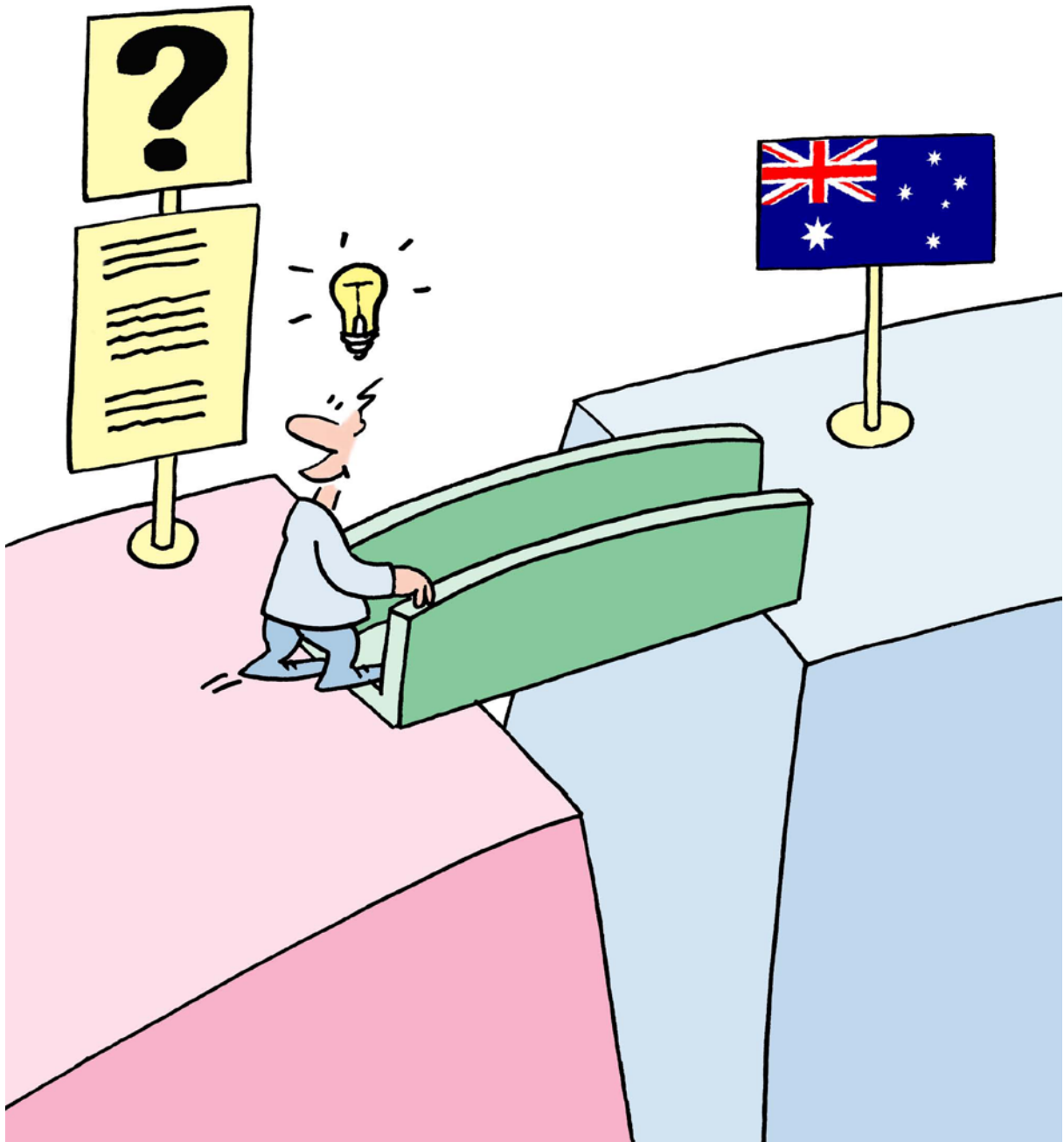




Social security agreement between Switzerland and Australia





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1 The agreement in brief

Signed on 9 October 2006, the [bilateral social security agreement between the Swiss Confederation and Australia](#) came into force on 1 January 2008. It serves two purposes. The first is to ensure that Swiss and Australian nationals receive equal treatment, wherever possible, in respect of their social security entitlements. The second is to determine to which national social security system a person is subjected.

The agreement sets out the requirements that a person must satisfy in order to receive Swiss or Australian old-age, survivors' and disability pensions, as well as rehabilitation measures from the Swiss disability insurance scheme. The agreement also sets out the rules on exporting these benefits. The Australian social security system will add periods of insurance completed in Switzerland to the periods of Australian residence in cases where the claimant does not meet the minimum qualifying period (10 years).

