

# Swiss employee of a foreign employer (ANobAG)

Accounting & Payroll Services



In recent years, a trend has emerged that has been exacerbated by the closure of borders and the travel restrictions by the pandemic. Foreign companies without a legal presence in Switzerland hire individual employees in Switzerland. Even though the employer is located abroad, such employees are still subject to social security in Switzerland. Technically they are so-called ANobAGs, employees of a foreign employer, liable to pay social contributions in Switzerland. We help you manage ANobAGs in compliance with Swiss social security and tax-at-source regulations.

## What are your challenges?

- The process of registering an ANobAG varies depending on the constellation. Is the employer domiciled in the EU or another EFTA-country? Is it possible to register the foreign employer as employer with the Swiss compensation office? Is the employee resident in Switzerland but is not an EU- or EFTA national? Is the employee subject to Swiss tax at source or ordinary taxation?
- As a foreign employer, you don't have the necessary knowledge of the Swiss social security system. What are the legal minimum requirements for employee insurance? Should/can you offer additional insurance benefits to the employee? Which contributions are compulsory?
- Even though some employee insurances are mandatory, they must be concluded with a private insurance company. However, not all insurance companies offer such cover or are not able to provide policy documents in English.
- Employment already starts in a few weeks or even days. Therefore, the process must be initiated

quickly to have the necessary insurances in place at the start of the employment.

- You have just discovered that an employee is subject to Swiss social security and/or Swiss tax at source. Do you need to register and declare/pay retroactively?
- Who pays contributions and insurance premiums? How much of the contributions are paid by the employer and the employee?
- What are the Swiss payroll requirements?

## How can we support you?

We can support you with the following:

- Clarify Swiss social security and tax at source obligations
- Carry out the necessary registration(s) with social security and tax authorities
- Assist with taking out of compulsory and additional employee insurance and pension schemes

- Register with the Substitute Occupational Benefit Institution (AEIS), if the pension scheme cannot be concluded with a private insurance company or in case of a voluntary affiliation
- Receive, check and forward invoices and correspondence from social security and tax authorities
- Process the monthly Swiss payroll
- Prepare monthly tax-at-source declarations
- Prepare annual declarations for compensation office and insurance companies
- Prepare the Swiss salary certificate for tax purposes
- Manage the recurring payroll administration, such as child allowance applications, notification of changes to the pension fund, applications for insurance claims etc.
- Process the affiliation of any additional employees
- Obtain work permits
- Prepare/review employment contracts

### Why KPMG?

- Motivated KPMG team with extensive experience with ANobAGs
- Fast processing of Swiss social security and wage tax registrations
- Close collaboration with private insurance companies
- Insurance offers and documents in English
- Multidisciplinary teams to cover tax, labor law, immigration, social security and corporate tax

### Multidisciplinary services related to ANobAGs

Our multidisciplinary team can also assist you with any other queries relating to the employment of staff in Switzerland:

- Obtain form A1/Certificate of coverage
- Clarify permanent establishment risk
- Assist with preparing private tax returns of employees

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