

A Five-Minute Guide to Swiss Employment Law

Key Elements

Termination

(notice period / good cause)

[See further →](#)

**In principle, no formal requirements
for a valid employment contract**

Holidays

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

No national minimum wage

△ Specific provisions in a collective bargaining agreement (if applicable)

△ Five cantons adopted minimum wages (Jura, Neuchâtel, Geneva, Ticino and Basel-City).

Salary / Bonus / 13th Month Salary

[See further →](#)

Non-compete and non-solicitation clause

Post-contractual non-compete and non-solicitation 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 clientele or manufacturing/trade secrets
- 3 Information so obtained might substantially harm the employer
- 4 Restrictions do not harm the employee's earning prospects (reasonably limited in terms of duration, territory and scope of activity covered)

△ Some professionals cannot validly enter into non-compete and non-solicitation clauses.

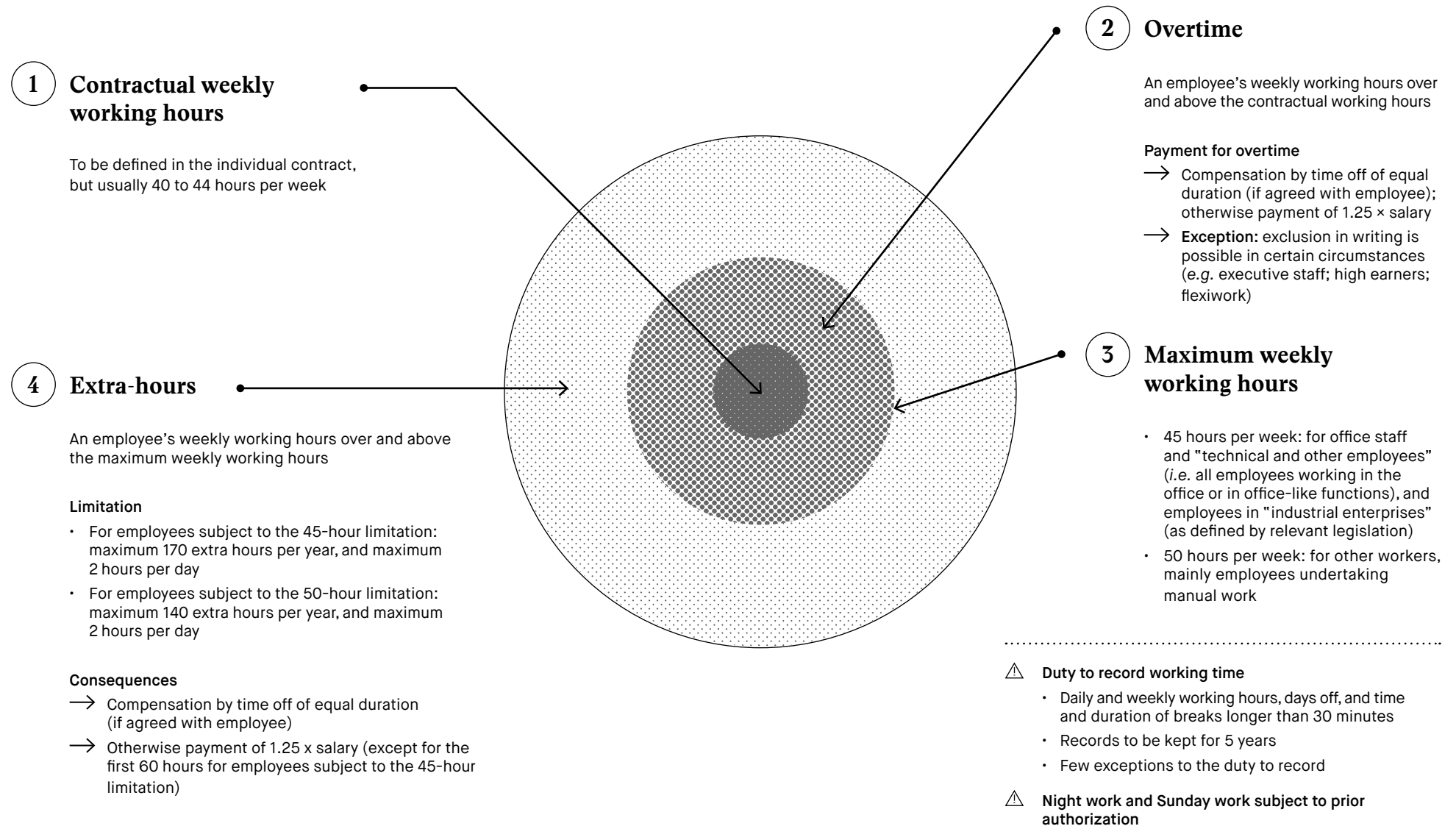
.....
Indefinite duration
/
Definite duration
/
Bespoke forms to meet business needs
.....

