

## Framework Employment Contract

### 1. Scope of application

This contract is a framework contract regulating an unspecified number of employee placements within third-party companies (employing company) during a specified time period. It does not constitute an obligation on the part of the employer to offer a placement, nor an obligation on the part of the employee to accept any placement offered.

The framework contract comes into force upon acceptance of a placement with the completion of a written employment contract, which must be issued anew for each placement, between the same two parties. It must cover at least the following points:

- Type of work to be performed
- Place of work
- Start date of placement
- Duration of a limited placement and/or notice period for terminating employment
- Specific working hours
- Specific salary
- Any commitment to pay a 13th monthly salary pro rata temporis, allowances, expenses
- Salary deductions in per cent, specifically:
- AHV/IV/EO (pension/disability insurance/income compensation)
- Unemployment insurance
- Occupational benefit plan
- Collective Bargaining Agreement enforcement fee
- Occupational accident insurance
- Accident insurance
- Insurance for loss of earnings due to sickness
- Maternity insurance Geneva (if obligatory)
- Family allowances Valais and Vaud (if obligatory)
- Contributions for flexible retirement solutions deemed generally applicable
- Withholding tax
- Wage garnishment

## **2. Duration of employment**

Placements completed within the space of 12 months will be added together for all services, defined by the employee's duration of employment with PayrollPlus AG. This addition of placements does not apply to the trial period or the notice period, as the trial period and the term of employment restart with each new placement to determine the new notice period (however, court practice relating to the prohibition of consecutive employment contracts must be observed).

## **3. Trial period**

The first three months of any new employment relationship are the trial period.

If the trial period is effectively cut short due to illness, accident or the fulfilment of mandatory legal obligations, the trial period will be extended accordingly.

During the trial period the employment relationship can be terminated at any time with two days' notice even in case of illness, accident, military service or pregnancy. The legal blocking period only starts after the probationary period has ended.

## **4. Terminating temporary and permanent employment relationships**

Temporary employment relationships end when the agreed term of employment runs out, but can also be terminated with the same notice periods applicable to permanent employment relationships.

Notice periods for permanent employment are:

- Two working days in the first three months
- Seven days between the fourth and sixth months
- One month to the same day of the following month from seven months

The right to termination without notice is retained in exceptional cases (Section 337 of the Swiss Code of Obligations (OR)).

## **5. Working times, overtime hours, overtime**

The working times are in line with the respective CBA. Statutory, Collective Bargaining Agreement and operational regulations in companies operating shifts and institutionalised Sunday work remain unaffected by this. These provisions also apply to leased personnel.

For employers not subject to any CBA, working times are based on customary company regulations or labour laws (ArG).

Hours worked up to the maximum normal working hours in accordance with the CBA or work law, are paid out 1:1.

Only hours above these maximum normal working hours will be subject to additional payments.

If the employee is able to personally decide how many hours he would like to work within the working time range, the agreed salary will only be paid for the time actually worked. There is no compensation for hours not worked between the minimum and maximum work pensum. The employee is not obliged to provide his manpower.

## **6. Holidays**

For employees aged under 20 (up to the day before the 20th birthday) the holiday allowance amounts to 25 working days (10.6%). All other employees are entitled to 20 working days' holidays (8.33%) or as per CBA.

Holiday pay may be paid out directly with the salary for three-month, one-off employment relationships, but has to be listed separately on the pay slip. For all other employment relationships, holiday pay may only be paid out when the holidays are taken or the employment is definitively terminated and it is not possible or permissible by law to take the holidays within the notice period. The current number of holidays left must be shown on the pay slip.

## **7. Public holidays**

After the end of 13 weeks, employees are entitled to salary compensation for all official public holidays that should be treated as a Sunday that fall on a working day. The employer may decide whether to compensate the employee with 3.2% bonus for public holiday compensation on top of the basic salary. Employees are entitled to compensation for loss of earnings for the national holiday on 1 August from the first day of work if it falls on a work day.

Placements performed within 12 months for the same company are added together. The basis of calculation is the contractually agreed normal working time.

## **8. Short absences**

Private absences for doctor visits, moving days, marriage, child birth, funerals are not paid by PayrollPlus and have to be taken on free days. Exceptions within the applicable CBA possible.

## **9. Obligatory services**

After the trial period, employees with permanent employment relationships or employment relationships lasting longer than 3 months are entitled to compensation for loss of earnings during obligatory Swiss military or civilian service:

- 80% of the salary for a maximum of 4 weeks per year, and
- after two years' uninterrupted employment 80% of the salary in line with the Bern scale.

The basis of calculation is the contractually agreed normal working time.

If the compensation from the salary compensation regulation exceeds the compensation from the employer, the employee shall receive the difference.

No Suva, enforcement or training contributions deducted from the employee's compensation payment for administrative reasons shall be refunded.

