



Money and Taxes

Accounts / Transactions Taxes Debt Living with Little Money



Accounts / Transactions

Persons who earn money and who must pay bills need to have a bank or post office 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 as well as an alien identity card 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: bills can be paid in cash with a pay-in receipt at a post office. Persons
 with a Post Finance 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 (Lastschriftverfahren / LSV | Le système de recouvrement direct) 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 |
 Ordre permanent) 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: debt collection may be enforced.

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

www.hallo-bern.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. 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 (Quellensteuer | Impôt à la source). 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 (ordentliche Besteuerung). The Cantonal Tax Office (Kantonale Steuerverwaltung | Intendance des impôts cantonale) will provide additional information regarding the withholding tax.



Regular Taxation

Persons with a Swiss passport or permit C are subject to regular taxation (ordentliche Besteuerung | Fiscalité ordinaire). Taxes are not deducted from their wages. They are obligated to file a tax return (Steuererklärung | Déclaration d'impôts) and pay a tax bill. Filing taxes is complex even for the Swiss. Asking for support the first time one files is recommended. Anyone who makes false statements in a tax return or fails to list income or assets is liable to prosecution. Tax returns can be completed on the Internet. For general questions about ordinary taxation, the municipality of residence is a good first point of contact. The municipality is responsible for regular taxation.

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

www.hallo-bern.ch/en/money-and-taxes/taxes



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 | Rappel). The lender also has the option of initiating debt enforcement (Betreibung | Poursuite) at any given time. In such cases the deptor will receive a payment summons from the responsible debt enforcement office (Betreibungsamt | Offfice des poursuites). