payroll+

SME Salary Package Agreement

1. Purpose of the agreement

The purpose of this agreement is that the employer benefits from the collective agreements (daily sickness/accident benefit insurance, pension fund) of PayrollPlus, can remain the employer and, among other things, does not have to settle accounts with the AHV and the social partners itself. This saves everyone involved an enormous amount of work and prevents undeclared work. This agreement is a contract within the meaning of Art. 394 of the Swiss Code of Obligations, which can be cancelled by either party at any time (Art. 404 of the Swiss Code of Obligations).

PayrollPlus handles and organises the following matters on behalf of the employer:

- Transferring the salary to the employee
- Settlement with the OASI and other social partners
- Settlement with the group daily sickness allowance insurance and the accident insurance
- Settlement with the pension fund
- Settlement of withholding tax
- Registering the employee in the event of illness and accident
- Preparing the payslip, OASI salary declaration and salary statement
- For interim earnings: completing the form
- Preparing the employer's certificate for the unemployment office

2. Process

The employer transfers the labour costs, which are exempt from VAT, to PayrollPlus. For the service of PayrollPlus forwarding the employee's salary and correctly paying all social security contributions, etc., the employer pays PayrollPlus a service fee in accordance with the following tariff plus 8.1% VAT.

The service fee is always clearly defined in advance. Adjustments are only ever applied to future settlements. A detailed list of all costs is shown on every invoice.

Tariffs are applied to the total salary costs of all employees per year:

RATE LEVEL A: < 19 EMPLOYEES

Total wage costs:

- up to CHF 200'000.- = 3% service fee
- from CHF 200'000.- = 2% service fee
- from CHF 400'000.- = 1% service fee

- Service fee of at least CHF 100.- per payroll (corresponds to total wage costs of CHF 3‘333.33 × 3% = CHF 100.-)

RATE LEVEL B: > 19 EMPLOYEES

- Fixed service fee per payroll between CHF 50.- and CHF 200.- (depending on effort and salary amount)

3. Liability of PayrollPlus towards the employer

For the wages and contributions that the employer transfers to PayrollPlus, PayrollPlus is liable to the employer for the timely payment of wages to the employee on behalf of the employer, as well as for the formal declaration of wages and correct forwarding of contributions to the OASI and other social partners.

Any OASI and SUVA inspections are carried out by PayrollPlus, as the wages are paid via PayrollPlus.

4. Liability of the employer

As PayrollPlus has only acted on behalf of the employer, the employer is solely liable to the employee and to the authorities for the correct recording of working hours, compliance with holidays and public holidays, for the transfer of wages*, for compliance with the minimum wage, etc., and therefore generally for compliance with the provisions of the employment contract, the law, any CLA and NAV. PayrollPlus will be happy to advise you if you have any questions.

If the employer uses a model contract from PayrollPlus, the employer is solely responsible for the correctness of the content of this model contract and cannot hold PayrollPlus liable.

Any labour law inspection by the CLA/Seco/cantonal labour inspectorate must be carried out by you as the legal employer, as you concluded the employment contract. Only you can provide information on the points to be checked (minimum wages, overtime compensation, expenses, working time reports, wage supplements, monthly wages, working hours, holidays and public holidays, industry-specific safety regulations, etc.). As the employer, you are responsible for ensuring that the employees employed are in possession of a valid work permit.

Art. 117 of the Federal Act on Foreign Nationals and Integration

“Any employer who intentionally employs foreign nationals who are not authorised to pursue gainful employment in Switzerland or who uses a cross-border service in Switzerland for which the service provider does not have a permit is liable to a custodial sentence not exceeding one year or a monetary penalty. In serious cases, the penalty is imprisonment for up to three years or a fine…”

By using our service, the employer confirms that the employees work in Switzerland and will not be working abroad and that the employees have a valid work permit.

* As PayrollPlus can only forward the salary amount of the employee (with corresponding forwarding of social security contributions) that the employer has transferred to PayrollPlus, the employer alone is liable for the correctness of the salary amount.

5. Provisions regarding daily sickness benefits insurance

With regard to the waiting period, the employer can choose between two options:

- Waiting period of 3 days at 3.2%
- Waiting period of 30 days at 1.2%

Unless otherwise agreed, 50% of the premium is paid by the employer and 50% by the employee.

The employer is free to pay the employee for the waiting period of 3 days. The employer is also free to pay the waiting period at the statutory 80% or voluntarily at 100%.

5.1. Special provisions

If you do not agree with the following conditions, you are welcome to take out your own daily sickness benefits insurance and pay for it yourself.

In order to protect itself against abuse, PayrollPlus will refuse to continue to pay the salary and to register with the daily sickness benefits insurance if the employer was already aware of an illness/diagnosis/future hospitalisation when the employment contract was concluded with the employee or when this agreement was concluded. Should a claim for benefits arise from this diagnosis or hospitalisation in the future, PayrollPlus will reject it.

5.1.1. The employer is obliged to forward the employee's medical certificate to us within three days. Medical certificates submitted late or issued retrospectively will result in a reduction in benefits. For the purposes of assessing any entitlement to benefits under the daily allowance insurance, the date on which the incapacity for work was notified shall then be deemed relevant.

