Addendum to Guidelines Wage Standard-CH (ELM) Version 5.0

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1. Version control

Output	Remark
11.01.2021	First issue
27.09.2021	Second edition ▪ Salary statement: FAQ-1.4 - FAQ-1.5 new ▪ Withholding tax: FAQ-2.9 has been adapted ▪ Withholding tax: FAQ-2.12 - FAQ-2.27 new
01.02.2022	Third edition: ▪ Name of the document and chapter headings adjusted
05.04.2022	Fourth edition: ▪ Addition of the remaining questions to the FAQ (version dated 27/09/2021)
30.06.2022	Fifth edition ▪ Supplement addendum on withholding tax (ADD-6.28 - ADD-6.30 new)

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2. Introduction

The aim of this document is to record questions and clarifications that arise between the issue of the guidelines until the guidelines are revised and reissued.

The Addendum to the Swiss Wage Standard is a binding supplement to the corresponding guidelines.

Issues that have been incorporated into the guidelines are deleted from the addendum and can only be found in the guidelines.

Changes to the addendum require a new version of the addendum with details of the relevant changes.

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3. Addendum to the general part (Directive Chapters 1 - 6)

No changes

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4. Addendum on insurance [AHV/FAK, UVG/KTG, BVG] (Directive Chapter 7)

No changes

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5. Addendum on salary statement (Directive Chapter 8)

ADD-5.1 What impact does a change of canton of residence of a person resident in Switzerland have on the salary statement?

In the event of a change of canton of residence CH (<Residence>), only one salary statement must be issued for the person for the entire employment period. This must be sent to the last canton of residence CH.

ADD-5.2 How does a change of canton for a person resident abroad affect the salary statement?

If the canton of residence CH or the canton of domicile or permanent establishment changes, only one salary statement must be issued for the person for the entire period of employment. This must be sent to the last canton of residence CH or canton of domicile or permanent establishment.

ADD-5.3 What effect does a change of residence from abroad to Switzerland or from Switzerland to abroad have on the salary statements?

If a person transfers their place of residence from abroad to Switzerland or vice versa and continues to work for the same company, only one salary statement must be issued for the person for the entire period of employment. This must be sent to the last canton of residence CH, canton of residence CH or canton of domicile or place of business.

ADD-5.4 What should be noted with regard to the date of birth and the old AHV number for salary statements in ELM version 4.0 issued from 1 January 2021?

The "Date of birth" field has been introduced in the salary statement in place of the old AHV number. Salary statements for 2020 are still accepted in the old format. Only the new form, in which the date of birth can be entered in field C in addition to the AHV number, must be used to declare salaries for 2021.

ADD-5.5 For salary statements in ELM version 4.0 issued from 1 January 2021, what must the settlement document for withholding tax in the canton of GE look like?

The instructions from chapter 4.3.29 of the guidelines for ELM version 4.0 [1], which were specific to the canton of GE, no longer apply. As in all other cantons, the deadline of 31 March now also applies there. The corresponding text from chapter 4.3.29 may no longer be used in ELM version 4.0 for salary statements from 2021 onwards. Instead, the following text should be used analogous to ELM version 5.0 (field <TaxAtSourcePeriodForObjection>, p. 163 [2]): "*Persons liable for withholding tax may request a written and justified ruling on the existence and scope of the withholding tax liability or a subsequent ordinary assessment or recalculation of the withholding tax from the competent cantonal tax authority by 31 March XXXX. Without a formal and timely application, the withholding tax deduction becomes definitive*".

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6. Addendum to withholding tax (Directive Chapter 9)

ADD-6.1 Which residence category (<ResidenceCategory>) must be submitted for Swiss nationals who are resident abroad and are therefore subject to withholding tax?

Section 6.1 Personal data (<Particulars>) describes that a residence category must be selected for persons subject to withholding tax. This does not apply to Swiss nationals resident abroad. They are subject to withholding tax on income earned in Switzerland from employment, but do not require a residence permit. The optional field <ResidenceCategory> therefore does not need to be entered in the ERP system and transmitted .

