for negotiating mutual terminations, including the documentation required and any financial settlements, such as severance payments or compensation for unused leave.

Swiss courts generally uphold mutual termination agreements if they are entered into voluntarily and without coercion, making it essential for employers to ensure that the terms are clear and agreed upon by the employee. Mutual termination agreements may also include confidentiality clauses, non-compete agreements, or references, which should be explicitly documented in the contract.

Dismissal by the employer

Native Teams

Dismissal is the most common method of employment termination and must comply with statutory notice periods outlined in the CO. Employers are required to provide written notice if requested by the employee, detailing the reasons for the dismissal. Dismissals that violate statutory protections, such as those during maternity leave or illness, are deemed invalid. Contracts may include additional clauses outlining the grounds for dismissal, such as poor performance or misconduct, ensuring that employees are aware of the expectations and consequences.

Swiss labour law also permits immediate termination for just cause, which must be based on severe misconduct or behaviour that makes the continuation of the employment relationship untenable. Contracts should define what constitutes just cause, such as theft, fraud, or serious breaches of workplace policies.

Resignation by the employee

Employees may terminate their employment by providing notice in accordance with the terms of their contract. Contracts should specify the notice period required and any obligations the employee must fulfill during this time, such as completing handovers or returning company property. Employers cannot refuse a resignation but may negotiate a shorter notice period or waive it entirely if mutually agreed. Resignations must be voluntary, and any evidence of coercion or undue pressure can render the resignation invalid.

Swiss labour law does not require employees to provide reasons for their resignation, but clear documentation ensures that the termination process is conducted amicably and professionally. Employment contracts may also address the handling of final payments, including salary, bonuses, and unused leave, ensuring that all financial matters are resolved before the employee's departure.

Fixed-term and automatic termination

Fixed-term contracts terminate automatically at the end of the agreed duration unless extended by mutual agreement. Contracts must specify the exact duration and any conditions for renewal to avoid ambiguity. Employers are not required to provide notice for the termination of a fixed-term contract but must ensure that the employee is informed of the end date at the outset.

Early termination of a fixed-term contract is only permissible for just cause or by mutual agreement, which should be documented in the contract.

Automatic termination may also occur due to specific events, such as the completion of a project or the attainment of retirement age. Contracts must outline these conditions clearly to avoid misunderstandings and ensure compliance with Swiss labour law.

Protected periods and legal safeguards

Swiss labour law prohibits terminations during protected periods, ensuring that employees are not dismissed during maternity leave, military service, or periods of illness or accident. These protections apply regardless of the terms of the contract and must be respected by employers.

Ordinary dismissal by the employer

Ordinary dismissal by the employer in Switzerland is regulated by strict labour laws, requiring clear contractual terms to ensure compliance and fairness in the employee-employer relationship.

Ordinary dismissal refers to the termination of employment with adherence to statutory or contractual notice periods. Swiss law mandates notice periods of one month in the first year, two months from the second to ninth year, and three months thereafter. Contracts may extend these periods but must apply equally to both parties and specify if notice aligns with calendar month-end.

Employers must act in good faith, avoiding discrimination or unfair targeting. While no reason is required unless requested, terminations during protected periods (e.g., maternity leave, military service, or illness) are prohibited. Contracts should clarify legal protections, severance terms, unused leave handling, and notification procedures.

Notice periods

Notice periods ensure employees have time to transition. Employers must honor contractual or statutory notice (one to three months based on tenure) and specify whether it aligns with calendar month-end. Salary in lieu of notice and allowances for job-seeking activities should be addressed in contracts to prevent disputes.

Fairness and non-discrimination

Dismissals must comply with Swiss labour laws, prohibiting discrimination based on personal characteristics. Employers should document reasons for dismissal and include procedures like warnings or performance plans in contracts to demonstrate fairness and avoid disputes.

Protected periods

Terminations are void during protected periods, such as maternity leave, military service, or illness. Contracts should outline these protections and explain how notice periods are paused and extended during illness, ensuring compliance with Swiss law.

Severance and financial matters

Severance is not mandatory but may be included in contracts. Terms should define eligibility and calculation methods. Contracts must also address compensation for unused leave, bonuses, or commissions, ensuring clarity in final settlements.

Notice period and challenging the dismissal

Notice periods and challenging dismissal in Switzerland are governed by robust legal frameworks designed to protect employees and ensure procedural fairness in the termination process.

