

A Five-Minute Guide to Swiss Employment Law

Key Elements

Termination

(notice period / good cause)

[See further →](#)

Salary / Bonus / 13th Month Salary

[See further →](#)

No formal requirements for a valid employment contract

Working hours

(full-time/part-time, overtime, etc.)

[See further →](#)

Holidays

Minimum 4 weeks' paid holiday per year (5 weeks for employees under 20)

No minimum wage

△ Specific provisions in a collective employment contract (if applicable)

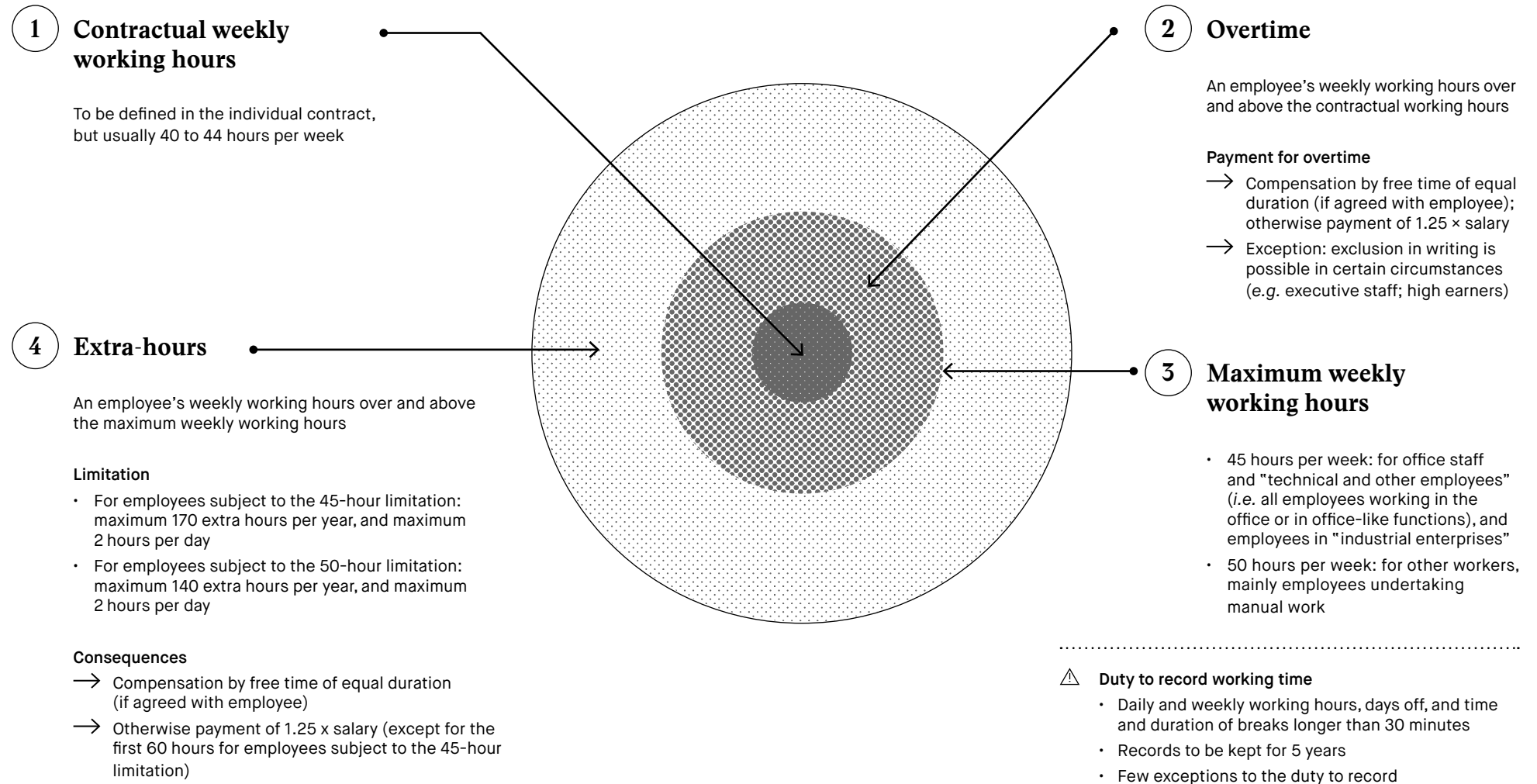
Indefinite duration
/
Definite duration

Non-competition clause

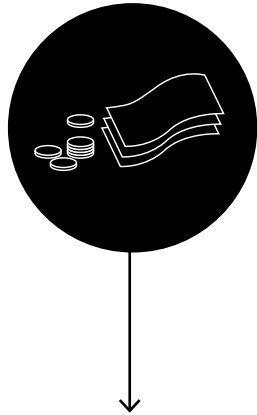
Post-contractual non-competition clauses are valid and enforceable if all the following conditions are met:

- 1 Agreed in writing
- 2 The employee must have had access to the employer's customers or manufacturing/business secrets
- 3 Information so obtained might seriously harm the employer
- 4 Restrictions do not harm the employee's earning prospects (reasonably limited in terms of duration, territory and type of operation covered)