ADD-6.2 How are multiple periods of employment in the same year included in the withholding tax calculation?

In the monthly model, multiple periods of employment only affect the calculation of withholding tax in the case of entries or exits during the month.

In the annual model, equalisation is carried out over several periods of employment if the person was subject to withholding tax in the same QST canton throughout the year. If the employee is subject to withholding tax again in the same year, the cumulative values of the previous period are included in the calculation. The **calculation examples Y1_V2, Y7_V2, Y14_V2, Y27_2** in Appendix 1 to the Swissdec guidelines illustrate the withholding tax calculation in the annual model for several periods of employment.

No adjustment is to be made in the annual model if the QST canton has changed during the year. In this case, the **calculation examples YM43, YM44 and Y46** in Appendix 1 to the Swissdec guidelines apply.

ADD-6.3 How is a multiple change of canton in the same year taken into account when calculating withholding tax in the annual model?

A change of eligible canton (QST canton) is treated in the same way as an entry/exit. This also applies to the special case where the QST canton changes several times in the same year and, in any case, there is a move away and a new move to the same canton in the same year (e.g. VD-BE- VD). In this special case, there is no equalisation between the two periods in the same canton (before moving away and after moving in).

ADD-6.4 How should withholding tax be calculated for back payments after leaving the company if a change of canton has taken place at the same time?

In the case of back payments due after leaving the company, the worldwide income must be determined for the calculation of the rate-determining income (QST-SB salary). As the company may not know the worldwide income of the person leaving at the time the benefit is due, the periodic benefits of the month of departure (monthly model) or year of departure (annual model) - calculated over 30 or 360 days in the case of departures during the month or year - can be added to the subsequent payment to calculate the QST-SB salary.

A change of canton is generally treated as a departure from the previous canton and an entry into the new canton. In the annual model, this means that the cumulative salary bases start at zero after a change of canton. If a change of canton has taken place between the departure and the subsequent payment, both variants are accepted:

- To determine the QST-SB salary, the subsequent payment is calculated separately in the same way as if the employee left the previous canton and joined the new canton. The periodic benefits of the month or year of departure are not offset (see **calculation examples Y33.1 and M33.1** in Appendix 1 of the Swissdec Directive).

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- To determine the QST-SB salary, the subsequent payment is added to the periodic benefits of the month or year of departure (see **calculation examples Y33, Y38, Y38.1, M33, M38 and M38.1** in Appendix 1 of the Swissdec Directive).

ADD-6.5 How is a change between ordinary taxation and withholding tax handled for Swiss residents?

A change from ordinary taxation to withholding tax is treated as an entry for the calculation of withholding tax and a change from withholding tax to ordinary taxation is treated as a departure. Only the period of the withholding tax obligation is therefore relevant for the calculation of the withholding tax.

If a retroactive correction is required for a benefit for which the person was liable to withholding tax at the time it became due, a correction for the withholding tax must be sent to the canton entitled to the benefit at the time it became due .

ADD-6.6 Which QST rate code is used for persons resident in Germany who fulfil the criteria for cross-border commuter status?

Section 9.5.1.1 of the Swissdec guidelines describes the tariff codes for cross-border commuters from Germany. An error has been made in the French version; tariff code P applies to single persons living in the same household with children who are at least one year old or in initial education.

ADD-6.7 Will tariffs D and O continue to apply?

Rates D and O apply to persons who receive benefits in accordance with Article 18 paragraph 3 of the Federal Act of 20 December 1946 on Old Age and Survivors' Insurance. Due to the sit- uation of the ZAS, these tariffs are only relevant for the canton of GE.

ADD-6.8 Which types of salary are considered periodic and which are considered non-periodic?

The distinction is generally based on the instructions for completing the salary statement or pension certificate (Form 11). Benefits that are paid to the person on an irregular basis are therefore deemed to be non-periodic. The following principles can be assumed:

- Benefits that are to be listed in sections 1, 2 or 7 of the salary statement are generally deemed to be periodic.
- Benefits that are listed in sections 3, 4 or 5 of the salary statement are generally considered to be non-periodic.
- Benefits to be listed in item 6 of the salary statement are deemed to be aperiodic or periodic, depending on the nature of the benefit.