In Switzerland, notice periods for employment termination are regulated under the Swiss Code of Obligations (CO), which specifies statutory minimum durations based on the length of the employment relationship. During the first year of employment, the notice period is one month. This increases to two months between the second and ninth years and extends to three months after the ninth year.

These notice periods are mandatory unless longer durations are agreed upon in the employment contract or collective labour agreements (CLAs). Contracts must stipulate equal notice periods for both employer and employee to comply with Swiss labour law.

Notice periods are calculated to align with the end of a calendar month unless explicitly stated otherwise in the employment contract. During this period, the employee remains entitled to their full salary and benefits and must continue performing their duties unless mutually agreed otherwise.

Employees may challenge dismissals they perceive as unfair, discriminatory, or in violation of statutory protections. Swiss labour law emphasizes good faith in termination procedures, and dismissals during protected periods, such as maternity leave or illness, are considered invalid. Contractual flexibility in notice periods

Swiss labour law allows for flexibility in setting notice periods through contractual agreements, provided they meet the statutory minimums and apply equally to both parties. Employment contracts can extend notice periods to provide greater job security for employees, but these extensions must be clearly documented to avoid misunderstandings. For example, senior managerial roles often include longer notice periods, reflecting the complexity and responsibility of the position.

Contracts must also specify whether the notice period begins on the date of notification or aligns with the end of a calendar month, ensuring clarity for both parties. In some cases, employers may opt to release employees from their duties during the notice period while continuing to pay their salary, a practice known as garden leave.

Challenging unfair dismissals

Employees in Switzerland have the right to challenge dismissals they consider unfair or discriminatory. Swiss labour law prohibits dismissals based on characteristics such as gender, race, religion, or political beliefs. Employees dismissed under such circumstances may file a claim for compensation, which can amount to up to six months' salary. Employment contracts should include a clause affirming the employer's commitment to non-discrimination and outlining the process for addressing grievances related to dismissal.

The law also protects employees from termination during certain protected periods, including maternity leave, military service, and illness or accident-related absences. Dismissals issued during these times are deemed void, and employees may be reinstated with full rights.

Legal procedures for dispute resolution

Disputes over notice periods and dismissals are typically resolved through cantonal labour courts, which provide accessible and efficient mechanisms for addressing employment-related grievances. Employment contracts should specify the jurisdiction and preferred method of dispute resolution, such as mediation or arbitration, to streamline the process.

Protected periods

Swiss labour law extends notice periods in specific circumstances to protect employees during vulnerable times. For instance, if an employee falls ill or sustains an injury during the notice period, the countdown is paused for the duration of the illness, up to a maximum of 30 days in the first year of employment, 90 days from the second to fifth year, and 180 days thereafter. Pregnancy and maternity leave are also protected periods, during which dismissals are prohibited.

Employer obligations during notice periods

During the notice period, employers are required to uphold all contractual obligations, including salary payments, benefits, and allowances. Employees retain the right to take accrued annual leave during this time, provided it does not conflict with operational needs. Contracts should clarify the process for requesting and approving leave during the notice period to avoid conflicts. Employers must also accommodate job-seeking activities, such as attending interviews or networking events.

Rights and obligations of unemployed persons

The rights and obligations of unemployed persons in Switzerland are governed by labour legislation and unemployment insurance laws, providing a safety net while imposing duties to facilitate re-employment.

In Switzerland, unemployment rights are governed by the Federal Unemployment Insurance Act (ALV), which provides financial support and re-employment assistance. Eligible individuals must have contributed for 12 months in the last two years and can receive benefits equal to 70% of their insured salary, or 80% for low-income earners or those with children. Benefits are capped and subject to social security deductions.

Recipients must register with a regional job center (RAV), actively seek work, and attend RAV meetings and programs. Non-compliance may lead to benefit suspensions.

Employment contracts play a residual role in disputes over termination or severance. Former employees can challenge unfair dismissals or claim unpaid entitlements, with cantonal labour courts resolving such issues based on contractual terms. Eligibility and registration

To qualify, individuals must have contributed to the ALV for at least 12 months in the past two years or meet exceptions (e.g., illness, maternity). Prompt registration with the RAV is required, with documents like the termination letter and proof of job-seeking efforts. Severance pay may temporarily reduce benefits, as it is treated as income.

Benefit calculation and payment

Unemployment benefits are based on the insured salary, typically 70-80% of previous income, and paid for up to 400 days (520 for older individuals or those with dependents). Social security contributions are deducted from payments. Clear final salary statements help ensure accurate and timely calculations.