It should be noted that the basic Australian social security system is funded exclusively through taxation, and benefit entitlement is means- and asset-tested.

The purpose of this leaflet is to provide an overview of how Switzerland and Australia coordinate their social security systems. Only the relevant legal provisions and international agreements shall apply in the settlement of individual claims.

2 Material scope

Which Swiss legal provisions are covered by the agreement?

The agreement covers the Federal Act on the Old-Age and Survivors' Insurance (OASI) and the Federal Act on Disability Insurance (DI).

Which Australian legal provisions are covered by the agreement?

The agreement covers Australian legal provisions on basic old-age, survivors' insurance and on disability insurance (disability support pension for the severely disabled).

The Australian *Superannuation Guarantee* (occupational pension scheme) is covered only by the affiliation provisions.

3 Personal scope

Who is covered by the agreement?

In relation to Switzerland, the agreement applies to Australian and Swiss nationals, as well as their immediate family members (spouse and children) and surviving dependents.

In relation to Australia, the agreement applies to individuals who are or were Australian residents.

Are third-state nationals covered by the agreement?

The affiliation provisions may also apply to third-state nationals, i.e. individuals who are not Swiss or Australian nationals. For example, the provisions on workers posted temporarily to one of the contracting States by their employer, which has its headquarters in the other contracting State, apply equally to third-state nationals.

In relation to Australia, benefit entitlement of third-state nationals may be covered by the agreement.

4 Basic principles: equal treatment, export and totalization

What does equality of treatment mean?

Equality of treatment is a guiding principle of the social security agreement between Switzerland and Australia.

This means in practice that Australian nationals shall be treated in the same way as Swiss nationals as regards the rights and obligations under Swiss old-age, survivors' and disability insurance legislation.

Likewise, Swiss nationals shall be treated in the same way as Australian residents as regards the rights and obligations under the Australian social security schemes covered by the agreement.

Are there exceptions?

There are a number of clear-cut exceptions to the equal treatment principle. For example, only Swiss nationals living abroad (outside EU/EFTA member States) may join the facultative Swiss OASI/DI scheme.

A number of Swiss or Australian benefits may not be exported, neither for Swiss nationals nor for Australian nationals.

What does export mean?	This means that Swiss and Australian nationals may receive their pension even though they no longer live in the State paying their benefit.
What does totalization mean?	<p>This means that Swiss insurance periods are taken into account (totalized) when a person, to whom the agreement applies and who is claiming an Australian benefit that is covered by the agreement, does not meet all of the minimum qualifying period of insurance, contribution or residence required by Australian legislation <u>for entitlement to benefits</u> (see Section 8). These include periods of insurance that pre-date the agreement.</p> <p>Entitlement to Swiss pensions is exclusively based on contributions paid in Switzerland.</p> <p>However, the calculation and the <u>amount</u> of a pension from one of the contracting States are determined solely by the contributions paid in that State.</p>

5 Affiliation / compulsory insurance cover

What is meant by the principle of affiliation to the social security legislation of the country of employment?	<p>A person is subject to the legal provisions on compulsory insurance cover in the contracting State on whose territory this person works (principle of being subject to the social security legislation of the country of employment).</p> <p>This means that an Australian employee working exclusively in Switzerland is in principle subject to Swiss social security legislation and must therefore contribute to the compulsory Swiss social security schemes. Self-employed must pay contributions to the relevant compulsory social security schemes in the State where they work.</p> <p>Individuals who are gainfully employed in both Switzerland and Australia are subject to the compulsory social security schemes in both States. However, the social security system of each State will consider only the income earned on its territory.</p>
I work for an airline or on a boat	<p>Crew members working on the international routes of a Swiss airline are subject to Swiss social security legislation. However, individuals who live in Australia and work for an Australian branch of a Swiss airline are subject to Australian social security legislation.</p> <p>The crew of a vessel sailing under the Swiss flag are subject to the social security legislation of the contracting State in which they reside. An Australian resident working on board a vessel for an Australian employer is subject to Australian social security legislation.</p>