In case of doubt, a benefit is to be regarded as periodic. In case of uncertainty, the competent cantonal tax authority (KSTV) can be consulted at .

ADD-6.9 How are foreign working days calculated?

The calculation of foreign working days is based on international law (from the double taxation agreements). Accordingly, the rule applies that all benefits must be separated according to the working days of the earnings period. The decisive factor is therefore always the period for which a benefit is paid. A simple rule applies:

- For periodic benefits, the working days of the current month are decisive (with the exception of the 13th month's salary, which is treated as an aperiodic benefit in this respect);
- For non-periodic benefits (incl. 13th month's salary), the working days of the current year are decisive;
- For benefits paid for a previous period, the working days of the previous year must be taken into account as an exception (suggestion: create a separate wage type "Bonus previous year").

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When separating foreign working days, whole working days must always be used in the calculation. The effective number of working days is calculated using a formula (see **calculation examples Y31 and M31** in Appendix 1 of the "Swissdec Directive"). The base value is 20 working days per month, which corresponds to FTA circular no. 45. In the case of part-time employment, this base value must be adjusted according to the degree of employment, whereby each day worked counts as a working day. Half working days are not permitted. The day counts as a foreign working day if the work was predominantly performed abroad. In case of doubt, the day is to be counted as a Swiss working day. If the foreign tax authority does not recognise a day as a Swiss working day in an individual case, the person subject to withholding tax has the option of requesting a correction from the competent cantonal tax authority within 90 days of becoming aware of the double taxation.

Example 1: A person liable for withholding tax with a degree of employment of 100%, 3.5 days abroad were reported to the employer in the month. The half-day is due to the fact that the person subject to withholding tax worked half a day abroad and half a day in Switzerland.

In this case, the number of Swiss working days is 17 (20 basic days - 3 foreign days after rounding as described above).

Example 2: Person subject to withholding tax with an employment rate of 60% and daily work, 5 days abroad were reported to the employer in the month

In this case, the base value is 20 working days, as the person subject to withholding tax works 60% every day. The number of Swiss working days is then 15 (20 basic days - 5 days abroad).

Example 3: Person subject to withholding tax with an employment rate of 60% and working 3 days a week, the employer has been notified of 5 days abroad in the month

In this case, the base value is 12 working days (3 days per week or 12 days per month). The number of Swiss working days is then 7 (12 basic days - 5 days abroad).

Example 4: Person subject to withholding tax with an employment level of 50% and working 2.5 days a week, 2.5 days abroad were reported to the employer in the month. The half-day is due to the fact that the person subject to withholding tax worked abroad on one day in accordance with their 50% workload.

Persons who have a 50% workload on 2.5 days a week generally work for 3 days a week (the half-day is also a working day). The base value is therefore 3 days per week or 12 days per month.

The number of Swiss working days is then 9 (12 basic days - 3 foreign days). Unlike in example 1, the number of days abroad is rounded up here, as the work activity on the day in question was ultimately performed abroad.

ADD-6.10 Which values are to be submitted when separating foreign working days?

The rate applied (QST rate code, <TaxAt- SourceCategory>), the salary subject to withholding tax (QST salary, <TaxableEarning>), the rate-determined salary (QST-SB salary, <AscertainedTaxableEarning>) and the withholding tax amount (QST amount, <TaxAtSource>) are transmitted in the withholding tax statement (<Current>). In addition, the aperiodic wage components contained in the QST wage (QST-SB-aperiodic, <SporadicBenefits>) can be filled in as an optional field.

Foreign working days are deducted from the QST wage. Consequently, a reduced QST wage must be submitted, while the QST-SB wage and the QST-SB-aperiodic remain unreduced. This ensures that the KSTV can track the calculation of the QST-SB salary and determine the periodic benefits included in the QST salary before the reduction.

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ADD-6.11 What is the procedure for unpaid leave?