Working hours

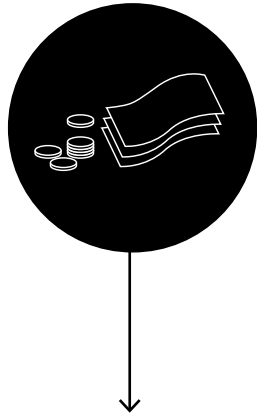
(full-time/part-time, overtime, etc.)

[See further →](#)

Working Hours



Remuneration

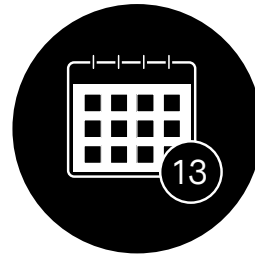


1 Salary

Subject to the parties' agreement

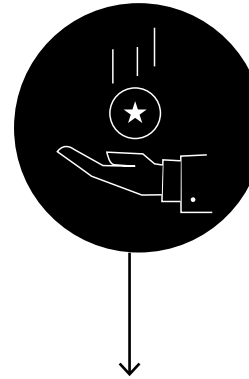
Exception

- Collective bargaining agreement which sets minimum salary
- Minimum wages in five cantons
- Standard employment contracts setting forth minimum wages



2 13th month

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



3 Bonus (or equivalent)

Salary

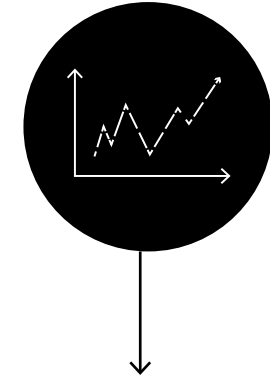
If the bonus is considered as variable salary, it must be paid

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 a threshold updated annually (currently beyond around 374'000 CHF)