<p>Which social security contributions are compulsory in Switzerland?</p>	<p>Individuals who are subject to compulsory insurance in Switzerland must contribute to the old-age, survivors' and disability insurance schemes, the accident insurance scheme, the unemployment insurance scheme (for employees), as well as the compensation for loss-of-income/maternity insurance scheme. The employer registers its employees with its compensation fund and deducts the employees' compulsory insurance contributions directly from their salary.</p> <p>An overview of contribution rates can be found at the following link (in French, German or Italian).</p>
<p>What about health insurance?</p>	<p>The agreement does not apply to health insurance. As a general rule, anyone taking up residence in Switzerland must take out health insurance cover with an authorized Swiss insurer within three months of arriving on Swiss territory. A list of current premiums, by health insurance fund and canton/region, can be found at www.priminfo.ch (in French, German or Italian).</p>
<p>What about occupational pensions?</p>	<p>The agreement does not apply to Swiss occupational old-age, survivors' and disability insurance scheme (Occupational Pension Act - OPA). Swiss legislation provides for that employees who pay compulsory OASI contributions become liable for compulsory OPA contributions when meeting a number of requirements (minimum qualifying age and salary).</p>

6 Postings – an exception to the rule

<p>Maintaining affiliation to the legislation of the State of origin</p>	<p>Employees who are posted temporarily to the territory of Australia by their Swiss employer remain subject to Swiss social security legislation and therefore must continue to contribute to the compulsory Swiss insurance schemes (including health and accident insurance). They are exempted from contributions to the Australian occupational pension scheme, i.e. <i>Superannuation Guarantee</i>.</p> <p>Likewise, employees who are posted temporarily to the territory of Switzerland by their Australian employer remain subject to Australian social security legislation.</p>
<p>What does temporarily mean?</p>	<p>As a rule, a person may be posted for a maximum of five years.</p>
<p>What conditions apply?</p>	<p>In the interests of worker protection, a posting presupposes that the person concerned is already insured under the social security system of the State of origin before taking up employment in the host State. In addition, the employer must intend to continue to employ the worker once his posting comes to an end.</p> <p>A direct employment relationship between employee and employer must continue to exist for the entire duration of the posting. In particular an employer who posts a worker abroad must remain able to terminate the employment contract and to broadly define the type of work that the posted employee will perform. The posted employee must work in the interests and on behalf of his/her employer, but the salary doesn't have to be paid directly by the posting employer.</p>

Submission of the certificate of posting/coverage

The employer asks the competent institution in the State of origin to issue a certificate of posting (also called certificate of coverage in Australia).

This certificate confirms that the posted worker continues to be subject to the social security legislation of the State of origin for the duration of the posting. As such, the worker is exempt from contributions to the compulsory social security schemes of the host State which are covered by the agreement.

Competent institutions

In Switzerland the competent institutions are the [OASI compensation funds](#). The application form for a certificate of posting as regards **postings from Switzerland** can be downloaded at the following [link](#) (Application to remain subject to Swiss social insurance legislation during the temporary exercise of a professional activity abroad).

In Australia the competent authority is the Australian Taxation Office, Superannuation - Bilateral Agreements, GPO Box 9977, ADELAIDE SA 5001 (Fax +61 8 7422 2212). The application form for a certificate of coverage as regards **postings from Australia** is available [online](#).

May the posting be extended?

Should the posting exceed the maximum time limit of five years, it is possible to apply for an extension (up to a maximum total period of six years) by submitting a request to the competent authority in the State of origin:

- in Switzerland: Federal Social Insurance Office (www.bsv.admin.ch)
- in Australia: Australian Taxation Office, PO Box 3100, PENRITH NSW 2740
Fax: +61 2 6225 0917

The application form for extending **postings from Switzerland** is available at the following [link](#) (Application to remain subject to Swiss social insurance legislation during the temporary exercise of a professional activity abroad).

Information on extensions to **postings from Australia** is available at the following [link](#).

What about family members?

Family members (spouse and children) accompanying a worker posted from Switzerland to Australia remain subject to Swiss social security legislation provided that they are not in gainful employment in Australia. In addition, these family members must continue to pay their Swiss health insurance premiums for the entire duration of the posting.

Nonworking family members (spouse and children) accompanying a worker posted from Australia to Switzerland are subject to Swiss social security legislation, thereby avoiding insurance gaps since Australian social security system cannot offer them any insurance cover.

More detailed information on postings can be found in the fact sheet "[Social security for posted workers. Contracting States, outside EU/EFTA](#)".

Information on social security schemes not covered by the agreement (e.g. health care and accident insurance) can be found in the fact sheet "[Social Security for posted workers – Non-contracting States](#)".

