

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.

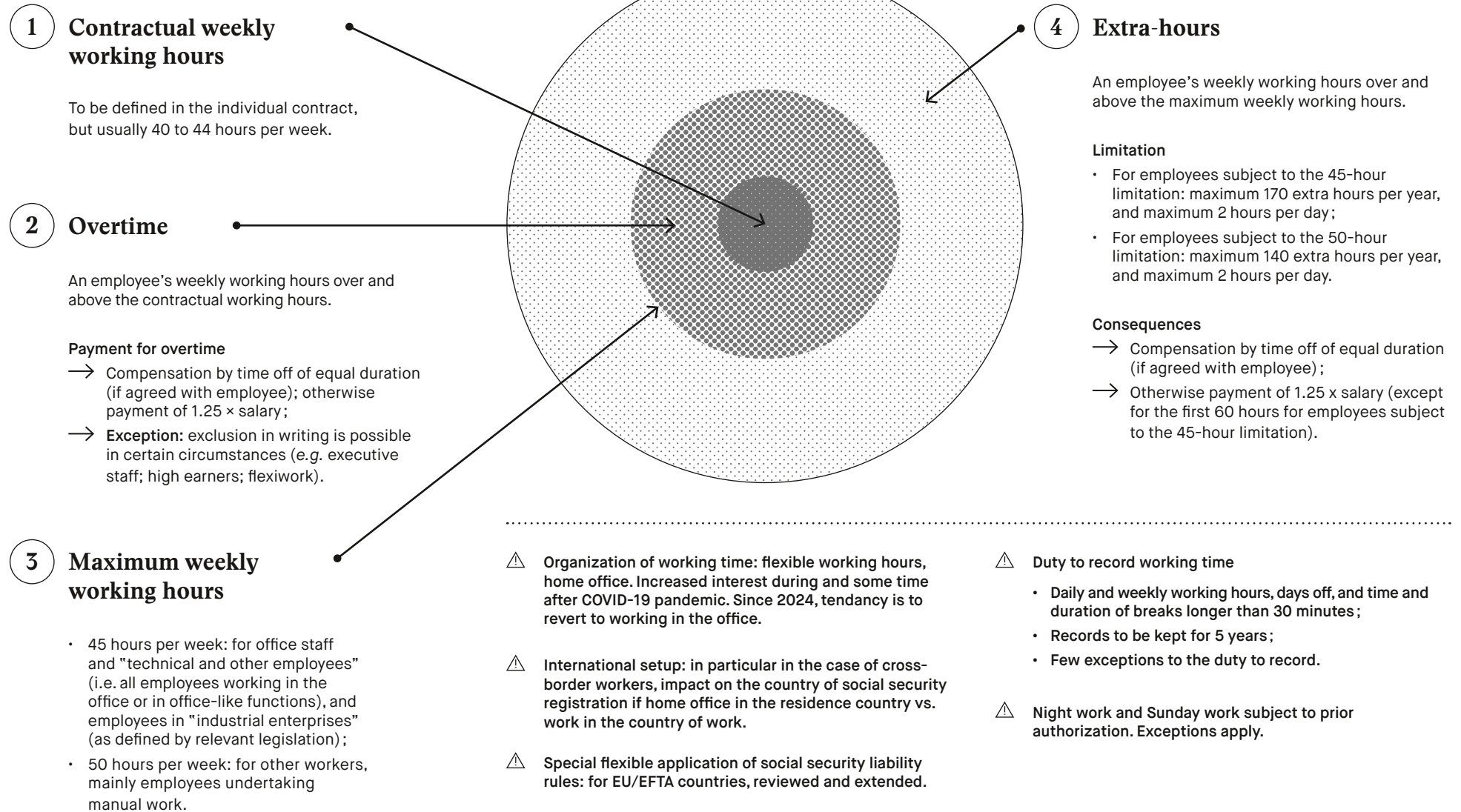
Indefinite duration
/
Definite duration
/
*Bespoke forms to meet
business needs*

Working hours

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

[See further →](#)

Working Hours



Remuneration

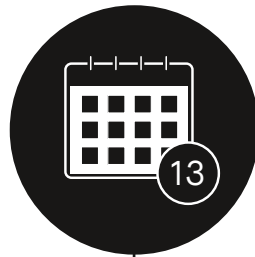


1 Salary

Subject to the parties' agreement.

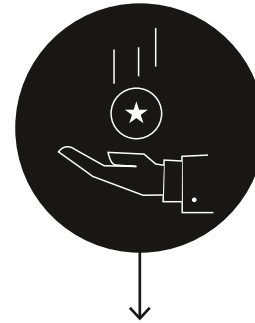
Exception

- 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 (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).

- △ Distinctions must be made between agreed bonus and gratification.
- △ According to new case law, it is not sufficient to use individual (subjective) criteria in a gratification formula to avoid a requalification as agreed bonus and the obligation of the employer to pay it.



