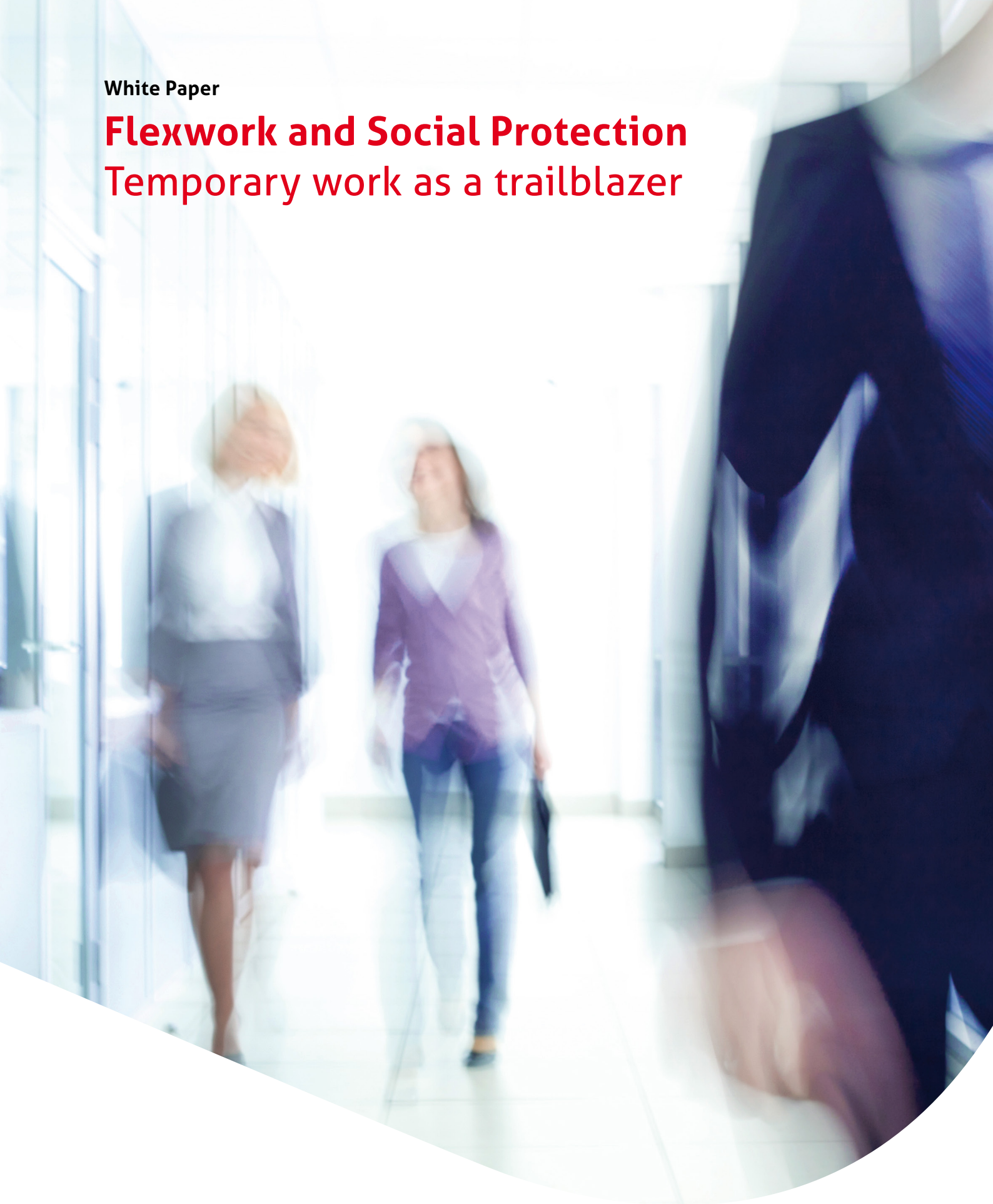


White Paper

# Flexwork and Social Protection

## Temporary work as a trailblazer



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## Flexwork

Flexworkers are people who want to work flexibly, whether because, thanks to flexibility, they are seeking gainful employment or because working this way corresponds to their philosophy of life. Depending on the employee and his or her professional situation, there are three dimensions of flexibility:

- Working hours (flexible working hours / annual working hours, part-time, on-call work)
- Place of work (telework / virtual workplaces, home office, co-working spaces)
- Employment relationship (salaried consultants / project workers, temporary workers / contracting, self-employed / freelancers)

This white paper will discuss flexworkers' motives using the example of temporary workers and examine what social safeguards they have depending on their employment relationships.

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## Introduction

The world of work is in upheaval. New technologies and global markets are revolutionizing production, trade, and consumption. New kinds of economic activity are causing far-reaching changes in the labor market. On the one hand, the speed of change is posing great challenges for employees. Frequently, automation, changing job descriptions or an employer's insolvency cause job loss and require a reorientation on the labor market. On the other hand, the Internet economy is creating an attitude oriented toward immediate, individual, cost-effective consumption. A growing number of people are transferring these demands to their professional lives. Work should be in harmony with private life, provide flexibility, and offer the opportunity for self-actualization. Both groups are using flexible forms of work to take their professional future into their own hands – by pursuing self-employment, temporary work or – in transition phases – as job-seekers.

*As a result of cultural change and economic development, the number of people who want to work flexibly is increasing.*

Therefore politicians, authorities, and social partners are discussing with concern whether this trend will cause a re-thinking of social questions. Currently, society is facing two challenges: Are there sufficient social safeguards for people who work flexibly – especially freelancers? And: Does a constant decline in the number of employees present risks with regard to the contributions made to the system of social safeguards in Switzerland? In this context, a third, hybrid form of employment is frequently required, one that combines the flexibility of self-employment with the social safeguards of permanent employment. Under Swiss law, this intermediate form already exists in temporary staffing. In this white paper, swisstaffing, the association of staffing service providers, will show using the example of temporary workers what flexworkers' motives are and how they are integrated into commercial life. A legal interpretive opinion provides an overview of the social safeguards for different forms of work and subjects them to a fitness test for the future – with a focus on the new model of platform work.