Job-seeking obligations

Recipients must actively seek work, apply for jobs, and participate in RAV programs. Non-compete clauses in contracts may restrict job options, and negotiations or legal modifications may be necessary to meet obligations.

Dispute resolution

Disputes over benefits or termination can be resolved through Swiss labour courts, relying on employment contract terms. Clear contracts and termination documentation minimize disputes and litigation risks.

Retraining and development

The ALV offers retraining programs to improve employability. Prior training or development clauses in contracts can enhance job prospects and align with RAV requirements.

Severance pay

Severance pay in Switzerland is not automatically mandated by law but may arise from contractual agreements, collective labour agreements, or specific employment circumstances.

In Switzerland, severance pay is generally not mandatory except for employees aged 50+ with 20+ years of service, capped at two months' salary under the Swiss Code of Obligations (CO). Most severance terms are defined in employment contracts, collective labour agreements (CLAs), or voluntary employer policies.

Severance is often used to facilitate amicable terminations, especially for redundancies or mutual agreements, with packages potentially exceeding statutory requirements by including extended benefits or outplacement services. Clear contractual terms are essential, and disputes over severance can be resolved through cantonal labour courts. Employers must ensure compliance with laws and agreements to avoid liabilities.

Contractual agreements

Severance pay is often defined in employment contracts, detailing conditions like redundancy, mutual agreement, or dismissal without just cause. Terms may specify calculation methods, such as one month's salary per year of service, capped at a maximum. Employers must ensure alignment with collective labour agreements (CLAs) and clarity to avoid disputes. Without explicit terms, employees rely on minimal protections under the Swiss Code of Obligations.

Voluntary severance packages

Many employers offer voluntary severance packages during redundancies or mutual terminations. These may include lump-sum payments, extended benefits, or outplacement services. Written agreements should include waivers of future claims, compliant with Swiss labour laws, while preserving statutory rights.

Taxation and social security

Severance is typically taxable, with exemptions for retirement-linked payments. Employers must deduct social security contributions (e.g., AHV, ALV) where applicable and ensure transparency in net payment details.

Disputes

Disputes often stem from ambiguous terms or conflicting CLA interpretations. Employees may file claims in cantonal labour courts, with Swiss courts emphasizing clear contracts. Mediation or arbitration can offer faster, less adversarial resolutions.

CLAs and severance

CLAs often mandate severance standards, such as three months' salary for long-serving employees. Employers must integrate these terms into contracts to ensure compliance and avoid legal penalties.

Additional items

Probationary period

The probationary period in Switzerland is a legally regulated initial phase of employment, requiring specific contractual terms to ensure clarity and compliance with labour legislation.

The probationary period in Switzerland serves as a trial phase, allowing both the employer and employee to evaluate the suitability of the employment relationship. Under the Swiss Code of Obligations (CO), the default probationary period is one month, starting from the first day of work. However, employment contracts may extend this period to a maximum of three months, provided this is agreed upon in writing before the commencement of employment.

During the probationary period, either party may terminate the employment relationship with a reduced notice period of seven days, ensuring flexibility while maintaining a degree of stability.

The probationary period is governed by the same labour protections as standard employment, ensuring that employees receive fair treatment. Employers are obligated to provide compensation and benefits as agreed in the contract, and employees retain rights such as entitlement to social security contributions and protection against discrimination.

Employment contracts must clearly define the terms of the probationary period, including its duration, the applicable notice period, and any specific performance criteria or evaluation mechanisms. Legal framework

The default probationary period in Switzerland is one month, extendable to three months if stated in the contract. Extensions must comply with CLAs or industry rules. Contracts should clearly define start and end dates, as well as the seven-day notice period for termination, ensuring clarity and compliance.

Termination during probation

Termination during probation is less restricted but must be in good faith and not discriminatory. Contracts should outline grounds for termination and reference protections, such as bans on dismissals for maternity leave or military service. Documenting performance issues helps ensure fairness and avoid disputes.

Performance evaluation

The probationary period allows employers to assess employee suitability. Regular feedback and clear performance criteria in contracts help foster transparency. Documented evaluations provide consistency and support fair decision-making.

Extensions and transition

Probation may be extended up to three months by mutual agreement to address evaluation delays. Upon completion, contracts should specify changes to terms like salary or benefits, and employers should confirm successful completion in writing to promote goodwill.

Intellectual property rights

Intellectual property rights in Switzerland are governed by a robust legal framework that requires clear contractual terms to define ownership and usage within the employee-employer relationship.