The previously mentioned compensation is considered a salary continuation payment by the employer in line with Sections 324a and 324b OR

## **10. Maternity**

In line with Section 16b et seq. of the Compensation for Loss of Earnings Act (EOG), employees are entitled to maternity compensation if they had pension and survivor's insurance (AHVG) for the nine months directly before the birth in accordance with the federal law, were employed for at least five months during this time, and were still employed at the time of the birth.

The right to entitlement comes into force on the day of the child's birth. Mothers receive 80% of the average employment income earned before the entitlement to compensation began during the maternity leave of a maximum of 14 weeks (16 weeks in Geneva). Maternity leave compensation is paid out in the form of daily allowances, with a maximum of 98 daily allowances (in Geneva max. 112 daily allowances). Entitlement ceases prematurely if the mother begins working again. Loss of earnings insurance does not pay compensation for absences due to pregnancy.

Loss of earning in the case of absences due to sickness during pregnancy are compensated in accordance with section 15.

## **11. Salary**

Remuneration is paid as a net hourly salary. For an overview, the employer receives a pay slip which shows the gross salary.

The employee is entitled to the salary in accordance with the working time agreement agreed in the employment contract. The salary must be paid out at least once a month and by the 5th working day of the month following the month worked.

The employee must prepare a time report signed by the employing company and submit it to PayrollPlus AG. If the hours actually worked differ from the agreed working hours, only the verified working time will be paid, unless the employee can prove that the employing company refused to accept his services. PayrollPlus AG must be informed immediately or within 24 hours in such instances.

The employee will receive a detailed pay slip listing the statutory, Collective Bargaining Agreement and/or contractual deductions in accordance with the employment contract from PayrollPlus AG.

The pay slips show the pro rata temporis holiday entitlement earned. Holiday pay is paid out when holidays are taken or at the end of a placement.

## **12. Salary bonuses**

Bonuses for overtime, night and Sunday work are based on the applicable CBA. Statutory, Collective Bargaining Agreement and operational regulations in companies with shift work and institutionalised Sunday work remain unaffected. These bonuses also apply to leased personnel.

Bonuses for overtime, night and Sunday work for employees not subject to any CBA are based on the OR and ArG.

## **13. Child and family allowances**

Child and family allowances are in accordance with the cantonal and federal regulations on family allowances. Only one allowance is paid per child.

Legal proof ("Familienbüchlein" (family identity document)/E411 form) for the right to claim child or family allowances must be submitted at the beginning of an employment relationship. Proof submitted late will only be taken into consideration for the next salary period at the earliest and not retrospectively. Payment will be made upon receipt of the funds from the compensation fund.

#### **14. Expenses**

Expenses must always be legitimate business expenditure. Only the customer can determine at any time whether the expenses are legitimate business expenses. It is very difficult for PayrollPlus to verify expenses in the event of an OASI/SUVA audit.

For this reason, we strongly recommend that the Employee invoice the customer directly for expenses. Another option is for the creditor itself (e.g. hotel, airline, car rental company etc.) to invoice the customer directly. The benefit to the Employee in the case of direct payment by the customer is that there is no salary component involved, since the customer is not paying any salary and therefore does not need to issue a salary statement. If PayrollPlus pays out the salary plus expenses to the Employee, there is always the possibility that there will be a salary component subject to OASI, and the corresponding note will always be made on the salary statement (cf. Guidelines on filling out salary statements or pension statements, Form 11).

If the customer does not wish to make any direct payment to the Employee and the Employee is aware that a note will be made on the salary statement, the Employee can claim expenses through us. As per the rules governing expenses approved by the Cantonal Tax Administration of Schwyz on 20 July 2017, 1. actual expenses based on original receipts submitted 2. and/or expense allowances in the amount of 5% of the gross salary can be claimed. Together with the original receipts, PayrollPlus requires a letter signed by the Employee with the following text: 'I confirm with my signature that these receipts relate to legitimate business expenses.'

In the event that the Employee acts with fraudulent intention when claiming expenses, he will be liable to prosecution. The Employee is required to read and comply with the rules governing expenses on our homepage under 'Downloads'.

Actual expenses are marked with a cross (X) on the salary statement under Item 13.1.1. Expense allowances are recorded by their amount under Item 13.2.1.

Expense amounts in a foreign currency must be converted into Swiss francs by the Employee.

#### **15. Sickness**

The employee has to notify PayrollPlus on the first day of sickness.

If the employee gets sick within the first 3 months of his contract and is prevented from working for which he is not at fault, he is not entitled for salary compensation from PayrollPlus. This has no impact on the coverage of the daily sickness allowance insurance which is covering as of the 31st of sickness onwards. **This does not apply to employees who are subjected to a CBA.**

The employee is insured within a collective daily sickness allowance insurance. With this compulsory insurance prescribed by law against financial consequences of being prevented from working by personal circumstances for which the employee is not at fault, the employer is not obliged to pay the salary where the insurance benefits for that limited period cover it for at least four-fifths of the salary income lost over that period. Code of Obligations art. 324a and 324b.