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## Staffing service providers take a stand

swisstaffing advocates for the social acceptance and social safeguarding of flexible work.

### **The orderly design of tomorrow's working world requires:**

- a system of social safeguards that protects the employee against basic risks such as accident, illness, and death, old age, and unemployment regardless of his or her form of employment
- the transfer of entitlement to benefits with change of employment form
- the promotion of life-long industry-spanning further training

### **Required in order to be able to fully exploit the safeguarding possibilities of the staffing industry are:**

- a culture in which flexible work and dynamic change between forms of work are accepted
- a simplified, digital signature for temporary employment contracts
- slim digital social safeguarding solutions and registration procedures

### **Three opportunities for social safeguarding in the working world of the future:**

- a clear assignment of the platform economy's new service provision relationships to existing forms of work such as self-employment, temporary work, and employment contracts
- best practices for platform start-ups for adherence to Swiss labor law, such as the use of temporary work
- a digital exchange of dossiers between private staffing service providers and RAV for the quickest possible return to gainful employment

### **Two dangers for the quick incorporation into socially safeguarded employment relationships:**

- the stoking of a culture of fear with regard to flexible forms of employment
- regulations of the labor market and of temporary work that create hurdles for the start of employment

## Flexworkers

Changes on labor markets have resulted in the emergence of two groups of flexworkers: employees who are seeking a “bridge” between permanent positions and people who intentionally decide they would like to work flexibly. An example of this is temporary employees, who are the best researched of the flexworkers. According to a survey conducted by swissstaffing and the gfs-zürich, 57% of temporary employees accepted their positions because they would otherwise have been unemployed. 43% selected flexible work because it suited their life situation. A breakdown of the employees by age, sex, and parental status shows:

*Young employees without responsibility for a child are especially likely to intentionally select flexible work.*

More than half of those under 30 with this background are working temporarily voluntarily. A 26-year-old from Bern especially appreciates tempo-

rary work thanks to its “independence with respect to future situations.” The requirement for flexibility declines as soon as temporary employees under 30 years of age bear responsibility for a child. The flexibility of temporary work helps them gain a foothold in working life and provide for their families. “Food for my son,” is how a young father characterizes the most important reason he works. With increasing age, the share of people who want to work flexibly declines, however in the 40 to 65-year-old age group, it varies between 32 and 45%. This proves that flexible work is a requirement in all phases of life. For older employees, it is especially popular among mothers over 50 and people of retirement age. Flexible work provides them a means of re-reentry into the labor market or a smooth transition to retirement. Paul Fritz, CEO of Home Instead, explains: “In taking care of older people, we especially employ women over 50, who are seeking to become part of the working world again after a long phase of professional inactivity - and this is an important reason why they do their work with great passion.”

**Table 1: Share of temporary employees seeking flexibility**

Age	Age distribution percentage	Male without children	Male with children	Female without children	Female with children
under 30	32%	51%	28%	54%	36%
30 – 40	30%	41%	34%	42%	45%
40 – 50	20%	32%	37%	43%	37%
50 – 65	16%	35%	35%	31%	45%
over 65	2%	92%		76%	

**Note:** The table shows the percentage of temporary employees seeking flexibility broken down by sex and family structure. The percentage in the group of women over 65 is based on 17 observations and should be regarded as an indicative value.

Observations: 3911.

Source: swissstaffing, gfs-zürich, 2019.

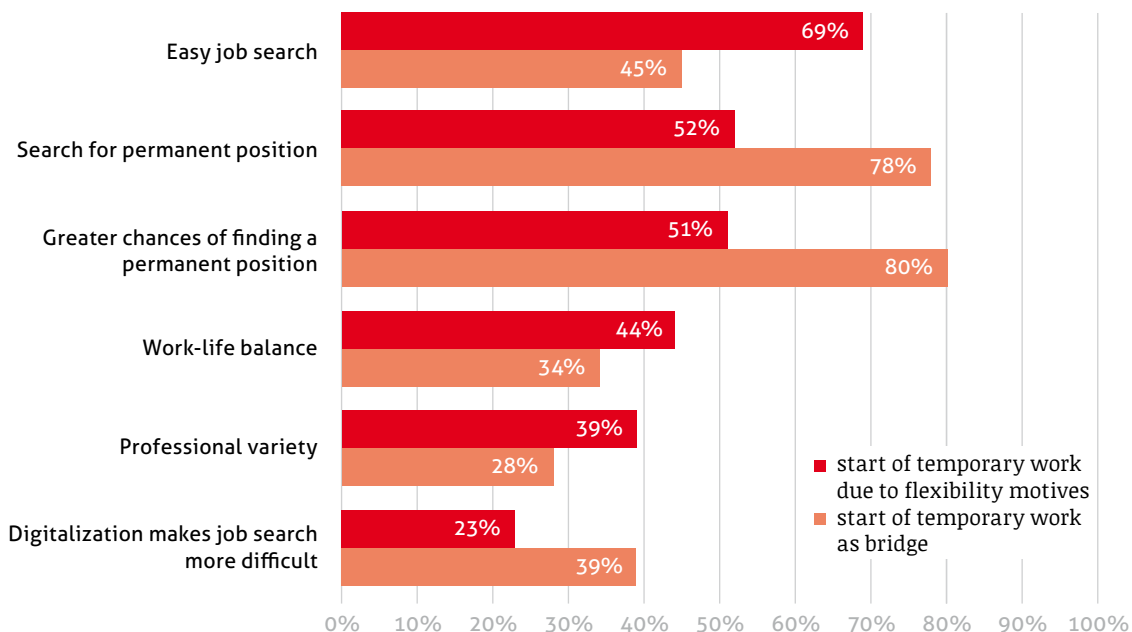
A comparison of the motives of employees who began their temporary employment phase voluntarily or due to a lack of alternative positions shows that the intentional selection of flexible work is linked to particular prerequisites. Temporary employees seeking flexibility are more likely to assess the job search with their professional qualifications as “easy” and they are less likely to feel threatened by digitalization. Both results are the expression of the great marketability that allows this group to move