The consequences of unpaid leave are often regulated in the employment contract. The calculation of withholding tax must therefore be based primarily on the provisions of the employment contract. The following options are possible:

- An exit is recorded in the ERP system at the start of unpaid leave and a re-entry at the end of unpaid leave. The usual rules for leaving and re-entering the company apply to both calculation models.
  Note: If the system treats unpaid leave as leaving and re-entry, this leads to a higher tax burden in the annual model than if only the gross salary is reduced (see below). In these cases, it is recommended that persons subject to withholding tax submit a tax return by
  31 March of the tax year following the due date of the benefit to request a recalculation or a subsequent ordinary assessment.
- The person will continue to be employed during the unpaid leave and only the gross salary will be reduced. This may result in the person being reported with a value of CHF 0.00 for individual months in the withholding tax statement.

ADD-6.12 How is the 13th month's salary taxed at source in the monthly model? Why does Swissdec's procedure deviate from FTA circular no. 45 [3]?

According to the guidelines for ELM version 5.0 [2] and Swissdec's calculation examples, a simplified extrapolation of the 13th month's salary is carried out to determine the rate-determining salary. This is regarded as a periodic benefit and must be extrapolated together with the other periodic salary components of the corresponding month in the case of entries and exits during the month and in the case of other gainful employment/replacement income. Under certain circumstances, this extrapolation can lead to differences in the rate-determining salary between the calculation according to Swissdec and the calculation according to circular no. 45 of the FTA [3].

Example 1: Leaving on 15 March with annual payment of the 13th month's salary, monthly salary= CHF 6,000.00

Name	CHF	Calculation (CHF)
Share of monthly salary	3'000.00	6'000/30*15
Share of 13th monthly salary	1'250.00	6'000/360*75
Gross salary	**4'250.00**	
QST salary	4'250.00	
QST-SB salary	**8'500.00**	4'250/15*30

Example 2: Leaving on 1 November with payment of the 13th month's salary, monthly salary= CHF 6,000.00

Salary designation	CHF	Calculation (CHF)
Share of monthly salary	200.00	6'000/30
Share of 13th monthly salary	5'016.65	6'000/360*301
Gross salary	**5'216.65**	
QST salary	5'216.65	
QST-SB salary	**156'499.50**	5'216.65/1*30

In general, the Swissdec guidelines for ELM version 5.0 [2] or the calculation examples apply in the Swiss wage standard (ELM) and not the FTA circular no. 45 [3].

If the extrapolation results in an excessive tax rate, the person subject to withholding tax can have the income determining the rate corrected and apply to the competent cantonal tax authority for a recalculation of the withholding tax or a subsequent ordinary assessment by 31 March of the following year.

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ADD-6.13 How is the 13th month's salary taxed at source in the annual model?

In the annual model, the 13th month's salary must be taken into account at the time of payment (realisation principle). Deviating procedures such as an artificial allocation of the 13th month's salary over the year or delayed recognition of the 13th month's salary contradict the Swissdec guidelines for ELM version 5.0 [2]. FTA circular no. 45 [3] explicitly confirms this procedure in chapter 7.1.

ADD-6.14 How is an additional payment of the 13th month's salary to be made after leaving the company?

The subsequent payment of the 13th month's salary after leaving the company is a claim for benefits upon leaving the company, analogous to the payment of overtime credits and unused holiday entitlements. Accordingly, the subsequent payment of the 13th month's salary after leaving must be processed by means of a correction (cancellation procedure, <Old>/<New>). The calculation is carried out in the same way as the calculation examples M35/Y35 and M36/Y36 in Appendix 1 of the Swissdec guidelines.

If the 13th monthly salary is only paid on a pro rata basis due to an employee joining or leaving the company, it is regarded as a periodic benefit for the purpose of determining the rate-determining salary and extrapolated to 30 or 360 days. This procedure also applies to a subsequent payment after the month of leaving.