4 Incentive plan

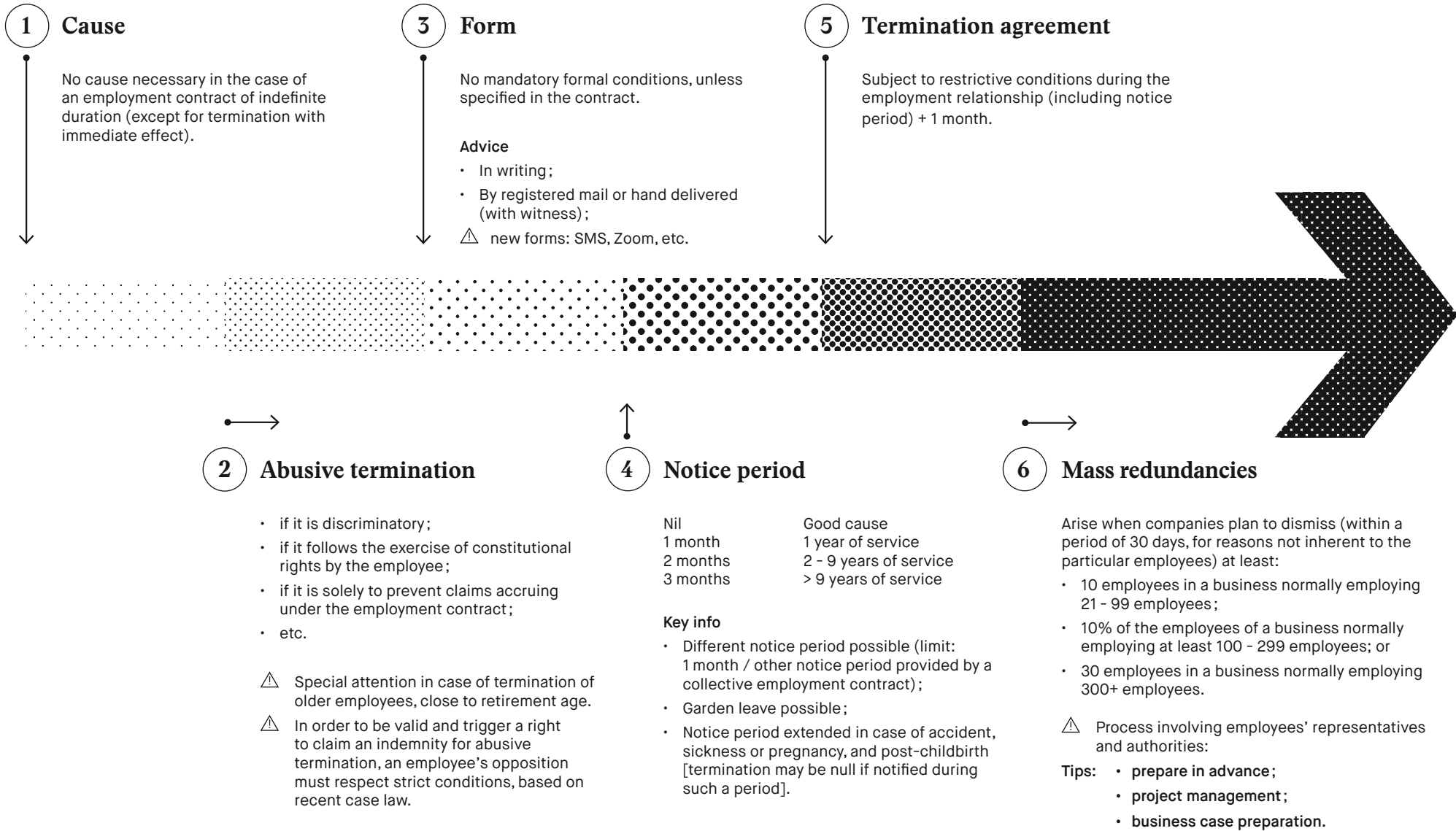
Examples

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);
- Defined 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 New rules in relation to maternity and parental leaves, death and termination Since 01.01.2024

- no reduction of holidays entitlement for the other parent in case of death of the mother (Art. 329b al. 3 lit. c SCO),
- in case of death of the other parent within six months of the birth of a child, the mother is entitled to two additional weeks of leave (modalities apply) (Art. 329f al. 3 SCO)
- in case of death of the mother at birth or within the following 14 weeks, the other parent is entitled to an uninterrupted 14 week leave from the day following the death of the mother (Art. 329g bis al 1 SCO)



2 New rules about termination of employment by the employer (Art. 335c al. 3 SCO)

Since 01.01.2024, if an employee benefits from the parental leave of the other parent (Art. 329g SCO - 2 weeks) and the employer terminates the employment agreement of said parent, the notice period is extended by the number of untaken days of parental leave (Art. 335c al. 3 SCO)



3 New protection against termination at inopportune juncture by the employer

Since 01.01.2024, an employer cannot terminate the employment agreement:

- between the start of the additional two-week leave of the mother in case of death of the other parent (Art. 329f al. 3 SCO) and the last day of said leave, but over a maximum three month period starting at the end of the pregnancy/16 weeks after birth (Art. 336c lit. c-ter SCO),
- during the 14 week leave of the other parent after the death of the mother (Art. 329g bis SCO)



4 New procedural rules Since 01.01.2025

- A party or the in-house counsel may refuse to cooperate during court proceedings in relation to activities of its in-house legal service (Art. 167a CPC). Conditions apply.
- Court hearings by videoconference are now possible. Conditions apply (Art. 170a ff. CPC).
- In case a party does not show (without justification) at a conciliation hearing, the judge may give the party a fine of max. CHF 1'000 (Art. 206 al. 4 CPC)



5 Registration of working time

Increased surveillance by competent authorities, potentially leading to procedures and sanctions.



6 Update on social security liability rules

- EU/EFTA: Starting from July 1, 2023, a new multilateral agreement allows cross-border workers (residing in a member state signatory of sande agreement) who engage in teleworking for less than 50% (of total working time) to maintain their state of affiliation for social insurance purposes in certain states (state of residence of the employer) (currently: Belgium, Czechia, Germany, Ireland, Spain, France, Croatia, Italy, Lithuania, Luxembourg, Malta, Netherlands, Austria, Poland, Portugal, Slovenia, Slovakia, Finland, Sweden, Norway, Switzerland, Liechtenstein).

△ Exceptions apply (in case of secondment, residency in a non-signatory EU/EFTA state, etc.)

△ Different specific tax rules apply

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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.

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