flexibly on the labor market. The temporary employees seeking flexibility especially appreciate their freedom with regard to a better work-life balance and varied professional challenges. “I can work, but I also have free time” is how a 50-year-old employee in retail sums things up. Employees who regard their temporary employment phase as a bridge to the labor market use the time to search for permanent positions and their professional activity to boost their chances of success. This attitude is surprisingly widespread

among employees who choose to work flexibly. Half of them are seeking a permanent position in the long term and they regard temporary work experience as an important stepping stone along the way. Flexible work is therefore a brief phase in their working life

for many employees. After three years, nearly four out of five temporary employees have left this form of employment behind. Thanks to this form of employment, neither contribution gaps to social safeguards nor a foregoing of social safeguards are necessary.

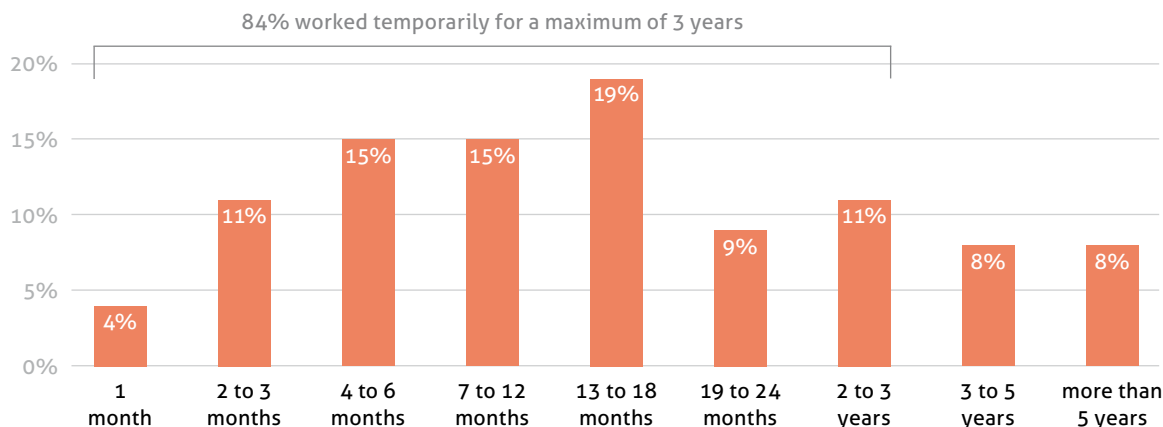
**Figure 1: Temporary employees' motives**



**Note:** The figure shows the motives of employees who started their temporary employment phase for reasons of flexibility or due to a lack of an alternative position. For the questions about professional variety, the work-life balance, and greater chances of permanent employment, the employees responded on a scale of 1 “completely unimportant” to 5 “very important.” For calculation of the percentage values, values 4 and 5 were combined. The other questions are based on yes-no questions and multiple choice responses.

Observations: 3351 to 4153.  
Source: swissstaffing, gfs-zürich, 2019.

**Figure 2: Duration of the temporary employment phase in months**



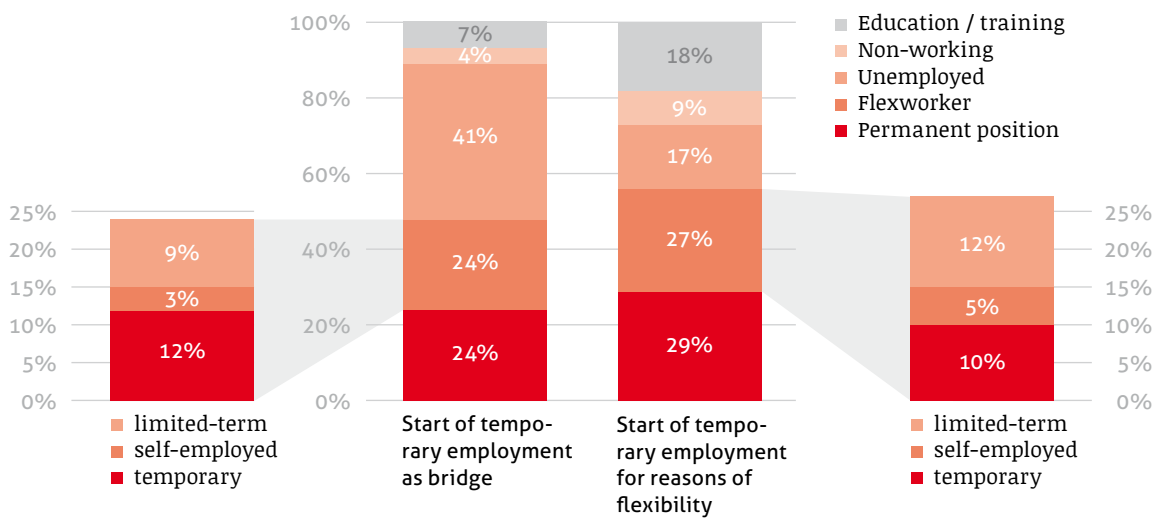
**Note:** The figure shows the duration of the temporary employment phase in months.

Observations: 3807.  
Source: swissstaffing, gfs-zürich, 2019.

