

Canton Zurich: change of practice for foreign employees on deputation model

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Limitation of deputation to 48 months **Wage requirements**

From a labour point of view, the canton of Zurich is one of the most attractive in Switzerland. Two major changes of practice have occurred in the past few months regarding work permit applications, particularly for foreign employees working on a deputation model.

Limitation of deputation to 48 months

In principle, a deputation always applies to specific duties (provision of services) and is limited in duration. As per the practice of various cantonal authorities, a deputation should be limited to 24 months, after which the employee should return home. Extensions are possible when the employee has specific skills which are essential to an ongoing project.

So far, labour market authorities have based their practice on various bilateral social security treaties in order to apply the maximum duration of a deputation to the maximum duration that an individual is allowed to stay under the social security system of his or her home country. In principle, a deputation is possible for up to four years, unless a social security agreement is applicable which allows a longer duration. For example, the social security treaty between Switzerland and India allows an employee to stay in Switzerland, under the Indian social security system, for up to 72 months. As such, the maximum deputation period allowed by the Swiss cantonal authorities is 72 months by analogy.

Zurich labour market authorities have changed their practice by limiting the stay to 48 months, despite existing social security treaties and the practice of other cantonal authorities. An extension of a deputation beyond 48 months should, according to Zurich's labour market authority, be possible in exceptional cases, as long as good reason can be provided. The Zurich authorities apply the General Agreement on Trade in Services (GATS) treaty. However, the GATS treaty is intended for intra-company transfers and not deputations for service providers. Consequently, the Zurich authorities are asking for certificates of coverage along with work permit applications.

Wage requirements

Zurich labour market authorities use a personal wage calculator known as Salarium, which provides statistics on wage levels based on individuals' profiles.

So far, Salarium's minimum wage results have been used as minimum requirements in order to meet salary levels which are customary for the place of work and trade. However, Zurich authorities use the median salary (which is higher than the minimum) for deputed employees from EU countries and all foreigners newly hired on the Swiss labour market. Consequently, employers must pay higher salaries to their employees in order to receive a work permit.

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