

India and Switzerland sign Social Security Agreement

Background

On 3 September 2009¹, the Government of India signed a Social Security Agreement ('SSA') with the Government of Switzerland. The SSA is intended to benefit the employees and employers in India and Switzerland having cross-border operations in the two countries.

To avoid the hardship of double payment of the social security (by employer and employee) in India and Switzerland, the SSA has been signed by both the countries.

The SSA will come into effect after the fulfilment of the necessary requirements in both the countries.

Coverage under the SSA

- The detached workers deputed by Swiss employer to India will be exempt from social security contribution in India for a period of 72 months. They will only be subject to the social security regulations in Switzerland.
- Similarly, the detached workers deputed by Indian employer to Switzerland will be exempt from social security contribution in Switzerland for the same period. They will only be subject to the social security regulations in India.
- The employed or self-employed worker, other than detached workers will be subject only to the legislation of the host country.



¹ Press Information Bureau release

Refund of the contributions under the SSA

The SSA provides for refund of the social security contributions at the time of relocation, in accordance with the Swiss/ Indian legislation, as the case may be.

Our Comments

The signing of the SSA with Switzerland is a welcome step as it will avoid double payment of social security contributions in the home and host country. It will facilitate the movement of the cross-border employees between the two countries.

Currently, India-Belgium SSA is operational. Further, SSA with Germany will be operational with effect from 01 October 2009 and SSA with France is yet to be notified.

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