Temporary employees succeeded in returning from flexible work to permanent employment regardless of whether they intentionally wanted to work flexibly for a certain period or were seeking a bridge to working life due to lack of a permanent position. 24 months after start of the temporary employment phase, 58% or 55% were permanently employed again if they were seeking a permanent position. Vice-versa,

the figures show a clear, long-term commitment of the employees to flexibility insofar as they explicitly wanted it. Just 18% or 25% accepted a permanent position within 24 months, depending on whether they had been seeking flexible work since the beginning of their temporary phase or took it up in absence of another alternative position.

**Figure 3: Professional situation before start of temporary employment**

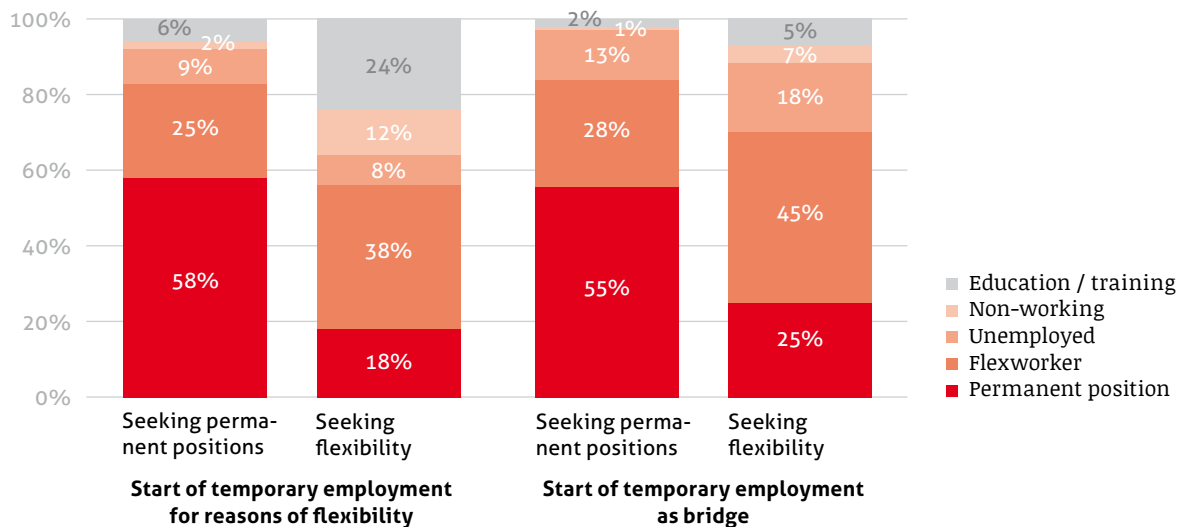


**Note:** The figure shows the professional situation of employees who started their temporary employment phase for reasons of flexibility or due to a lack of an alternative position. The “flexworker” category includes limited-term contracts, temporary work, and self-employment.

Observations: 2265 to 1682.

Source: swissstaffing, gfs-zürich, 2019.

**Figure 4: Professional situation 24 months after beginning temporary employment**



**Note:** The table shows the professional situation of employees 24 months after the start of their temporary employment. The “flexworker” category includes limited-term contracts, temporary work, and self-employment. The estimates rely on average partial effects, which were estimated based on two multinomial Logit models, in each case for employees who started their temporary employment phase for reasons of flexibility or lack of an alternative position.

Observations: 1393 to 1953.

Source: swissstaffing, gfs-zürich, 2019.

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## Social safeguards for flexworkers: an interpretive opinion

*The life of a flexworker is characterized by the constant changing between phases of employment and searching for employment.*

To design this kind of life, there are three legal forms available: classic employment, temporary employment, and self-employment or - in transition phases - receipt of unemployment benefits. Depending on the legal form selected, flexworkers are insured differently against basic risks such as illness, accident, old age, death, and unemployment.

### Employment forms explained in brief

Employment status as employee according to the Swiss Code of Obligations (OR), self-employed or temporary employee says nothing about whether the person is employed full-time or part-time or has a limited-term or an indefinite employment contract. All combinations are conceivable, such as a limited-term permanent part-time position or an indefinite temporary full-time position.

### Employee according to OR

People who work for an employer and draw a salary are classified as employees according to OR. The parties conclude an employment contract that defines rights and duties. There are no special requirements for employment contracts, even if in practice the agreements are usually made in writing. Written contracts are only obligatory for apprentices and short-term residents. Without explicit, written regulation, the provisions of the Swiss Code of Obligations (Art. 319ff OR) apply.

### Self-employed people

People who work under their own name and on their own account and are also in an independent position and bear their own economic and insurance risks are self-employed.

### Temporary employees

The term "temporary employee" describes a three-way relationship between a staffing service provider, an employing company, and an employee. The employee, called "temporary employee," concludes an employment contract with the staffing service provider (Art. 19 AVG). The staffing service provider transfers to the employing company the authority to issue directives to the employee, however it remains the legal employer. The Swiss Employment Services Act (AVG), the Employment Agency Regulation (AVV), and the generally binding CBA Staff Leasing (CBASL) form the legal basis.

### Recipients of unemployment benefits

People who are unemployed, who are fit for work and seeking work, are entitled to unemployment benefits as long as they fulfill the legal eligibility criteria for unemployment insurance (ALV).

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## Illness and accident

Health is of crucial significance for employees. Without the safeguarding of their labor, they lose their income in case of illness and, in case of a lingering illness, can endanger their economic existence. For self-employed people, lawmakers rely on individual responsibility. The conclusion of a per diem indemnity for illness is voluntary for them and, without insurance protection, must be financed from their own reserves. In practice, the voluntary nature is frequently a challenge: With increasing age or previous illnesses, the premiums to be paid often increase prohibitively. Short parental leaves and low incomes can in some cases not be insured. For flexworkers with low annual incomes, finding suitable safeguards for the self-employed becomes a high-wire act.

In case of illness, employees according to OR have a claim to continued payment of salaries insofar as the employment relationship has lasted more than three months or was concluded for more than three months (Art. 324A Abs. 2 OR). In the first year of employment, there is a claim to three weeks; this increases from year to year with the duration of employment according to the Basel, Bern or Zurich scale. For people who change employers frequently, the claim remains three weeks. In case of a serious illness such as heart attack or cancer, protection via the employer is not sufficient. For complete protection against the risk, the employee must purchase voluntary additional insurance. Continued payment of salary by the employer allows the employee to build a long waiting period into the private additional policy and therefore to reduce its costs substantially.



*For temporary workers, with the CBA Staff Leasing there is a contract that is specially tailored to the needs of flexible work.*

This also applies for economic protection in case of illness. Starting from the agreed-upon date of hire, the salary of all covered temporary workers is insured collectively up to 80%, insofar as an AHV pension is not already being drawn (Art. 29 Para. 1 CBASL, Art. 324a OR). With certain restrictions, the protection even applies if the illness began before the date of hire, an exception in the insurance world (Art. 9 VVG). Essentially, temporary employees can claim 720 sick days, even beyond the agreed-upon duration of employment. Therefore, they are protected against large and small health setbacks (Art. 28 Para. 3 CBASL). For short deployments of less than three months, temporary employees can claim a daily allowance for 60 days. If, however, they bear responsibility for a child or work in an employing company that is subject to a generally binding CBA, they can also claim 720 sick days, even in case of short deployments.

In comparison to temporary employees, the protection of recipients of unemployment benefits for people who are unfit or less fit for work due to illness is especially surprising. They can only claim a daily allowance for 30 days and can draw a maximum of 44 days in case of multiple illnesses during the entire duration of their employment (Art. 28 AVIG). Despite their difficult economic situation, they must therefore purchase voluntary additional insurance in case of illness, with the challenge that such insurance is hardly affordable with increasing age or previous illnesses. The comparison reveals another aspect of why the bridge function of temporary employment is

significant for people who must reorient themselves on the labor market.

An accident, like an illness, can bring a longer phase of unemployment. In this area, the differences between the various employment status are smaller. Temporary employees, the unemployed, and employees according to OR have equal obligatory insurance against accidents. The protection for temporary employees and employees according to OR begins on the first contractually agreed-upon working day (Art. 30 CBASL; Art. 1A UVG). The insurance covers occupational and non-occupational accidents as soon as an employee works more than 8 hours a week for an employer (Art. 13 UVV). The accident protection lasts 30 days after the end of employment (Art. 3 Para. 2 UVG). Recipients of unemployment benefits are also insured against non-occupational accidents. The premium is deducted directly from their daily allowance (Art. 22A Para. 4 AVIG). Self-employed people, by contrast, do not have obligatory insurance and must provide suitable safeguards themselves. In practice, this can frequently be included in per diem indemnity for sickness insurance.



## Retirement provisions

### AHV / IV

In Switzerland, retirement provisions are based on a three-pillar principle. The Old Age and Survivors' Insurance (AHV) provides basic coverage. All workers pay equally into this pillar, the self-employed, temporary employees, employees, and recipients of unemployment benefits (Art. 1A Para. 1 AHVG; Art. 22A Para. 2 AVIG). The only difference between the forms of work exists in the contribution payment. While the self-employed are solely responsible for the contribution due (Art. 8 AHVG), the employer or unemployment insurance fund pays a portion of the contributions. Thus, the first pillar is exemplary of social safeguards that are acquired regardless of the form of employment and that can be transferred from one form of employment to the next. With the affiliated disability insurance, the employee's existence is also insured in case of disability caused by illness.

### Occupational benefit plan

As the second pillar, the occupational benefit plan ensures the standard of life in old age and thus complements the payments from the first pillar. This includes – to supplement the AHV – the risks disability and death (Art. 1 BVG). Temporary employees and employees according to OR are insurable in principle if they earn more than CHF 21,330 per year (Art. 2 Para. 1 BVG; in connection with Art. 2 Para. 4 BVG). Starting from this so-called entry threshold, at least CHF 3555 of the income earned is insured. The employee's salary is considered up to a maximum income of CHF 85,320 subject to compulsory insurance less a coordination deduction of CHF 24,885 – the so-called coordinated wage (Art. 8 BVG).<sup>1</sup>

The deployment duration of a temporary employee frequently cannot be predicted at the start of employment. Insofar as the employee does not want insurance starting on the first day, all temporary employees have compulsory insurance at the latest starting in the 14<sup>th</sup> week of employment (Art. 28 BVV2). To calculate the duration of employment, the deployments of the last 12 months are counted together in case several deployments were served with short breaks in between (Art. 31 CBASL). If temporary employees have children requiring support or if at the start of an employment, a duration of more than three months is planned, they are insured starting on the first working day (Art. 31 CBASL). Nevertheless, short employment deployments present a challenge to the industry. How should it be determined whether

the entry threshold for the occupational plan has been reached? The solution: The threshold is broken down to hourly wages. It is CHF 9.75 per hour. Due to the significantly higher minimum wages in the CBA Staff Leasing (CBASL), every temporary employee fulfills this criterion. Contribution gaps due to flexible employment are thus prevented, a model that puts temporary employees in a better position than employees according to OR and could teach a lesson with respect to the new, flexible forms of work (Art. 31 Para. 4 CBASL).

In comparison to temporary employees and employees according to OR, the self-employed do not fall under the obligations of the occupational benefit plan. They can take out voluntary insurance (Art. 4 Para. 1 BVG) or alternatively, provide for themselves via the tax-advantaged pillar 3a. Every fourth self-employed person does not take out the voluntary insurance and relies solely on the 1st pillar for retirement provisions. Thus, neither the preservation of the standard of life in old age nor the risks of death and disability are protected in addition (cf. NZZ, 2018).

People who draw daily benefits from unemployment insurance have compulsory insurance against the risks of death and disability (Art. 2 Para. 3 BVG). The unemployed person's premium is deducted directly from their daily benefits (Art. 22A Para. 3 AVIG). A savings contribution is not deducted during the entire duration of unemployment and can significantly reduce retirement assets in case longer or frequent unemployment. This shows:

*From the point of view of retirement provisions, it is crucial to be integrated into working life as much as possible without interruptions. Temporary work builds a valuable bridge for those affected.*

<sup>1</sup> The contribution limits are adjusted regularly by the Swiss Federal Assembly according to price and salary development in Switzerland. The values listed apply for 2019 (Art. 5 BVV 2).

## Unemployment

If an employee loses his position, he is picked up by unemployment insurance (ALV). As non-independent employees, temporary employees must make contributions just like employees according to OR (Art. 2 AVIG). Insofar as the requirements of the unemployment insurance fund are fulfilled, employees of both forms of employment can claim unemployment benefits. Self-employed people, by contrast, do not have to make contributions (Art. 2 AVIG). And still more: There is no legally mandated voluntary safeguard provided by the unemployment insurance fund and private coverage of the risk is not possible.

People who are fit to work and are seeking work receive unemployment benefits insofar as they fulfill the legal eligibility criteria according to ALV. To assess the claim, the contribution time is of special significance. Anyone who has been employed for at least twelve months before registration with the unemploy-

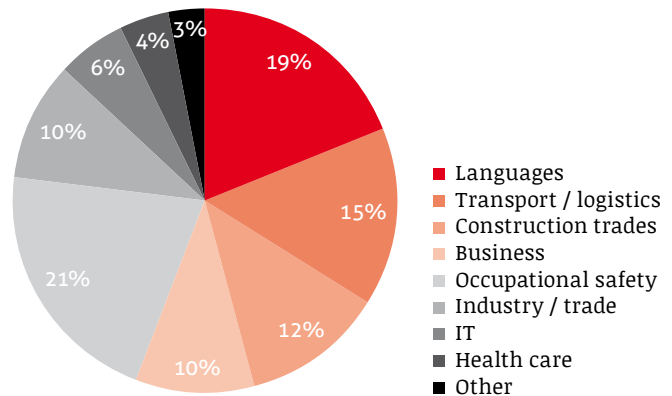
ment insurance fund (Art. 13 Para. 1 AVIG) receives benefits that correspond to 70% of the insured wages. People whose daily allowance claim is less than CHF 140 or who are liable for maintenance receive 80%. The number of daily allowances is limited to a maximum of 520 days and is oriented according to the insured party's age and the contribution time.

*Thanks to temporary work, people who are looking for a permanent position can extend their benefits with so-called intermediate earnings or, depending on the duration of the temporary employment phase, make new claims.*

## Further training

Automation and digitalization are causing extensive transition processes on the Swiss labor market. As a result, the skills required to prevail in working life are changing. Life-long learning and further professional training will thus become another pillar of the social safeguards. With the further training fund temptraining, temporary employees who are subject to the CBA Staff Leasing have a generous pot available to secure their marketability on the labor market in the long term. Thanks to temptraining's liberal further training system, it is possible to select courses at more than 1000 educational institutions in Switzerland (Art. 7 Para. 6 CBASL).<sup>2</sup> Temporary employees can decide themselves in which direction they would like to develop themselves professionally. Specialized trainings from the original profession are open to them, as are courses from other professional trainers and trainings for general labor market-relevant capabilities, such as language and computer courses. Thus the fund assists many temporary employees in their reorientation on the labor market. The courses taken open up new employment opportunities and stabilize freshly-linked employment relationships. For this reason, after just 176 hours of work, there is a claim to further training, which only expires 12 months after the end of the temporary employment phase. As of June 2019, there is a maximum claim to CHF 5000 in further training services and compensation for lost wages of up to CHF 2250.<sup>3</sup>

Figure 5: Requests by course type



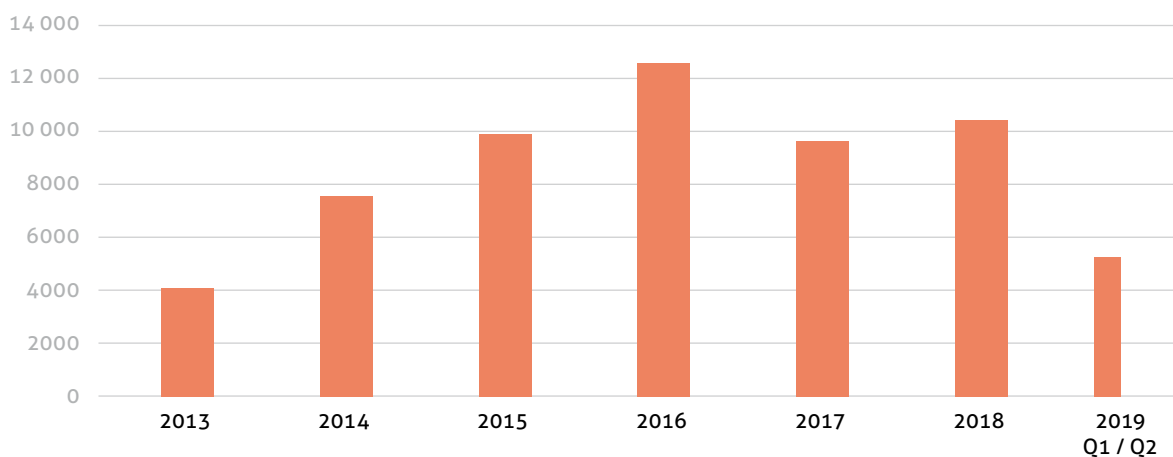
**Note:** The figure shows the distribution of requests in 2018 by course type. Demand for language and occupational safety courses is the highest among temporary employees.

Source: temptraining, 2019.