The following example illustrates the calculation of the rate-determining salary for a back payment of the 13th month's salary

QST statement for January 2021, leaving on 31 January 2021

- QST salary = CHF 5'000.00
- QST-SB salary year = CHF 60'000.00 (annual model)
- QST-SB salary = CHF 5'000.00 (monthly model)

QST statement for February 2021 consisting of correction of the previous month

<Old>

- QST salary = CHF -5'000.00
- QST-SB salary year = CHF -60'000.00
- QST-SB salary = CHF -5'000.00

<New>

- QST salary = CHF 5'417.00
- QST-SB salary year = CHF 65'000.00
- QST-SB salary = CHF 5'417.00

ADD-6.15 How is the median value correctly applied in the case of additional earned or replacement income?

The median value of the effective salary income is only applied if the person subject to withholding tax earns additional earned or replacement income and no workload can be determined. If the salary subject to withholding tax (QST salary) is less than the median value, the rate-determining salary (QST-SB salary) is to be set equal to the median value. The median value already corresponds to a 100% workload, which is why it should not be added to the QST wage.

If no workload can be determined and the QST salary is greater than the median value, then the QST-SB salary is to be set equal to the QST salary.

The median value is determined individually by each canton each year. It is published in the cantonal withholding tax rates (code MED).

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ADD-6.16 How is a change in the level of employment during the month handled?

In the event of a change in the level of employment during the month, the level of employment at the time of the salary payment applies for the withholding tax calculation and transmission.

ADD-6.17 How is the degree of employment stated in the case of multiple employment?

The individually agreed level of employment must be entered in the <ActivityRate> field. In the case of multiple employment with the same employer, the individual levels of employment must be added together and shown as a total in the <ActivityRate> field.

If the person subject to withholding tax is gainfully employed by other employers or receives income, the corresponding levels of employment must be added together and shown as a total in the field <TotalActivityRate> as a total. The total employment rate of the person subject to withholding tax is then the sum of the information from the <ActivityRate> and <TotalActivityRate> fields. This total employment rate is not transmitted explicitly, but can be calculated by totalling as described.

ADD-6.18 What should I do if the wrong activity rate was transmitted in previous months?

If an incorrect degree of employment was used and transmitted in previous months, the withholding tax statements concerned must be corrected retrospectively. This is done with a correction (cancellation procedure, <Old>/<New>), whereby the adjustment of the degree of employment may result in a change to the wage subject to withholding tax (QST wage) or a change to the rate-determining wage (QST-SB wage), which in turn changes the tax rate (QST rate) and the effective withholding tax (QST amount). With the correction, the values of the degree of employment itself cannot be transmitted.

No additional DeclarationCategory is necessary in <New> (EMA).

ADD-6.19 What should I do if an incorrect number of days abroad was submitted in previous months?

The procedure is similar to dealing with an incorrect level of employment, see ADD-6.18, and is based on a correction (cancellation procedure, <Old>/<New>). An adjustment to the number of days abroad affects the salary subject to withholding tax (QST salary) and the effective withholding tax (QST amount).

No additional DeclarationCategory is required in <New> (EMA).

As a correction of the number of days abroad is particularly challenging in the annual model, there is the alternative option of not doing so during the year and requesting a correction from the competent cantonal tax authority at the end of the year.

ADD-6.20 How should this be handled if the cantonal withholding tax rates no longer contain information on the QST rate codes with "Y"?

The information on church tax is in the third position of the rate code and can contain the values "Y" (church tax relevant) or "N" (church tax irrelevant).

The cantons of GE, NE, VD and VS no longer have rate codes with "Y", as these cantons do not levy church tax via withholding tax deduction. The canton of TI also does not recognise church tax in the withholding tax rate, but still uses the "Y" rate.

ERP systems may not transmit tariff codes with "Y" for persons subject to withholding tax who are resident in the cantons of GE, NE, VD, VS and TI. A distinction by place of residence is therefore necessary, especially if a national church is recorded in the ERP system.

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ADD-6.21 How are family allowances included in the withholding tax calculation?

In all cantons except GE, there are two options for the taxation of family allowances. The calculation of withholding tax depends on whether the family allowances are paid by the employer or the family equalisation fund (FAK). In the canton of GE, family allowances are always paid by the FAK, but are taxed at source by the employer (special case). The two variants and the special case of the canton of GE are described in Table 1.