In Switzerland, intellectual property (IP) rights during employment are governed by the Swiss Code of Obligations (CO) and specific IP laws like the Federal Patent and Copyright Acts. Employers generally own IP created by employees as part of their job duties, but exceptions exist for creations outside work responsibilities unless otherwise stated in the contract.

Contracts should clearly address ownership and assignment of rights, distinguishing between work-related IP and personal creations. Swiss copyright law also grants employees moral rights over their works, even when economic rights belong to the employer, protecting against misuse or distortion. Clear contractual terms help prevent disputes and ensure compliance with IP laws.

Ownership of work-related IP

Native Teams

Under Swiss law, IP created as part of an employee's duties belongs to the employer. Contracts should clearly define the scope of this ownership, including rights to inventions, designs, or creative works made using company resources. For IP developed outside job responsibilities, employees usually retain ownership unless the contract specifies disclosure and employer purchase rights.

Patentable inventions

Patentable inventions related to an employee's duties belong to the employer, with appropriate compensation required for creations exceeding regular responsibilities. Contracts should outline compensation terms and may include pre-emption rights for inventions relevant to the business but created independently.

Copyrights and moral rights

Employers may own the economic rights to copyrighted works, such as software or designs, but moral rights (e.g., creator acknowledgment and objection to harmful modifications) remain with employees. Contracts should respect these rights and explicitly address any agreed waivers, ensuring compliance with Swiss law.

Trade secrets and confidentiality

Employees must maintain confidentiality about trade secrets during and after employment. Contracts should specify the scope of protected information, the duration of obligations, and penalties for breaches. They should also address the return or destruction of confidential materials upon termination.

Employee data privacy

Employee data privacy in Switzerland is governed by stringent legal frameworks requiring clear contractual provisions to protect personal data within the employee-employer relationship.

In Switzerland, employee data privacy is regulated by the Federal Act on Data Protection (FADP). Employers must process personal data lawfully, transparently, and only for employment-related purposes, adhering to principles of proportionality and necessity.

Employment contracts should specify the types of data collected, processing purposes, and protective measures. Sensitive data, like health information, requires explicit consent unless legally required. Employers must implement safeguards such as encryption and access controls.

Employees have the right to access, correct, or delete their data. Contracts should outline these rights and procedures to ensure transparency. Non-compliance with the FADP risks

penalties, legal claims, and reputational harm, making clear data privacy terms essential.

Data collection and processing

Employee data collection must comply with the FADP's principles of legality, transparency, and proportionality. Contracts should specify the purposes for data collection (e.g., payroll, performance evaluations) and limit processing to what is necessary. Sensitive data, like health records, requires explicit consent or a legal basis, with consent being freely given and documented.

Data retention and deletion

Employers must retain personal data only as long as necessary for its intended purpose. Contracts should outline retention periods for various data types (e.g., payroll records, performance reviews) and secure deletion procedures.

Employee rights

Employees have the right to access, correct, and object to data use. Contracts should provide procedures for these requests and clarify data-sharing practices, including third-party and cross-border transfers, ensuring compliance with FADP requirements.

Monitoring and surveillance

Workplace monitoring is allowed only for legitimate purposes (e.g., security) and must respect employee privacy. Contracts should detail the scope and safeguards of monitoring, require prior notification, and prohibit covert surveillance unless in exceptional cases.

Data breaches

Employers must report breaches to the FDPIC and affected employees if risks arise. Contracts should address breach response protocols, including investigation, mitigation, and notification steps, while highlighting preventive measures like risk assessments and employee training.

Restrictive covenants

Prohibition of competition

The prohibition of competition in Switzerland is strictly regulated by labour law, requiring detailed contractual terms to ensure compliance with statutory limits and the protection of both employee and employer interests.

In Switzerland, the prohibition of competition is governed by the Swiss Code of Obligations (CO) which regulates non-compete clauses in employment contracts. A non-compete clause restricts an employee from engaging in activities that directly compete with the employer's business after the employment relationship ends. Such clauses are enforceable only under specific conditions.

First, the clause must be included in a written employment contract and meet the legal requirements of scope, duration, and geographic limitations. Second, the employee must have had access to sensitive business information during their employment that could cause significant harm to the employer if disclosed or misused.

The prohibition of competition is considered valid only to the extent that it protects the employer's legitimate business interests. It must not impose excessive restrictions on the employee's professional freedom or career prospects. Under Swiss law, the duration of a non-compete clause is generally limited to one year, although extensions up to three years may be enforceable under exceptional circumstances, such as when the employee has received significant compensation or benefits for agreeing to the clause.