7 Swiss old-age, survivors' and disability benefits

Retirement age in Switzerland	The ordinary retirement age in Switzerland is 64 for women and 65 for men.
Old-age benefits - Work periods in Switzerland and Australia	Australian and Swiss nationals who have worked both in Switzerland and Australia have contributed to both national social security systems. They will therefore receive partial pensions from each State provided that they meet the legal requirements of each State. The rate of the pension they receive will inter alia depend on their insurance record in each State.
Who can claim old-age and survivors' benefits?	<p>Australian nationals can claim a Swiss old-age pension (full or partial) under the same conditions as Swiss nationals. This applies equally to Swiss survivors' pensions (widow's/widower's/orphan pension).</p> <p>To qualify for a Swiss old-age pension, the claimant must have contributed to the Swiss old-age insurance scheme for at least one year. Survivors can claim a survivors' pension provided that the deceased had paid contributions to the Swiss social security system for a minimum period of one year.</p>
Can old-age and survivors' pensions be exported?	<p>Under Swiss legislation, Swiss nationals may draw a Swiss pension regardless of the country in which they live.</p> <p>According to the bilateral agreement, an Australian national can claim a Swiss pension under the same conditions that apply to Swiss nationals, i.e. the pension can be exported to any country.</p>
A lump-sum payment instead of a pension?	<p>Australian nationals or their survivors who do not reside in Switzerland and who qualify for a Swiss old-age and survivors' pension which is not 10% more than the full ordinary pension receive a one-off lump-sum payment instead of a partial pension. If the old-age or survivors' pension is more than 10% but less than 20% of the full ordinary OASI pension, they can choose between a partial pension or a one-off lump-sum payment.</p> <p>On leaving Switzerland definitively, Australian nationals or their surviving dependents can also choose to apply to the Swiss Compensation Office for a refund of their OASI contributions (see Section 9).</p> <p>Once the one-off lump sum has been paid or the contributions refunded, it is no longer possible to make further claims against the Swiss OASI/DI schemes in respect of paid contributions or corresponding insurance periods.</p>

<p>Occupational pensions?</p>	<p>The agreement does not cover the legal provisions on occupational old-age, survivors' and disability insurance. Under the relevant federal legislation (OPA), Swiss and foreign nationals receive equal treatment, i.e. the payment of pensions and other benefit entitlements abroad depend on the statutes and internal regulations of the claimant's pension fund. If a person has paid occupational pension contributions while working in Switzerland, this person may request that his/her accumulated capital (termination benefit) is paid out in cash provided that this person is relocating from Switzerland to a State that is not a member of either the EU or EFTA. The request must be submitted to the competent pension fund or termination benefits institution (insurance or bank).</p>
<p>Disability benefits</p>	<p>Swiss disability insurance legislation provides for the payment of cash benefits (pensions and daily allowances) and rehabilitation measures.</p>
<p>What are rehabilitation measures?</p>	<p>Rehabilitation measures are provided by the Swiss disability insurance scheme with a view to improving the working capacity of individuals with disabilities. These measures can be occupational (career counselling, initial vocational training and retraining), medical, or involve the provision of aids (e.g. wheelchair).</p>
<p>Entitlement to, and export of rehabilitation measures</p> <p>Persons:</p> <p>a) who are subject to compulsory insurance contributions</p> <p>b) who are not subject to compulsory insurance contributions but are insured in the OASI/DI</p>	<p>The agreement facilitates the access for Australian nationals living in Switzerland to Swiss DI rehabilitation measures.</p> <p>Australian nationals, who are paying compulsory Swiss old-age, survivors' and disability insurance contributions immediately prior to the onset of their disability, may qualify for rehabilitation measures provided that they continue to reside in Switzerland. Rehabilitation measures cannot be exported.</p> <p>Australian nationals who, at the time of the onset of their disability, are not subject to compulsory insurance contributions but who were insured under the Swiss old-age, survivors' and disability schemes (e.g. a spouse who is not working but whose working spouse had paid OASI contributions totalling at least double of the minimum amount) may qualify for rehabilitation measures provided that they satisfy certain conditions: they must reside in Switzerland and had lived there uninterrupted for a minimum of one year prior to the onset of their disability. Rehabilitation measures cannot be exported.</p>
<p>Right of disabled children to rehabilitation measures</p>	<p>Minor children may qualify for Swiss disability insurance rehabilitation measures provided that they reside in Switzerland, were born disabled there or have lived in Switzerland without interruption since their birth. Rehabilitation measures for minor children cannot be exported.</p> <p>Specific provisions apply to ensure that children born disabled in Australia receive equal treatment. In certain circumstances, the Swiss disability insurance scheme will cover the costs arising from a congenital illness.</p>

Entitlement to disability pensions If an Australian national does meet the qualifying requirements stipulated in Swiss disability insurance legislation (i.e. a Swiss minimum insurance period of three years as well as conditions pertaining to the degree of disability), this person may be entitled to a Swiss DI pension, possibly a partial one (prorated to the contributions paid in Switzerland).

Can disability pensions be exported? DI pensions of Swiss and Australian nationals whose degree of disability is at least 50% can be exported worldwide.
Australian and Swiss nationals whose degree of disability is less than 50% will only receive a Swiss disability pension if they reside in Switzerland.

Click on the link below for more information on the Swiss social security system ([booklet "Social Security in Switzerland"](#)).

8 Australian old-age, survivors' and disability benefits

Submission of a claim for Australian benefits Individuals living in Australia, Switzerland or in a State with which Australia has concluded a social security agreement providing for this possibility can apply for Australian benefits if they currently live in the territory of one of these States and if they had resided in Australia at some point.

Claimants living in Switzerland submit their claim to the Swiss Compensation Office CSO (see Section 9).

Recognition of Swiss insurance periods If a claimant does not satisfy the entire minimum period of Australian residence to qualify for an Australian pension (i.e. 10 years), his/her periods of insurance in Switzerland are recognised and considered as if these periods had been acquired in Australia. Nevertheless, claimants must have resided for at least one year in Australia, of which six months were continuously. Such recognised periods of insurance acquired in Switzerland shall not include a period for which the claimant has received a contributions' refund.

Eligibility for and calculation of Australian benefits Eligibility for Australian benefits is tested according to the income and assets of the claimant. Upper limits apply. This is a particularity of the Australian social security system.

Thanks to the bilateral agreement, preferential treatment is applied to Swiss pensions when calculating the qualifying income for an Australian pension.

Australian double-orphan pensions are exempt from these provisions.

Export of Australian benefits

With the exception of the carer payment, all Australian benefits covered by the agreement may be paid to claimants living in Switzerland.

Provided that Australian legislation permits, Australian benefits may be paid out to claimants living in third States. This applies to the Australian old-age pension, for example, although restrictions may apply to the export of Australian disability pensions to third States.

As a general rule, *Superannuation Guarantee* benefits are exportable and temporary residents leaving Australia can, under certain conditions, cash in their retirement savings.

Click [here](#) for more information on the Australian social security system and benefits.

Click [here](#) for more information on the Australian occupational pension scheme (*Superannuation Guarantee*).

Click [here](#) for a leaflet issued by the Australian authorities on the bilateral social security agreement with Switzerland.

9 Competent authorities, liaison bodies and contact points

Benefit claims

- **Individuals living in Switzerland** should submit their Australian benefit claims to the Swiss Compensation Office (SCO).
- **Individuals living in Australia** should submit their Swiss benefit claims to Centrelink International Services.

Swiss competent authority

Federal Social Insurance Office (FSIO)
Effingerstrasse 20, 3003 Berne
www.bsv.admin.ch

Swiss liaison body for OASI/DI

Swiss Compensation Office (SCO)
Av. Edmond-Vaucher 18, Post office box 3100
1211 Geneva 2
www.zas.admin.ch

Australian competent authorities

Basic social security system:

Department of Social Services
PO Box 7576
Canberra Business Centre ACT 2610
www.dss.gov.au
[Contact the DSS](#)

Superannuation Guarantee:
(also the liaison body for the
Superannuation Guarantee)

Australian Taxation Office
<http://www.ato.gov.au/super>

Australian liaison body
(basic social security system)

Centrelink International Services
PO Box 7809
CANBERRA BC, ACT 2610
www.humanservices.gov.au
[Contact Centrelink](#)

Contact points in Switzerland

Queries and requests should be sent to the following bodies in Switzerland:

Queries regarding the export of OASI/DI pensions Swiss Compensation Office (SCO)

Certificate applications for postings from Switzerland Competent compensation fund
(see Section 6)

Queries regarding extended postings Federal Social Insurance Office (FSIO)

Contact points in Australia

Applications regarding postings from Australia
(certificate of coverage)

Australian Taxation Office
(see Section 6)

Extensions of temporary postings

Australian Taxation Office
PO Box 3100
PENRITH NSW 2740
Fax: +61 2 6225 0917
www.ato.gov.au

Queries regarding Australian benefits / export of
Australian pensions

Centrelink International Services
PO Box 7809
CANBERRA BC, ACT 2610
Fax (outside Australia): +61 3 6222 2799
www.humanservices.gov.au
[Contact Centrelink](#)