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

Examples

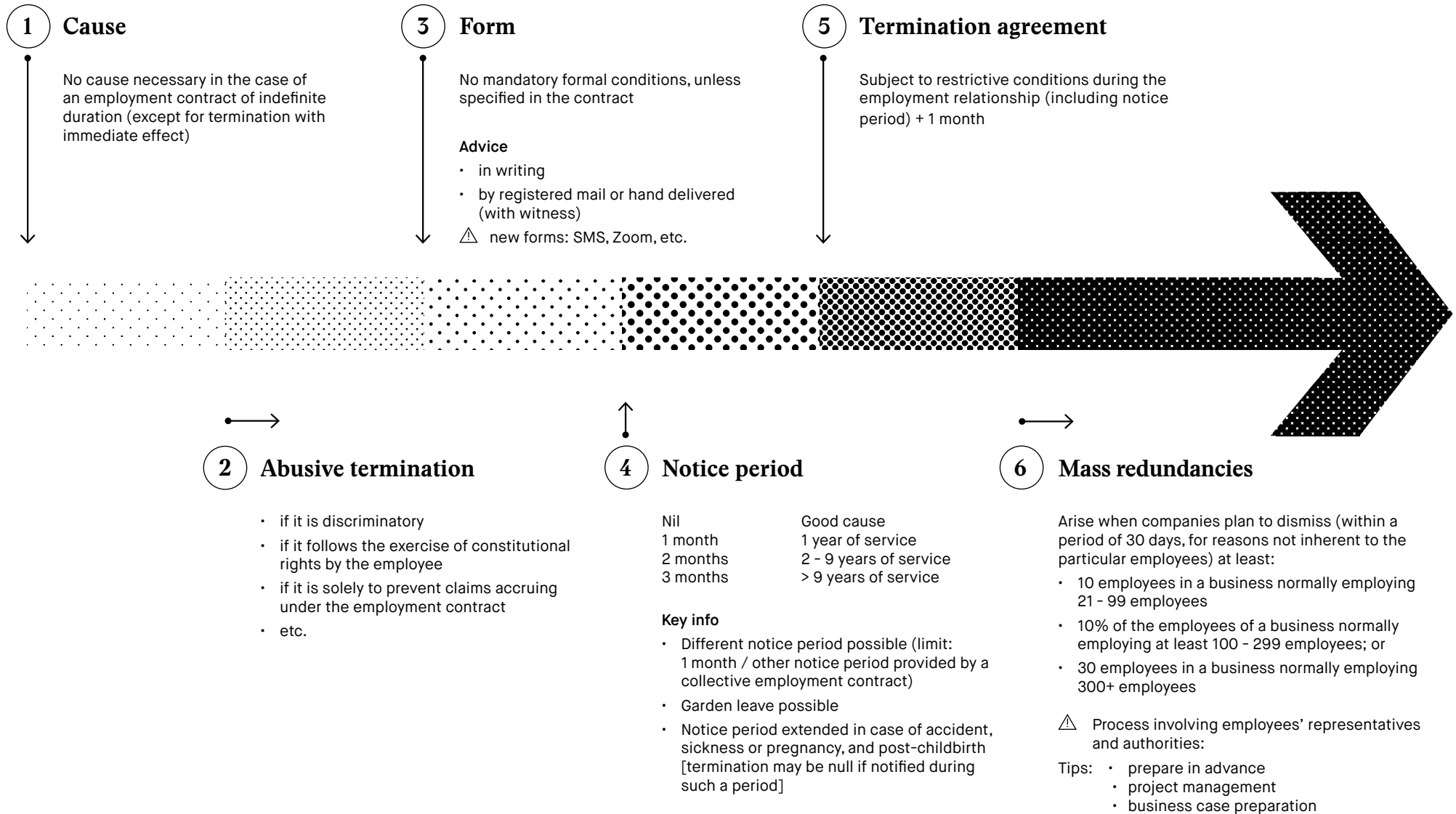
Stock Option Plan / Plan for acquisition of shares / Restrictive Stock Units (RSUs)

Possible, but to be specified:

- Salary or gratification (see criteria at ③)
- Eligible employees
- Plan substrate: sources of security allowing employee profit-sharing
- Plan price (exercise price of option)
- Define Terms and Conditions: 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
- Granting entity (in a group of companies)

⚠ Taxation: withholding plan

Termination



New trends



1 Home office

- In general, no entitlement of employees. To be mutually agreed with the employer
- In general, utilities (heating, electricity, water) are only reimbursed by the employer if excess costs triggered by home office
- Usually subject to a written mutual agreement addressing specific issues (health/safety, confidentiality, professional secrecy, etc.)



2 Paternity leave (since 01.01.2021)

- 2 Weeks (10 days at 100% occupational rate) to be taken within the first 6 months of the child's birth



3 Company policies

- Cover companies' rules and/or practices, or legal requirements

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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.

Laurence Crittin is a Counsel at MANGEAT. Her main practice areas are Employment Law, Immigration Law, Data Protection and General Contractual Law.

Laurence Crittin worked as a Senior Associate in reputable business law firms in Geneva, Zurich and Sion where she specialised in employment law, while still practicing her other areas of interest. She also gained valuable experience as a Legal Counsel for a major luxury goods company.

Laurence benefits from extensive experience in a wide range of industry sectors (in particular banking, finance, luxury goods, commerce, healthcare / medical devices), both on the international and domestic levels.

She regularly advises and represents before courts companies and individuals in her areas of expertise. She managed cases in relation to terminations of employment, mass dismissals, restructuring of group of companies (including due diligence processes), non-competition and non-solicitation clauses, immigration law, work permits, cross-border workers, private placement services and hiring of services, and social charges. She also advised on companies' personnel policies, employment agreements, HR practices (including data protection related issues).

Laurence is passionate about people and helping them finding pragmatic solutions in line with their business objectives and has experience in advising on cross-functional matters.

She is a member of the board of the Women's Business Society and promotes equality between women and men and work-life balance.

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