The temptraining further training funds are supplemented from the CBA Staff Leasing. Before the CBA, the staffing industry paid further training contributions to other CBAs declared generally binding, whose programs frequently did not meet the needs of temporary employees, including long wait times for entitlement to benefits. Thanks to temptraining, more than 26,000 further training applications valued at CHF 43 million could be approved. Both the

self-employed and employees according to OR have no claim to the assumption of further training costs and generally have to finance these independently. The unemployment insurance guarantees attendance at labor market measures to prevent and combat unemployment (Art. 59 AVIG). However, there are strict prerequisites for participation and the offerings cannot be selected freely by the job seeker.

**Figure 6: Development of the applications received by the temptraining further training funds**



**Note:** The figure shows the development of the applications received by temptraining since 2013.

Source: temptraining, 2019.

<sup>2</sup> The temptraining business office keeps a list of all recognized educational institutions on the website [www.temptraining.ch](http://www.temptraining.ch).

<sup>3</sup> The current prerequisites for a further training claim are at [www.temptraining.ch](http://www.temptraining.ch).

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## Social safeguards – a fitness test for forms of employment

A comparison of the social safeguards of the various work forms shows that most self-employed individuals do not have compulsory insurance against social risks and they have to find sufficient insurance protection themselves. Depending on the risk, either the costs of insurance are prohibitively high or it is impossible to find insurance. On labor markets with great competitive pressure, it may be difficult to pass the costs of voluntary insurance along to end customers. The example for the current regulation was the medium-sized entrepreneur, who is independent and can insure the various life risks with his assets - for example, attorneys, doctors, bakers, master tradespeople. Now as before, this freedom forms an important component of dynamic entrepreneurship in Switzerland. However, this form of work seems inappropriate for freelancers with low earning potential who would like to work flexibly, whether as a bridge between two permanent positions or as a life philosophy.

Employees according to OR are fairly comprehensively covered as compared to the self-employed. Compulsory insurance covers basic risks and builds bridges in order to make voluntary additional insurance affordable. The administrative effort for the handling of short-term employment relationships, long termination dates, and the culturally rooted images of “permanent” employment contracts make this form of work unattractive for people who would like to work flexibly. Therefore, their goal is to break out of the rigid corset of the employee.

With temporary staffing, Switzerland has a third form of work that combines flexibility and social safeguards.

*In comparison to employees according to OR, temporary employees enjoy equivalent social safeguards, which are tailored to the needs of people who are working flexibly.*

Year after year, 800 staffing service providers across Switzerland and more than 400,000 temporary employees prove that deployments from a few hours to a few years can be handled under the umbrella of temporary work. Thanks to the industry, employees with a need for great flexibility can make this wish come true without foregoing social safeguards. Job seekers who regard their flexible work phase as a bridge to permanent employment, profit three times as much

from this: First, they are better insured against basic life risks than recipients of unemployment support. Second, professional integration and generous further training services secure their long-term marketability. Third, thanks to their earnings, they can maintain their usual standard of life and make claims to unemployment insurance. “Our employees greatly appreciate the combination of flexibility and social safeguards,” reports Marcel Keller, CEO of Kelly Schweiz. “Precisely for large companies, temporary staffing represents a competitive advantage with regard to recruiting and selection of specialized employees.”

**Table 2: A comparison of the various forms of work**

	Temporary employees	Self-employed	Recipient of unemployment benefits	Employees according to OR (without CBA)
<b>Illness</b>	<ul style="list-style-type: none"> <li>• KTG insured from start of work</li> <li>• 80% of the lost wages</li> <li>• Duration of benefits Max. 720 days (Exception: limited-term deployment of max. 13 weeks = 60 days, if employing company without generally binding CBA and no obligation to support children)</li> </ul>	No obligatory insurance (voluntary insurance possible)	<ul style="list-style-type: none"> <li>• Immediate claim insofar as illness occurs during unemployment</li> <li>• 70% of the insured earnings (exception: 80% if obliged to provide support or daily allowance is less than CHF 140,00)</li> <li>• Duration of benefits max. 30 days</li> </ul>	<ul style="list-style-type: none"> <li>• Continued payment of wages insofar as employment relationship lasted more than 3 months or was entered into for more than three months</li> <li>• 100% of lost wages</li> <li>• Obligation to continue paying wages (years of service according to Zurich scale) 1<sup>st</sup> year = 3 weeks 2<sup>nd</sup> year = 8 weeks 3<sup>rd</sup> year = 9 weeks</li> </ul>
<b>Accident</b>	Obligatory insurance starting with 8 hours of work per week	No obligatory insurance (voluntary insurance possible)	Obligatory insurance against non-occupational accidents	Obligatory insurance starting with 8 hours of employment per week
<b>Occupational Benefit plan</b>	BVG obligatory regardless of the wage amount (exception: limited-term deployment of max. 13 weeks and no obligation to support)	No obligatory insurance (voluntary insurance possible)	BVG obligatory for death and disability (no savings capital)	BVG obligatory starting with an annual salary of more than CHF 21,330.00
<b>AHV / IV / EO</b>	Obligatory (50% sharing of the contributions)	Obligatory	Obligatory (50% sharing of the contributions)	Obligatory (50% sharing of the contributions)
<b>Unemployment insurance</b>	Obligatory insurance	No obligatory insurance (voluntary insurance not possible)	Claim to the services acquired	Obligatory insurance
<b>Further training</b>	Starting with 176 temporary hours (within 12 months) claim to further training services	No specification	Limited contributions to educational and employment measures	<ul style="list-style-type: none"> <li>• No legal specification</li> <li>• Depends on the employer</li> </ul>

**Note:** The colors from dark green “high” to dark red “low” indicate the quality of the insurance in the form of work in question.

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## Designing the future

The platform economy has reached the working world. Not just in the USA, but also in Switzerland, new platforms are taking shape, ones on which employees solicit orders. “The jump into the labor market was never as easy as it is today,” says Jürg Karlen, CEO of smartstaff.