5.1.2. The first three months are deemed to be a probationary period. The start of the probationary period, including for wages to be processed retroactively, is at the earliest the time of order entry in the PayrollPlus system.

5.1.3. If the employee is unable to work within the first three months through no fault of his own, the employee is not entitled to any salary before the first day of the fourth month of the employment relationship; the employee must therefore bear the loss of salary for three months. This has no influence on the benefits of the group daily sickness allowance insurance, which comes into effect from the 31st day in the event of a longer illness. This does not apply in the case of deviating provisions of a generally binding CLA.

5.1.4. If the employer gives notice and the employee calls in sick, the employer must bear the risk of dismissal, which always exists when employees are dismissed, for the first 90 days.

5.1.5. Important: Entitlement to benefits for pre-existing conditions and mental illnesses is not 720 days but is compensated according to the scale, see: https://payrollplus.ch/wp-content/uploads/2019/10/benefits_pre_existing_illness-1.pdf

5.2. Mandatory wording for your employment contract (highlighted in yellow)

To ensure that the premium for our group daily sickness allowance insurance does not rise immeasurably, we have agreed special provisions with you as the employer in accordance with 5.1. If you, as an employer under labour law, wish to have the same insurance cover including point 5.1 Special provisions contractually regulated with your employee, the following wording must be included in your employment contract, otherwise there may be deviations regarding the entitlement to benefits, which you as an employer under labour law must bear yourself.

Wages if the employee is unable to work

The continued payment of wages if the employee is prevented from working through no fault of his own, such as illness, accident, fulfilment of legal obligations, performance of a public office or pregnancy, is governed by the provisions of Art. 324a and Art. 324b CO.

The first three months are deemed to be a probationary period.

In the event of an interruption due to illness, accident or fulfilment of a statutory obligation not voluntarily assumed, the probationary period shall be extended accordingly. During the probationary period, the employment relationship can be terminated at any time by giving two working days' notice, even in the event of illness, accident, military service or pregnancy. The statutory retention periods only apply after the end of the probationary period (Art. 336c CO).

"If the employee is unable to work through no fault of his own within the first three months, the employee is not entitled to a salary before the first day of the fourth month of the employment relationship; the employee must therefore bear the loss of salary for three months. This has no influence on the benefits of the group daily sickness allowance insurance, which comes into effect from the 31st day in the event of prolonged illness. This does not apply in the case of deviating provisions of a generally binding CLA."

The employee is obliged to report to the employer (company of employment) on the first day of illness. In order to be entitled to insurance benefits, a medical certificate must be submitted within three days.

Provisions concerning illness

Sickness benefit (except for pre-existing illnesses and mental illnesses)

With the exception of pre-existing illnesses and mental illnesses, the employee is covered by group daily sickness benefits insurance with a benefit of 80% of the average salary for 720 days within 900 days. The general insurance provisions form an integral part of the contract. The first 3 days are not paid by the employer, i.e. the

employee receives no salary for these 3 days. The maximum insured salary is CHF 250‘000.-.

Important: The entitlement to benefits for pre-existing conditions and mental illnesses is not 720 days but is compensated according to the scale, see: https://payrollplus.ch/wp-content/uploads/2019/10/benefits_pre_existing_illness-1.pdf

6. Provisions concerning accident

The employee is insured with an accident insurance company against occupational accidents and – if he/she works at least 8 hours/week – against non-occupational accidents. The benefits paid by the insurance company replace the salary payment obligations pursuant to Art. 324a and 324b CO. The benefits amount to 80% of the average salary. To be entitled to insurance benefits, a medical certificate must be submitted within two days. The general insurance provisions of the accident insurance company form an integral part of the contract. The maximum insured salary is CHF 12‘350.- per month or CHF 148‘200.- per year. The waiting period is two days.

The employer is free to voluntarily pay the employee 80 – 100% of the average salary for the two waiting days and an additional 20% of the average salary from the third day. Deviating regulations remain reserved if the employment relationship is subject to a CLA.

7. Salary

The employment contract with the employee must contain the following wording regarding the salary: (highlighted in yellow)

PayrollPlus AG, Churerstrasse 156, 8808 Pfäffikon SZ, Tel. 055 416 50 50, www.payrollplus.ch, is responsible for transferring the salary and settling the social security contributions to the relevant authorities. This allows both parties to benefit from the favourable conditions of collective insurance, and the employer has much less work to do.

The employer under labour law is the party that has concluded the employment contract; this party

- is and remains the debtor of the wages, as PayrollPlus AG only transfers the wages on behalf of the employer.
- is responsible to the employee in any labour law proceedings regarding wages, recording of working hours and general compliance with the provisions of the employment contract, statutory provisions and any CLA and NAV provisions.

8. Termination of permanent employment contract (not mandatory, only a recommendation)

PayrollPlus recommends that the employer agrees in the employment contract that notice of termination can also be given during a month, i.e. not only at the end of a month (advantage in the event of illness during the notice period, etc.).

9. General information

In order for PayrollPlus to be able to make a salary payment to the employee, a valid Swiss work and residence permit or a Swiss ID/passport must be available for the entire duration of the contract. PayrollPlus assists with questions and applications for authorisations.