Working Hours



Salary

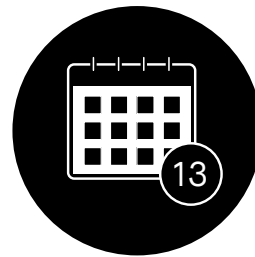


1 Salary

Subject to the parties' agreement

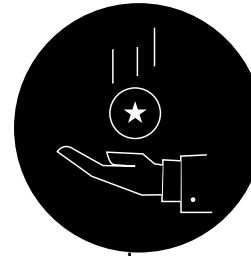
Exception

Collective employment contract which sets minimum salary



2 13th month

Optional, but if provided by contract, becomes a salary unconditionally due



3 Bonus (or equivalent)

Salary

If the bonus is considered as variable salary, it must be paid

Conditions

- Amount of the bonus is clearly determined, or is at least objectively ascertainable (formula)
- Employer pays the bonus without restriction in the same amount for at least 3 years (or at least 10 years, if subject to restrictions)
- The bonus is not deemed a mere accessory to the salary: not applicable in case of very high income, *i.e.* beyond around CHF 370'000 per year

Gratification

If the criteria above are not met, the bonus may be considered a gratification. This is a special compensation granted by the employer in particular circumstances. It is paid according to the employer's decision ("discretionary") and to the terms and conditions set out in the contract (to be carefully drafted)



4 Incentive plan

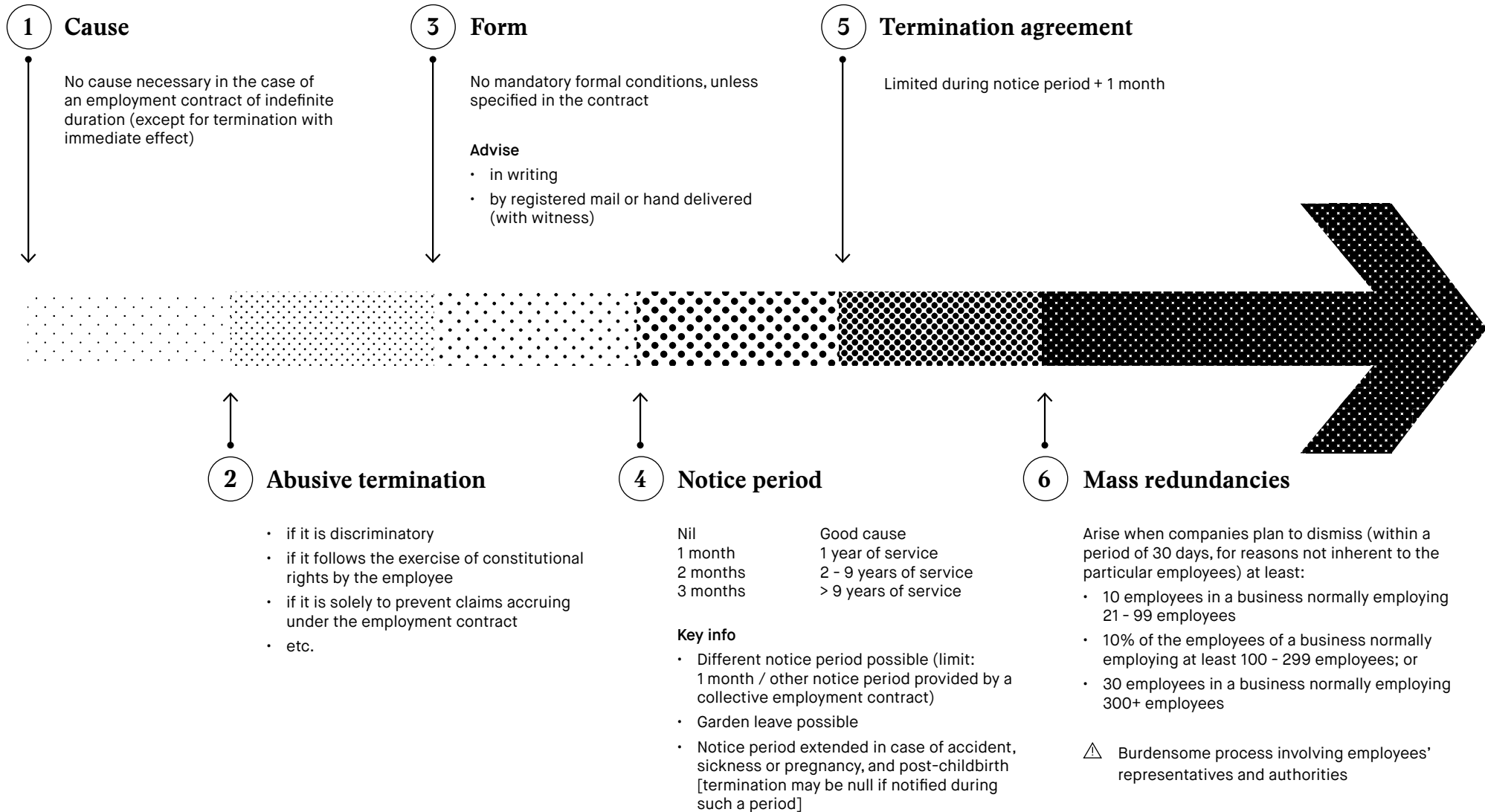
Example

Stock Option Plan / Plan for acquisition of shares

Possible, but to be specified:

- Salary or gratification (see criteria at ③)
- Beneficiary group
- Plan substrate: sources of securities allowing employee profit-sharing
- Plan price (exercise price of option)
- Terms of allocation of plan: the aim is to provide attractive remuneration without being excessive in relation to the performance of both the company and the employee
- Terms governing the right to exercise options and to dispose of options/shares

Termination



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The content of this document does not constitute legal advice and may not be relied upon as such. Should you seek advice with regard to your specific circumstances, please contact us.

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In order to best meet the needs of our clients about new data protection regulations, Sara is *Certified Information Privacy Professionals / Europe (CIPP/E)* by the International Association of Privacy Professionals, IAPP.

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