



Additional information  
to the legal ordinance

## **Unemployment and the occupational benefit scheme**



**Swisscanto**

Stiftungen/Fondations/Fondazioni

# Unemployment and the occupational benefit scheme

## Additional information to the legal ordinance

Whoever is unemployed faces numerous problems – not least because they are no longer protected by their occupational benefit scheme, since unemployed people have to leave the employee benefit institution of their former employer. However, it makes sense and is often necessary for an unemployed person to maintain their occupational benefit cover during periods of unemployment – or at least in part. The provisions on occupational benefits offer two options: mandatory occupational benefit scheme for unemployed people and voluntary continued insurance.

### **1 Mandatory cover**

If you receive a daily allowance from the unemployment insurance (UI) that, together with any other interim income, exceeds the amount of CHF 81.20 per day, you are automatically insured in the mandatory occupational benefit scheme for unemployed persons. This offers minimum protection in the event of disability or death. The insurance is managed centrally by the Foundation of the State Substitute Scheme.

### **What benefit protection does it offer?**

The mandatory occupational benefit protection covers the risks of disability and death, but does not provide for savings for retirement. Therefore you cannot transfer your savings assets from your previous employee benefit institution to this insurance but must have it transferred to a vested benefit policy or a vested benefit account.

In the event of disability, a disability pension and disabled person's child's pension are insured. In the event of death, spouse's and orphan's pensions are paid. Both the conditions for entitlement to benefits and the amount of these benefits are limited to the minimum benefits in accordance with the Federal Law on Occupational Old-Age, Survivors' and Disability Benefit Plans (LOB).

### **What are the risk contributions?**

The contribution rate for men and women equals 1.5% of the insured daily salary.

The amount of the insured daily salary depends on the amount of the unemployed person's daily allowance (together with any other interim income):

<b>UI daily allowance (in CHF)</b>	<b>Insured daily salary (in CHF)</b>
81.25–108.30	13.55
108.35–324.90	UI daily allowance less CHF 94.75
Over 324.90	230.15

The unemployed person and the unemployment insurance each pay 50% of the contributions. On those days when you do not receive a daily allowance (e.g. due to the application of a suspension period), the unemployment insurance pays the whole amount.

## 2 Voluntary continued insurance

If you want to maintain your retirement benefit provision as well as your risk protection and continue to accrue savings assets, you can continue your occupational benefit insurance – within the framework of the LOB – on a voluntary basis with the Foundation of the State Substitute Scheme. Alternatively, you have the option of simply continuing your retirement savings (without voluntary risk coverage). The unemployment insurance does not pay any contributions for voluntary continued insurance; these are borne by you in full.

If you continue your occupational benefit insurance on a voluntary basis, you can be released from the mandatory occupational benefit scheme for unemployed persons, as long as you have equal insurance coverage. In this case you must make an application to the Foundation of the State Substitute Scheme. You can obtain the relevant form from your regional employment centre.

However, with the voluntary continued insurance it is not possible to include benefit protection over and above the minimum mandatory benefits of the occupational benefit scheme. For this reason there may still be considerable gaps in comparison with your previous employer's benefit arrangement. These can only be covered by private insurance (3<sup>rd</sup> pillar). Our insurance advisors will be happy to explain the different options to you.

### Useful information on the internet

- You will also find detailed information on mandatory and voluntary occupational benefits for unemployed persons on the homepage of the Foundation of the State Substitute Scheme [www.chaeis.net/en](http://www.chaeis.net/en).
- The Federal Department of Economic Affairs has compiled a number of different brochures which cover the most important details about unemployment. You will find these on the internet site [www.treffpunkt-arbeit.ch](http://www.treffpunkt-arbeit.ch).

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