

Switzerland

Short-time work

The most common form currently chosen by employers to cushion the effects of the corona crisis, especially in industries where workers are no longer needed from one day to the other, is the so-called short-time work compensation. This instrument enables employers to apply for compensation for temporary job losses (in order to avoid dismissals and maintain jobs). In a nutshell, short-time working compensation is paid to the employer after a waiting period (which was now reduced from 10 days to 1 day by special decree). It amounts to 80% of the loss of earnings attributable to the reduction in working hours. An according reduction of working hours requires the employee's consent (which is often not a big issue as the alternative is layoff).

In general, a business is considered eligible if its loss of work is due to economic reasons and is unavoidable and amounts to one tenth of the total working hours which the employees would normally work under normal circumstances. For initial information, here is a useful link for employers (in ENG) to quickly assess, whether they are entitled to claim short-time work compensation as not all categories of employees are eligible:

<https://www.arbeit.swiss/secoalv/en/home/menue/unternehmen/versicherungsleistungen/kurzarbeit.html>

For an according application, please find the according form attached (not available in ENG; must be submitted in a national language); short-time work compensation requires the listing for each employee affected; employers should note that the application must include the employee's consent. I have attached the according form as well (also not available in ENG).

Such application for short-term work compensation would certainly be the first step any employer whose manpower/workforces are no longer (fully) required should take. If assistance is needed, please let me know any time.

FAQ by employers/employees

In the past weeks, we have assembled a list of the most frequently asked questions by employers, in particular relating their duty of continued pay (see attached). Please note that this list reflects the temporary situation which is (understandably) very dynamic and may change with further governmental announcements and special decrees which will certainly follow.

Further measures:

Yesterday, our government has approved a comprehensive package of measures amounting to CHF 32 billion to cushion the economic consequences of the spread of the coronavirus. With the measures already approved earlier (mainly for enhanced short-time work compensation), over CHF 40 billion will be available. The measures are aimed at various target groups to avoid redundancies, maintain employment, safeguard wages and provide support for the self-employed.

It has not yet been communicated how the emergency aid programme will proceed. The government has announced that the key points of the programme will be laid down in an emergency ordinance in the next few days. Although only available in DE/FR/IT, I have added the link to the currently available information as well:

https://www.seco.admin.ch/seco/de/home/Arbeit/neues_coronavirus.html

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