

Information sheet for German citizens working in Switzerland

Subject: Tax at source

General information:

Every foreign citizen living or working in Switzerland without the Swiss permit type C will have a deduction of source at the end of every month.

Due to the agreement between Switzerland and the European Union as well as between their member countries (Belgium, Denmark, Germany, Estonia, Finland, France, Greece, Great Britain, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Poland, Portugal, Sweden, Slovakia, Slovenia, Spain, Czech Republic, Hungary and Cyprus) and the EFTA (Iceland, Liechtenstein and Norway) citizens of these countries obtained the right to enter Switzerland and to have residency. All employed persons from the EG/EFTA countries are liable to the tax at source.

Commuters from Germany to Switzerland

- Commuters from Germany, who are in possession of a permit of residence type “Formular Gre-1” or an authorization type “Formular Gre-2” will receive a limited deduction of tax of 4.5%.
- This tax will be settled in Germany together with the income tax after the submission of the wage statement that shows the amount of the deduction at source.
- If the tax in accordance to the standard rate is less than 4.5% of the gross income, a lower tax will be deducted.
- If the employer does not have any valid residence attestation of his/her employee at his disposal at the time he/she arranges the salary payment, the employee has to pay the entire amount of tax in accordance to the standard rate which exceeds 4.5%.
- Commuters not returning to their domiciles within more than 60 days in a calendar year, due to job-related reasons, will have to pay the entire amount of the tax at source, which differs for every canton. For employees who work part-time, a reduction of days will occur.
- In order to receive a deliverance of taxes in Germany, the commuters will have to hand out a certificate of employment about not entering the country on more than 60 days (“Formular Gre-3”) to the finance office where he/she has his/her residence.
- The days which are considered working days are only those agreed with the employee in the working contract. Saturdays, Sundays as well as bank holidays can only be regarded as working days as an exception. This is then the case when the employer explicitly instructs work on these days and furthermore grants remuneration or free time compensation.

Not returning to the German domicile will be valid and considered in the case of:

- The distance between the residence and working place is more than 110 km
- The distance to the working place is more than 1.5h
- A residence obligation in Switzerland exists for the employee
- If the employer pays for the habitation and accommodation of the employee