Wage type	Part of the QST salary	Part of the QST-SB salary	To be shown in salary statement item 1	Remark Wage statement item 15
Variant 1: Family allowances paid by FAK to employer and then paid by employer to employee. Employer settles QST itself				
Monthly wage	Yes	Yes	Yes	None
Family allowances	Yes	Yes	Yes	
Variant 2: Family allowances paid directly to employee by FAK. FAK settles QST				
Monthly wage	Yes	Yes	Yes	Standard remark <ChildAllowance-PerAHV-AVS> if the employer is informed that the FAK settles the QST
Family allowances	No	No	No	
Special case GE: Family allowances paid directly to employee by FAK. However, employer settles QST				
Monthly salary	Yes	Yes	Yes	Standard remark <ChildAllowance-PerAHV-AVS>
Family allowances	Yes	Yes	No	

Table 1: Overview of the withholding tax on family allowances and their declaration on the salary statement.

ADD-6.22 How is the rate-determining income determined for persons who work on call or who receive a monthly salary payment for working one day a week?

Table 2 summarises examples of how withholding tax is calculated for persons with irregular employment.

No.	Description of the employment contract	Degree of employment in %	Other AG	Wage payment	Entry/exit	Rate-determined salary
1	Person works on call, does not work every month, no fixed workload	No information possible	No	Whenever the person person has worked in a month	No entries and exits are recorded for each assignment in the ERP system. This means that there are 30 SI days and 30 QST days per month. 30 QST days	QST wage QST-SB-= Wage

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No.	Description of the employment contract	Degree of employment in %	Other AG	Wage payment	Entry/exit	Rate-determined salary
2	Person works one day a week, works every month, with a fixed salary	20%	No	Every month	No entries and exits are recorded in the ERP system for the day worked. day are recorded in the ERP system. This means that there are 30 SV days and 30 QST days per month. QST days	QST salary QST-SB-= Wages
3	Person works on a commission basis or with lump sums, no hourly wage is paid	No information possible	No	Whenever the person person in a month a payment receives a payment	No entries and exits are recorded in the ERP system. This means that there are 30 SI days and 30 QST days per month	QST salary QST-SB-= wage

Table 2: Examples for determining the rate-determining wage for irregular employment

If additional income is earned from other employment in the above examples, the QST-SB wage corresponds to the median value. See ADD-6.15 for more information on the median value of effective wage income.

If the salary payment to a person on an hourly or daily wage is not monthly (e.g. weekly in the temporary sector), the rate-determining income is extrapolated to 180 or 2,160 hours.

ADD-6.23 How is the rate-determining income transmitted if the person subject to withholding tax has not received a salary in the current month but is still employed?

In this case, the procedure for transmitting the rate-determining income depends on the calculation model (monthly or annual model).

Monthly model

- QST salary = CHF 0.00
- QST amount = CHF 0.00
- QST-SB salary = CHF 0.00

Annual model

If no work was performed in a month, this month must be taken into account in order to recalculate the rate-determining salary, which is then lower than the last rate-determining salary. The withholding tax amount is therefore inevitably corrected, with a negative withholding tax amount for the month not worked. See the following example, in which the person subject to withholding tax does not receive a salary in February of a given year (assumption: no other employer):

QST statement for January

- QST wage = CHF 3'000.00
- QST amount = Accumulated QST wage (identical to the QST wage in this case) multiplied by the QST rate.

  multiplied by QST rate
- QST-SB salary year= CHF 36'000.00 (3'000/30*360)

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QST statement for February

- QST wage = CHF 0.00
- QST amount = Accumulated QST wage (CHF 3,000.00) multiplied by QST rate minus the accumulated QST amount of the previous month.
  the cumulative QST amount of the previous month
- QST-SB salary year= CHF 18'000.00 (3'000/60*360)

Calculation example Y12 in Appendix 1 of the Swissdec guidelines shows the situation when a person works in staff leasing and does not earn anything for two months.

ADD-6.24 What do I have to do as the sender if a cantonal tax authority has not received the statements for a particular month, but I can see in my system that the transmission was successful?

