

Salary Administration – is outsourcing the answer for an increasingly complex issue?



Salary administration requirements are becoming increasingly complex, with constant changes calling for rapid and flexible handling. We can support you in these tasks through an outsourcing package specially tailored to your company.

What are the biggest challenges?

- The flood of regulations and legislation being introduced in the fields of social security, tax law and employment regulations
- The opening up of the labor market for EU nationals
- The impact of international agreements

What benefits does outsourcing have for you?

- Maintaining discretion; a key advantage, particularly in the case of executive salaries
- No infrastructure or training costs
- Nationally and internationally networked and experienced KPMG employees who are up-to-date on the latest legislation and regulations
- Professionally managed substitution during staff absences
- You concentrate on your core business – we take care of the rest

How can we help?

We assist you in setting up and running the payroll accounting. If requested, we can adapt the payroll processing to your company's requirements; from standard payroll

processing (basic reporting) right up to company-specific analyses and measures.

Monthly tasks and reports:

- Processing the payroll
- Calculating and organizing special payments, such as bonuses
- Drawing up salary statements and paying salaries according to specified schedules
- Processing accounting and cost-centre vouchers, as well as analyses

Annual tasks and reports:

- Compiling annual overviews
- Compiling wage statements
- Calculating wage-related provisions for the annual financial statements

Social security insurance

The following types of social insurance are necessary in Switzerland:

- AHV/IV/EO
- ALV
- Occupational pension/pension fund
- Accident insurance
- Per diem sickness indemnity

We assist you in concluding social security insurance contracts and in registering with the relevant authorities. We take care of registration and deregistration for new and departing employees. We also draw up the annual declarations.

Withholding tax

Withholding tax has taken on greater importance in conjunction with the free movement of persons between Switzerland and the EU and the hiring of experts from outside the EU. We offer the following services in this field:

- Clarification of withholding tax liability
- Verification of tax rate notifications
- Identification of taxable components
- Calculation of tax deductions
- Declaration of monthly or quarterly tax to the tax authorities
- Establishment of the shadow withholding tax for persons receiving a salary from abroad
- Support in applying for exemption from withholding tax

Expatriates

Expatriation is the term used when a foreign company sends staff to Switzerland, or a Swiss company sends staff abroad, for a limited period of time. We support you in the employment process, in achieving exemption from Swiss social security insurance and in running administration.

Employees without an employer in Switzerland liable for the payment of their contributions (ANobAG)

Employees working in Switzerland for a company with its head office abroad are regarded as self-employed persons for social security insurance purposes. All such employees must therefore be insured individually and have individual accounts kept for them. We support you in all the administrative tasks that this involves.

Handling employee stock purchase plans

If employees receive equity securities at a special price, such as in the form of shares, the difference between the

issue price and the market value is deemed to be a benefit in kind; this must be declared both on the wage statement and for social security insurance purposes. We assist you in the calculation and declaration of these benefits.

Regulations governing expenses

The reimbursement of expenses has to be declared on the new wage statement. Guidelines have been drawn up for maximum amounts in cases where lump sums apply – such as for meals. If your company has different rules regarding expenses, it is advisable to have them approved by the tax authorities in the canton in which your company's head office is located. We support you in drawing up the rules and negotiating with the tax office.

Web Accounting

Do you need access to your financial accounts at any time, or would you like to handle some of the above-listed accounting activities at your company domicile? You don't want to deal with issues regarding software and data security?

You can keep your books, financial and payroll accounts, through the internet with our web-based online tool – independent of your working location or operating system. All you need is internet access and a Suisse ID for a secure connection. You can read more about this topic in our separate "KPMG's Web Accounting" fact sheet.

Multidisciplinary services

Our multidisciplinary team assists you with all the statutory and tax-related human resources issues, such as obtaining residence and work permits, filling out private tax declarations, improving the tax burden and drawing up employment contracts.

Your contacts

David Oberson

Partner, Head of Business & Outsourcing Services GE / VD

T: +41 58 249 37 92

F: +41 58 249 45 65

E: doberson@kpmg.com

Mathilda Studer

Director, Head of Business & Outsourcing Services ZH / ZG

T: +41 58 249 36 90

F: +41 58 249 44 27

E: mathildastuder@kpmg.com

Enzo Massimiano

Director, Head of Business & Outsourcing Services SG

T: +41 58 249 25 53

F: +41 58 249 22 12

E: emassimiano@kpmg.com