

# Money and Taxes

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## Accounts / Transactions

Persons who earn money and who must pay bills need to have a bank or PostFinance account. Debit or credit cards are commonly used for groceries and shopping.

### Accounts

Almost every Swiss resident has a bank account. Wages are paid to these accounts. Numerous banks and the postal service offer accounts for private individuals. Normally, opening an account is free, however, various fees may follow. Due to the fact that fees, interest rates, and services offered may vary it is a good idea to compare the offers. The possession of a passport or other form of identification is always a requirement.

### Debit Cards / Credit Cards

Persons who have accounts will usually have a card linked to this account with which they can withdraw cash. This card is valid only for the corresponding bank. Banks or the postal service do offer debit cards (e.g. Maestro) with which one can withdraw cash from all ATMs and which can be used as a form of payment in most shops. These cards can also be used abroad. Depending on the card fees may apply. Credit cards can be requested from various institutions. The services and fees vary greatly. Comparison is advised. Payment with debit or credit cards has become a widespread practice.

## Paying Bills

In general, bills are sent by mail using pay-in receipts. There are three payment options:

- E-banking: online payment is widespread and safe.
- At a counter: with a pay-in receipt bills can be paid in cash at a post office. Persons with a PostFinance account can have the amount deducted directly from their account. Bank customers can make payments at their respective banks.
- By mail: payment orders can be sent to the bank or post office by mail.
- Additional information is provided by the bank or post office. Payment options for recurring bills:
  - The direct debit system (LSV) is convenient because bills are paid automatically by debiting the account. Information is provided by the invoicing party, bank, or post office.
  - If the amount invoiced is always the same (e.g. rent) a standing order (Dauerauftrag) can be arranged with the bank or post office.

Bills always include a payment deadline. If the deadline is not met this can have consequences: the debt may be enforced.

## **Additional information (links, addresses, information sheets, brochures)**

[www.merhaba-aargau.ch/en/money-and-taxes/accounts--transactions](http://www.merhaba-aargau.ch/en/money-and-taxes/accounts--transactions)

# Taxes

In Switzerland tax charge varies according to place of residence. The most important taxes for private individuals are income, wealth, and value added taxes.

## Tax System

In Switzerland the confederation, cantons, communities and established regional churches impose taxes. There are direct and indirect taxes. The most important direct taxes are the income and the wealth taxes. These must be paid directly by the taxpayer. Indirect taxes are, namely, the value added tax, the tobacco tax, or the petroleum tax. These taxes are included in the price of the respective goods. Since the cantons and communities are responsible for many taxes, direct tax rates may vary greatly according to place of residence. Married couples are charged collectively.

## Tax at Source

Foreigners who have moved to Switzerland recently pay their income tax by a deduction made directly from their income (tax at source, Quellensteuer). Registration is handled by the employer.

- The level of taxation depends on income, civil status (single, married, divorced), and number of children. Changes must be reported immediately.
- Additional deductions are possible, for example, contributions to the 3rd pillar, interest on debt, high health costs, etc..
- Persons with assets must declare these assets and pay a separate tax on them.
- Persons with an income of over 120'000 Francs per year must file a tax return (regular taxation).
- Persons who are married to a Swiss citizen or a permit C holder must also file a tax return (regular taxation).

The Cantonal Tax Office (Kantonales Steueramt) will provide additional information regarding tax at source. The Community Tax Offices (Gemeindesteueramt) will answer questions regarding wealth tax.

## Regular Taxation

Persons with a Swiss passport or permit C are subject to regular taxation (ordentliche Besteuerung). Taxes are not deducted from their wages. They are obligated to file a tax return and pay a tax bill. Filing taxes is complex even for the Swiss. Asking for support the first time one files is recommended. The Community Tax Office (Gemeindesteueramt) is responsible for regular taxation.

**Additional information (links, addresses, information sheets,  
brochures)**

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## Debt

Not paying bills on time can have serious consequences. Debt counselling services offer support when financial problems arise.

### Monition and Debt Enforcement

Persons who have neglected to pay a bill on time will, generally, receive a first and a second monition (Mahnung). The debtee also has the option of initiating debt enforcement (Betreibung) at any given time. In such cases the debtor will receive a payment summons from the responsible debt enforcement office (Betreibungsamt). Fees apply. Persons who have reason to believe that the debt enforcement is illegitimate may file an objection (Rechtsvorschlag) with the same office. Please be aware that debt enforcement can lead to restraint on wages or objects of value. In addition, debt enforcement procedures are entered in the Enforced Payment Collection Register Records (Betreibungsregister) even if the debt is paid off. This can lead to difficulties when applying for housing.

### Debt

Persons with financial concerns or persons in debt can contact a debt counselling service (Schuldenberatungsstelle). Assistance is available there. Experts assess the situation with the concerned party and search for solutions. The Caritas organisation offers anonymous counselling via telephone: "SOS-Schulden" Beratungs-Hotline, telephone 0800 708 708 (free). If necessary one is referred to another service. Online support and helpful information in several different languages is available on the Schuldenberatung Aargau-Solothurn debt counselling website.

### Additional information (links, addresses, information sheets, brochures)

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# Living with Little Money

The cost of living in Switzerland is relatively high. It can be helpful to purchase certain items secondhand. Persons with little money can use special shops with lower prices.

## Used Goods

Switzerland has many thrift shops (Brockenhäuser). This is where used goods can be purchased at low prices. Also, individuals sell used goods at designated markets, e.g. flea markets, markets for used clothing, or ski gear, etc. Web portals are another popular way of selling and purchasing used articles.

## Sports / Culture / Education

Persons with limited financial means are offered discounts for athletic, cultural or educational events when using the Kulturlegi pass. Applications for the pass are made through Caritas. Caritas will provide additional information and verify whether the requirements are met.

## Caritas Market

Persons with little financial means can shop for inexpensive food and everyday items in Caritas markets (Caritas Markt). In order to do so one must obtain a special pass which can be applied for through Caritas. Caritas will provide additional information and verify whether the requirements are met. There are regional markets in Baden and in Olten. In Aarau there is a Caritas shop for secondhand clothing. Shopping there does not require a special pass.

## State Aid

Persons who do not have sufficient means to meet basic needs are often eligible for state aid. This might include price reductions for health insurance, financial aid for parents, or scholarships. Under certain circumstances one will receive money from the social insurance or social assistance.

## Additional information (links, addresses, information sheets, brochures)

[www.merhaba-aargau.ch/en/money-and-taxes/living-with-little-money](http://www.merhaba-aargau.ch/en/money-and-taxes/living-with-little-money)