If the transfer was successful, a receipt will appear in the ERP system (payroll processing system) containing the following important data on the transfer:

- Transmission time
- DeclarationID
- RequestID
- ResponseID

It is sufficient to send the receipt with the above information to the relevant cantonal tax authority. If you cannot find the receipt, please contact your ERP system representative or support.

ADD-6.25 How should payments be handled that compensate for an earlier period (so-called deferred payments, e.g. for hourly wages, short-time working compensation)?

Example: Employee X on an hourly wage receives the salary for the hours worked in January in the payment month of February. He was also on short-time working and therefore receives short-time working compensation in February for the hours he lost in January.

In addition, the employee forgot to enter his working hours for December, so that these are also paid out in the payment month of February.

In the case of hourly-paid employees, the salary entitlement only becomes definitive once the hours worked have been reported by the employee. The withholding tax must therefore always be settled in the month of payment, regardless of the month in which the hours were actually worked.

Short-time working compensates the lost hourly wage for a certain period. Even if the hourly wage or the short-time working compensation is paid out with a time delay, it is not an additional payment in the sense of tax law. In the above example, all wage types are therefore considered periodic payments that must be taken into account in the withholding tax calculation in the month of payment in accordance with the realisation principle. The reason for the delayed payment is that the amount of the entitlement was not yet known on the payment date (usually the 25th of the month).

The same applies to other compensation for lost hourly pay, such as daily allowances for accidents and illness. In practice, daily allowances are processed in the ERP system with a time delay. This means that a daily allowance for the month of April, for example, is processed in payroll accounting for the month of May because the daily allowance statement was only available at that time.

No corrections (<Old>/<New>) may be made to previous months for delayed payments. An exception applies when an employee leaves the company, as all salary claims for unreported hours worked or compensation for lost hourly pay become due upon leaving the company (see Appendix 1 of the ELM Version 5.0 [2], guidelinesexamples M14.1 and Y14.1).

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On the other hand, "genuine" back payments must be taken into account as aperiodic benefits for the withholding tax calculation in the month of payment. Genuine" back payments are salary or compensation entitlements for earlier periods to which an employee only acquires a de- finitive legal entitlement at a later date (e.g. due to a claim clarification or a legal dispute).

ADD-6.26 How is the rate-determining salary determined for a person on an hourly wage if there is a loss of salary due to an accident and the person still earns other earned or replacement income?

Example: The person only worked three hours in January. They were unable to work for the rest of the month due to an accident. The salary is paid monthly. The degree of employment of the other gainful activity is 60%.

In order for the rate-determining salary (QST-SB salary) to be calculated correctly, the hours of absence (illness, accident, EO, etc.) must also be taken into account (see table below). These are recorded, for example, with the wage type "Number of hours lost". In the example described above, this results in 32 hours of absence. The third party benefit actually paid out (daily accident benefit) is recognised as a periodic wage type.

Description	Value	Calculation
Hourly rate	30.00	
Monthly working time AG 1	182.00	
Number of hours	3.00	
Number of lost hours	32.00	
BG AG 1	19.23%	35/182*100
BG other AG	60.00%	
BG Total	79.23%	19.23%+ 60.00%
Marital status	married	
Wage calculation January		
QST tariff code	B0N	
Canton	TI	
Hourly wage	90.00	
Accident daily allowance	768.00	
Gross	**858.00**	90.00+ 768.00
QST rate B0N	3.00%	
QST amount B0N	25.74	858.00*3.00%
Payout	**832.26**	
QST salary B0N	858.00	
QST-SB-periodic	3'535.07	858.00/19.23*79.23
QST-SB-Wage-Year	42'420.80	(858/19.23*79.23)/30*360
QST-SB salary	3'535.07	

ADD-6.27 How should the conversion to 180 or 2,160 hours or to 21,667 or 260 days be carried out if the salary is not paid monthly?

