

GMS Flash Alert



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Switzerland – Social Security Measures Extended with Italy until 31 October

The Federal Social Insurance Office (FSIO) in Switzerland, on 26 August, announced the extension of the extraordinary measures related to the flexible application of the international social security rules during the COVID-19 pandemic with Italy until **31 October 2020**.¹ These measures are especially important for cross-border commuters working from home during the COVID-19 pandemic.

WHY THIS MATTERS

The flexibility shown by the social security authorities in Switzerland and Italy should bring welcome relief to frontier workers and cross-border commuters (and their employers) who may have been anxious about the continuing effect of the coronavirus pandemic on their work-from-home/work-outside-the-host/work-country arrangement in terms of the application of existing social security regulations to them. The renewed agreement will temporarily “normalise” their situation with the extended application of the rules as if the worker were to be still working in the country-of-work but for the coronavirus pandemic.

Background

The verbal agreement reached between the social security authorities of Italy and Switzerland stipulates that, in the context of COVID-19, daily cross-border commuters who were unable to exercise their employment in their habitual place of work shall remain subject to the social security regime they were subject to before COVID-19 measures were introduced.

This flexibility introduced in March that was applicable for a limited period of time has now been officially extended until 31 October 2020.

Social Security Considerations

As a general principle and according to European Union (EU) Regulation 883/2004, a cross-border worker from an EU or European Free Trade Association (EFTA) member state² who only works in one state is subject to the social security regime in the country of his or her formal employment. One of the exceptions to this rule is when a cross-border worker performs a substantial amount of the employment activity (defined as more than 25 percent of the work time or remuneration) in his or her home country. In such a case, the coordination rules may dictate that the social security regime switches to the country of residence.

KPMG NOTE

Based on these rules a cross-border commuter obliged to work from his or her foreign home office during a period when COVID-19 public health measures are in place could be considered a multistate-worker under the EU/ EFTA regulation and his or her social security position could potentially switch to the social security regime of the country of residence.

The social security authorities in Switzerland and Europe are aware of this potential issue and have reached an understanding that they will not apply a strict interpretation of the social security rules. Instead, they will take a flexible approach for some or all cross-border commuters.³ Italy and Switzerland have therefore agreed that home office days in the country of residence do not have to be considered when determining the correct social security regime and those cross-border workers working from home will not be considered as multi-state workers in the context of Art. 13 of EU Regulation 883/2004. The Swiss social security authorities confirmed on 28 August to extend this understanding until 31 October 2020.⁴

FOOTNOTES:

1 See the website for the FSIO at: <https://www.bsv.admin.ch/bsv/fr/home.html> . Also, see the Swiss social security site (in German, French and Italian): <https://www.bsv.admin.ch/bsv/it/home/assicurazioni-sociali/int/basi-e-convenzioni/int-corona.html> .

2 Switzerland did not ratify the inclusion of third-country nationals, therefore in a Swiss context only EU/EFTA nationals fall under the EU regulation 883/2004.

3 For related coverage, see the following issues of GMS *Flash Alert*: [2020-283](#) (16 June 2020) and [2020-135](#) (31 March 2020).

4 See the Swiss social security site (in German, French and Italian): <https://www.bsv.admin.ch/bsv/it/home/assicurazioni-sociali/int/basi-e-convenzioni/int-corona.html> .

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Contact us

For additional information or assistance, please contact your local GMS or People Services professional* or one of the following professionals with the KPMG International member firm in Switzerland:



Tatiana Pedretti

Tel. +41 58 249 46 43

tpedretti@kpmg.com



Nathalie Deini

Tel. +41 58 249 32 80

ndeini@kpmg.com

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