Non-compete clauses that exceed reasonable limitations may be declared wholly or partially unenforceable by Swiss courts. The enforcement of these clauses often depends on their proportionality and the existence of a legitimate employer interest, which must be balanced against the employee's right to economic freedom. Scope of non-compete clauses

Non-compete clauses must be proportionate to the legitimate interests they seek to protect. The scope of the prohibition is a critical factor, including the type of competitive activities restricted, the geographic area covered, and the duration of the restriction. For example, a non-compete clause that bars an employee from working in an entire industry or region far beyond the employer's actual business reach is likely to be deemed excessive and unenforceable. Employment contracts should carefully define these parameters, specifying the precise activities, regions, and timeframe covered to ensure compliance with Swiss law.

The legitimacy of a non-compete clause also depends on the nature of the information the employee had access to during their employment. For instance, employees who manage trade secrets, client databases, or business strategies are more likely to be subject to

enforceable non-compete restrictions. Employers must demonstrate that the employee's potential use of this information could cause tangible harm to the business.

Financial compensation

While Swiss law does not mandate financial compensation for non-compete clauses, providing such compensation can strengthen the enforceability of the agreement. Compensation serves as consideration for the employee's agreement to restrict their professional opportunities after leaving the employer. Contracts may specify lump-sum payments, monthly compensation during the restriction period, or other financial benefits. Including compensation terms in the contract not only demonstrates fairness but also reduces the likelihood of disputes over the validity of the clause.

Employers should be cautious, however, as excessive restrictions or insufficient compensation may render the clause unenforceable. For example, Swiss courts have ruled that non-compete clauses without adequate justification or disproportionate to the harm they seek to prevent are invalid.

Enforcement of non-compete clauses

The enforceability of a non-compete clause often hinges on the circumstances of the termination. Swiss law stipulates that non-compete clauses are enforceable only if the employee leaves voluntarily or is terminated for reasons that are not attributable to the employer's breach of contract. If an employer terminates the employee without just cause, the non-compete clause is rendered invalid, as the employer is deemed to have forfeited their right to enforce the restriction. Employment contracts should explicitly address these conditions, ensuring that both parties understand when and how the clause applies.

Balancing employer and employee interests

Swiss labour law prioritizes a balance between protecting employers' legitimate interests and safeguarding employees' rights to economic freedom. Non-compete clauses must not impose unreasonable barriers to an employee's ability to pursue their career. Employers are encouraged to use these clauses judiciously and limit their application to situations where they are truly necessary. For instance, employers may consider alternative measures, such as confidentiality agreements or shorter non-compete durations, to protect their interests without unduly restricting employees.

Remote working

Remote working policy

Remote working policies in Switzerland require comprehensive contractual terms to ensure compliance with labour law and the protection of both employee and employer rights.

In Switzerland, remote working, or telework, is increasingly common, and its regulation falls under the general provisions of the Swiss Code of Obligations (CO) and labour law principles. While there is no specific legislation solely dedicated to remote working, employers and employees must define its terms through employment contracts or supplementary agreements. Key aspects to address include work hours, equipment provisions, data protection, and health and safety requirements.

Contracts must specify whether remote work is optional, mandatory, or flexible, including provisions on how and where employees may work. Employers remain responsible for ensuring that employees comply with legal working hour limits, breaks, and rest periods, even in a remote setup. The agreement should outline the expected hours of availability and reporting mechanisms for tracking time worked. Additionally, employers are obligated to provide the necessary tools and resources, such as computers or internet access, unless otherwise agreed. The contract should also address cost reimbursement for expenses incurred during remote work.

Swiss labour law also requires employers to ensure that remote working arrangements meet health and safety standards. Employees must have a workspace conducive to productivity and physical well-being, and employers must assess risks related to ergonomic conditions. The contractual terms should clearly delineate responsibilities, ensuring both parties understand their obligations in a remote working arrangement. Scope and responsibilities

Remote work arrangements must be clearly defined in the employment contract or a supplementary agreement, including permitted work locations (e.g., home or co-working spaces) and conditions. For hybrid work, the contract should specify the split between remote and on-site work and any mandatory office presence. Employers must ensure employees have the necessary tools (e.g., laptops, secure internet) or provide compensation if personal equipment is used. Reimbursement for expenses like electricity or heating should also be detailed.

