

Information Sheet - DEFINITION OF SALARY (FLUCTUATING IN-COME)

As regards the calculation of pension benefits and contributions, the reported salary is decisive. The salary to be reported corresponds to the expected AHV annual salary calculated for the entire year (excluding occasional salary components).

If employment is started during the year, the salary for the entire year (monthly AHV gross salary x 12 or x 13) will need to be extrapolated.

If you employ employees with highly fluctuating workloads, whose annual salary is not known in advance, the annual salary is determined in advance based on the last known annual salary. This rule also applies to employees paid on an hourly basis. If a person's salary situation changes by more than 10% in the course of the year, we expect you to notify us immediately, as reported salaries are decisive as regards the level of insured benefits payable in the event of a claim.

Example 1: Joined the company on 1 November on a permanent basis.

Monthly salary (gross)		CHF 5,000.-
Annual salary (incl. 13th monthly salary)	(5,000x13)	CHF 65,000.-
Salary to be reported		CHF 65,000.-

Example 2: In the case of fixed-term employment; joined the company on 1 June, left on 30 November.

Monthly salary (gross)		CHF 6,000.-
Annual salary (incl. 13th monthly salary)	(6,000x13)	CHF 78,000.-
Salary to be reported		CHF 78,000.-

Start of employment:

If a person joins the company between the 1st and the 15th of the month, insurance cover starts on the 1st of the relevant month. If a person joins the company between the 16th and the 31st of the month, insurance cover starts on the 1st of the following month.

- If a person's employment starts up to and including the 15th of the month, then contributions are payable for the entire month
- If a person's employment starts on or after the 16th of the month, then contributions are payable for the following month

End of employment:

The period of insurance with Alvoso Pension Fund ends when employment ends. The leaving date is usually the last day of the month. Please note that the leaving date does not mean the last working day put in but rather, the effective end of employment as of the end of the month.

Special cases: the "Probationary Period" and "Termination Without Notice":

If the employment relationship ends between the 1st and 15th day of a month, the obligation to pay contributions ends on the last day of the previous month. If a person leaves the company after the 15th day of the month, the obligation to pay contributions ends on the last day of the same month.



- If a person leaves the company up to and including the 15th of the month, then contributions are payable up to the previous month
- If a person leaves the company on or after the 16th of the month, then contributions are payable for the entire month

Need more information?

Our staff in the Secretariat will be happy to help.