*“Platform work offers the potential to significantly reduce entry hurdles to the labor market.”*

On the other hand, politicians and employees’ organizations fear insufficient social safeguards. This is why smartstaff relies like ADIA and Coople on temporary agency work as a solution: their platforms are regarded as staffing service providers. They loan the temporary workers to the employer, who receives the authority to issue directives to them to perform work. Wage payment, administration, and the social safeguards are the responsibility of the platform operator.

In Switzerland, this model is still a rarity. An analysis of the platform situation indicates that most new employment platforms regard themselves as pure intermediaries and they leave the selection of the work form to contractors and employees. Generally, employment and contract relationships are created, which fall into the self-employment category

where there are hardly any social safeguards. There are two reasons for this development: With the written form requirement, the job placement act creates high hurdles for digital business processes. Temporary work contracts must be concluded with a qualified signature (Art. 19 Para. 1 AVG, Art. 22 Para. 1 AVG). Due to the high requirements for electronic signatures, in practice this means that each employment contract must still be signed by hand – something that is hardly compatible with a digital business model. Second, start-ups are not familiar enough with the model of temporary work and employment law is too complicated. That’s why they decline to assume the responsibility of an employer. Online platforms such as ADIA, Coople, and smartstaff, however, are best practice examples of how the platform world of tomorrow could be flexible and provide social safeguards.

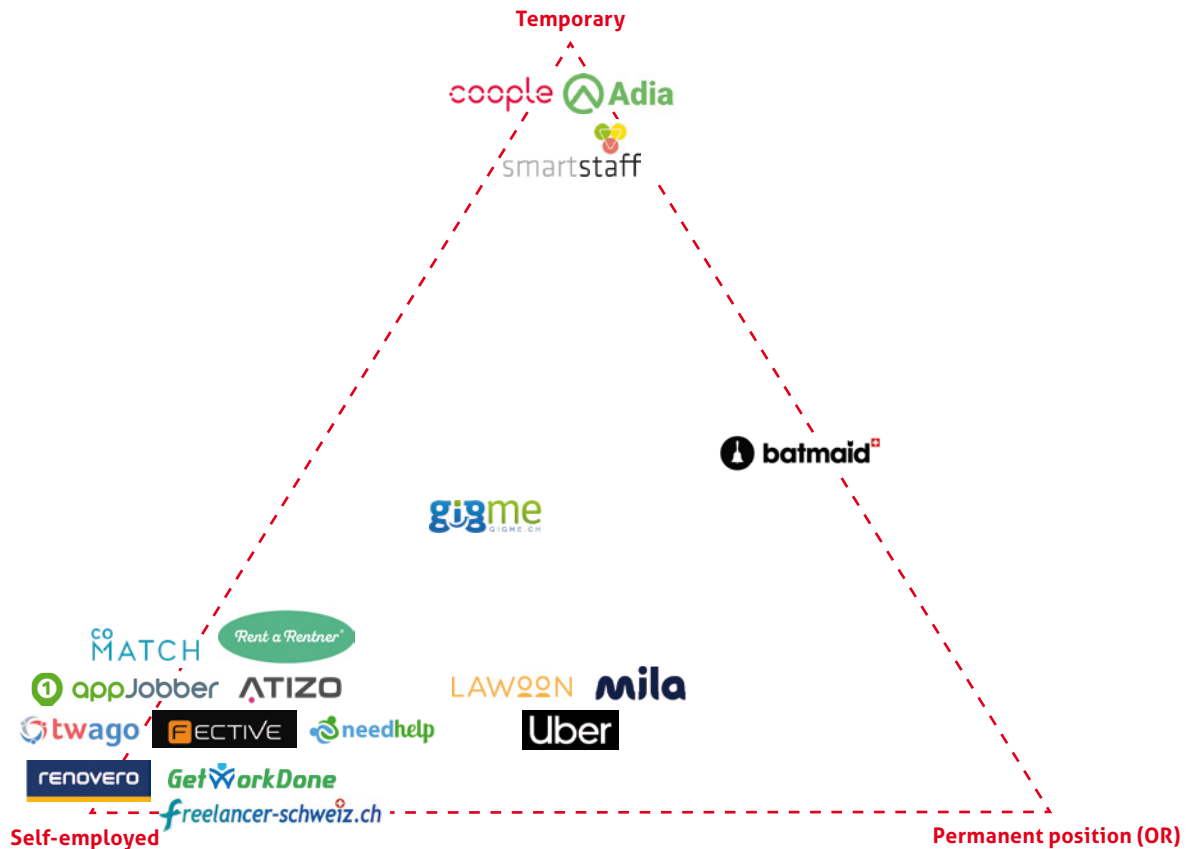
Satya Nadella, CEO of Microsoft, quotes Rainer Maria Rilke in his book Hit Refresh: “The future is revealed to us long before it arrives.” This is a message that could hardly better describe the current reform efforts in Switzerland. With impulses and new regulations with regard to social safeguards, the E-ID, and employment law, Switzerland is setting the stage for the future. Given the decisions made, it will be possible to see whether the liberal employment market will become more dynamic and integrative or whether politics will leave the opportunities of the digital world pass unused.



*In order to keep Switzerland on the right track, no revolution is required, but rather a careful evolution - a refreshing of our social existence.*

With sufficient vision, the staffing industry has the potential to play a key function in this development. A true social partnership and neutral politics with regard to the various forms of work are the requirements to start down this path.

**Figure 7: Swiss providers of platform work by form of work**



**Note:** The figure is an estimate by swissstaffing based on the details from each website and assigns Swiss providers of platform work to the form of work used\*.

\* Due to still-open legal questions, the providers' additional services or the mindset of the platform, the boundaries between forms of work can blur. Therefore, all statements are made without guarantee of completeness or correctness and swissstaffing assumes no liability for all legal reasons for the use of information from this figure by third parties or due to the lack of information.

**Sources:**

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