Working hours and monitoring

Employers must ensure remote workers comply with Swiss labour laws on working hours (45-50 hours per week, depending on the sector) and mandated breaks. Contracts should define time-tracking tools and overtime reporting methods. Monitoring practices must

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comply with the Federal Act on Data Protection (FADP), using transparent methods like task tracking or periodic check-ins, as covert monitoring is typically prohibited.

Health and safety obligations

Employers remain responsible for employee health and safety, even for remote work. Contracts should require ergonomic and safe workspaces, offer guidance on home office setups, and clarify shared responsibilities. Employees must report any significant risks, as employers could be liable for health issues caused by inadequate conditions.

Data protection and confidentiality

Contracts must address data protection under the FADP, specifying security measures (e.g., encrypted devices, secure networks). Employees should avoid using shared or public networks without protections and must adhere to confidentiality clauses that prohibit working in public spaces where sensitive information could be exposed.

Termination and transition

Contracts should outline procedures for transitioning back to on-site work or terminating remote arrangements, including notice periods, due to changes in business needs, performance, or legislation.

Responsibilities within a remote work arrangement

Responsibilities within a remote work arrangement in Switzerland are defined by labour legislation and contractual terms, balancing the obligations of employers and employees to ensure compliance and productivity.

Employer responsibilities

Providing tools: Employers must supply necessary remote work tools (e.g., computers, software, internet). If employees use personal equipment, contracts must specify reimbursement terms for costs like internet, electricity, or maintenance. Failure to provide or reimburse can breach labour law.

Monitoring working hours: Employers must track working hours per Swiss labour law, ensuring compliance with limits on hours, breaks, and overtime. Contracts should define time-tracking methods and overtime approval processes.

Data protection: Employers must comply with the Federal Act on Data Protection (FADP) by securing employee and company data through encrypted devices, secure channels, and clear handling protocols. Contracts should outline both employer and employee data security obligations. Employee responsibilities

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Productivity and communication: Remote employees must meet deadlines, attend virtual meetings, and remain accessible during agreed working hours. Contracts should clarify expectations for availability and communication.

Confidentiality: Employees must protect sensitive information by working in secure environments, using password-protected devices, and avoiding insecure networks. Contracts should include confidentiality clauses specific to remote work and outline procedures for reporting security issues.

Workspace safety: Employees must maintain a safe, ergonomic workspace, follow employer-provided guidelines, and report significant risks. Contracts may require employees to confirm compliance with health and safety standards and cooperate with voluntary assessments.

Health and safety at home

Health and safety within a remote work arrangement in Switzerland emphasizes contractual duties for employee well-being, rooted in the Swiss Labour Code's detailed obligations.

In Switzerland, health and safety regulations under the Swiss Labour Code, Accident Insurance Act (UVG), and Occupational Health and Safety Ordinance (VUV) require employers to ensure a safe working environment, including remote setups. Employers must prevent physical risks (e.g., ergonomic injuries) and psychological risks (e.g., stress), regardless of work location.

Employer responsibilities:

- Assess and mitigate risks for remote workers.
- Provide or cover costs for ergonomic equipment if necessary for safety.
- Monitor compliance with safety guidelines, respecting employee privacy per the Federal Act on Data Protection. Workplace access for risk assessment requires employee consent.

Employees must comply with safety guidelines and use provided equipment. Employers may limit liability if they have offered proper training and compliant measures, but the employee refuses them.

Contracts for remote work

Contracts should specify safety responsibilities, equipment provisions, and safe work practices. Employers may include wellness assessments or monitoring tools to manage stress and isolation risks in remote work, ensuring compliance with Swiss labour law.

Ergonomic standards

Employers must ensure ergonomic safety in remote setups, providing or reimbursing necessary equipment like chairs and screens. Employees should be trained on safe postures and breaks to minimize risks. Failure to meet these standards could lead to legal liability for work-related injuries.

Psychological health

Employers must address psychological risks, such as stress or isolation, through structured communication and regular check-ins. Contracts should outline these support measures, and employers are obligated to act on complaints to avoid liability under the Swiss Code of Obligations.

Monitoring and privacy

Monitoring systems for remote work must respect privacy and adhere to the Swiss Data Protection Act. Monitoring must be proportional and disclosed in contracts, with employee consent required for home office assessments. Collected data must remain confidential.

Liability for non-compliance

Employers may be liable for injuries or burnout if safety measures are inadequate. While accident insurance (UVG) covers incidents regardless of location, negligence in enforcing safety standards could lead to financial accountability. Contracts should clarify liability and employee compliance duties.