The compensation covers 80% of the average salary, if the employee is not able to work for more than 25%. The salary coverage lasts for 720 days within 900 days. A medical certificate must be submitted within 2 days in order to be entitled to insurance benefits. The general insurance conditions of the daily sick pay insurer are a fixed component of the employment contract and are attached as an annex.

The highest salary insured is CHF 250,000 p.a. waiting period of 3 days.

## **16. Accident**

During placement at a company, the employee is insured against occupational accidents (and if he works at least 8 hours per week against non-occupational accidents) with Suva. Suva benefits replace salary payment obligations in accordance with Sections 324a and 324b OR. The highest salary insured is CHF 12,350 per month or CHF 148,200 p.a. From the time the accident is recognised by Suva, PayrollPlus AG will pay the employee salary for the duration of the waiting period.

## **17. Occupational benefit plan**

The "Occup. benefit plan" leaflet from Pensionskasse Pro is an obligatory annex to this framework employment agreement. The factsheet pension basic and pension supplementary is viewable in the download section of PayrollPlus.ch

## **18. Withholding tax**

If an employee is subject to withholding tax but does not agree to this tax deduction, he can request the status and extent of this tax obligation by the end of March of the following calendar year after this payment is due from the assessment authority. If PayrollPlus AG has not deducted or not fully deducted this tax, it is obliged to pay back missing amounts to the assessment authority. PayrollPlus AG will claim back such amounts from the employee.

## **19. Employee obligations**

### **Obligation fulfilment**

The employee commits to work as efficiently as possible and with professional conscientiousness at each placement, and to complete his work according management's expectations and the company's instructions. During the placement the employee must observe the company's regulations and practices.

**Duty of care**

He will handle materials, facilities, machinery and tools entrusted to him for the fulfilment of his responsibilities with due care.

**Occupational safety**

The employee will observe all safety and cautionary measures required for his work. He will use materials made available to him conscientiously, safeguard the health and life of the company's personnel, and follow the regulations in place for this purpose.

**Liability**

The employee is personally liable to PayrollPlus AG and the employing company/client for any intentional damage caused or damage caused as a result of gross negligence within the limits defined in Section 321e (2) OR. The same applies to any consequences resulting from disregarding the employment contract, the framework employment contract or the applicable CBA Leasing.

**Professional confidentiality**

The employee commits to treating PayrollPlus AG's business absolutely confidentially in front of the employing companies and third parties. He commits to treat the employing companies'/clients' business absolute confidentially in front of PayrollPlus AG and third parties. This commitment continues after the end of the placement, insofar as it is necessary to protect the employer's interests (Section 321a (4) OR)

**Reporting obligation**

Employees who have to interrupt their placement or cannot complete the placement are obliged to report this immediately to PayrollPlus AG and the employing company via telephone or email. An addendum must be added to the employment contract, and signed by PayrollPlus AG and the employee, in case of any changes to the employment duration, working times, place of work, type of work or residential address. The employee will inform PayrollPlus AG when a placement comes to an end.

**Violation of work duties**

If the employee does not report for work without good cause, or if he leaves without giving the correct notice, compensation equal to a quarter of the monthly salary will be due and the right to claim further damages is reserved (Section 337d OR). This compensation can be deducted from the temporary employee's salary.



**Transfer regulation**

At the end of an employment contract, the employee may transfer to the employing company without paying compensation.

**Data protection**

The employee authorises PayrollPlus AG to file his application and to process data pertaining to him in PayrollPlus AG's EDP system. He also authorises PayrollPlus AG to request information about him from previous employers. This authorisation can be withdrawn in writing at any time.

**Reservation of rights**

Any points not regulated in this framework employment contract are subject to the regulations of the Staff Leasing Act (AVG), the labour laws and their regulations (ArG), employment contract law (Section 319 et seq. OR) and the applicable CBA

**Court of jurisdiction**

The court at the residential address or the address of the defendant party or at the address where the employee usually works has jurisdiction over any complaints relating to labour laws (Section 34 (1) of the Swiss Civil Procedure Code (ZPO)). The court at the address of the staff leasing company with whom the employment contract was entered into also has jurisdiction over leased personnel (Section 34 (2) ZPO). The employed party cannot waive these courts of jurisdiction in advance (Section 35 (1) (d) ZPO).

**Time report**

The employee must complete a weekly/monthly time report and have it signed by the employing company (incl. company stamp – mandatory). This time report must then be submitted to PayrollPlus AG so that the salary can be paid on time.