According to circular no. 45 of the FTA [3] and the Swissdec guidelines for ELM version 5.0 [2], a rate-determining income must always be determined for gainful employment on an hourly or daily wage basis where the salary is not paid in the form of a monthly payment (e.g. weekly salary payment). The agreed, current hourly wage must be converted to 180 or 2,160 hours or to 21,667 or 260 days. The hourly rate of pay is deemed to be the hourly rate plus additional compensation paid on an hourly or daily basis (e.g. holiday and public holiday compensation and 13th month's pay).

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Example:

Title		CHF
Hourly rate		20.00
Holiday allowance 6 weeks	13.04%	2.61
Public holiday allowance	4.00%	0.80
13th monthly salary	8.33%	1.95
Hourly wage		**25.36**

ADD-6.28 How are family allowances (e.g. child allowances) taxed at source?

Family allowances are periodic benefits. This means that they have to be grossed up if you start or leave work during the month or if you have several jobs. In practice, family allowances are only paid out in full by one employer, even if the employee joins or leaves the company during the month. In these cases, the extrapolation leads to an excessive tax rate. In the case of differential payments, however, the extrapolation is correct.

If the extrapolation results in an excessive tax rate, the person subject to withholding tax can have the income determining the rate corrected and apply to the competent cantonal tax authority for a recalculation of the withholding tax or a subsequent ordinary assessment by 31 March of the following year.

ADD-6.29 How is withholding tax levied on benefits in connection with the private use of a business vehicle?

The private portion for the private use of a business vehicle (generally 0.9% of the purchase price excluding VAT, minimum CHF 150; see instructions for completing the salary statement RZ 21-25) is a periodic benefit. This means that this benefit must be extrapolated in the event of entry or exit during the month and in the event of multiple gainful employment. See also ADD-6.28.

The person subject to withholding tax can have the excessive tax rate corrected and apply to the competent cantonal tax authority for a recalculation of the withholding tax or a retrospective ordinary assessment by 31 March of the following year.

ADD-6.30 How are retroactively recognised negative salary components/salary payments taken into account in the withholding tax?

It can happen that the employer pays benefits and allowances to the person liable for withholding tax that the employee is not entitled to. These benefits must be deducted as negative salary components from the current payslip at a later date. The realisation principle must be followed when dealing with such corrections. It is therefore a subsequent adjustment to the gross salary that is settled in the month of payment (or repayment month). In particular, these are not corrections by means of a cancellation procedure, <Old>/<New>, are permitted, as these violate the realisation principle.

In rare cases, the deduction may be so high that a negative salary subject to withholding tax, a negative rate-determining salary and consequently a negative withholding tax amount result. In such cases, the negative values including the minus sign must be transmitted in the current withholding tax statement (<Current>). The absolute amount of the rate-determining salary is used to determine the withholding tax rate. It is recommended to contact the competent cantonal tax authority before submitting the tax return.

It should be noted that in cantons with an annual model, the consolidated (cumulative) amounts for the salary and tax year must always be positive or zero. If, in exceptional cases, this is not the case, the employer (the debtor of the taxable benefit) should contact the competent cantonal tax authority by 31 March of the following year.

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7. Addendum on cross-border commuters (Directive Chapter 10)

No changes

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8. Addendum on statistics (Directive Chapter 11)

No changes

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9. Referenced documents

Title	Author / Publisher	Date
[1] Guidelines for salary data processing ELM Version 4.0	Swissdec https://www.swissdec.ch/de/releases-und-updates/guidelines-elm/	31.03.2017
[2] Guidelines for payroll data processing ELM Version 5.0	Swissdec https://www.swissdec.ch/de/releases-und-updates/guidelines-elm/	01.02.2022
[3] Circular no. 45 on withholding tax on the earned income of employees	Federal Tax Administration (FTA) https://www.estv.admin.ch/estv/de/home/direkte-bundessteuer/direkte-bundessteu-er/fachinformationen/kreisschreiben.html	12.06.2019
[4] Guidelines on the payment of AHV, IV and EO contributions (WBB) (edition 11.2021) *318.102.04 d WBB*	Federal Social Insurance Office FSIO https://sozialversicherungen.admin.ch/de/d/6923	November 2021

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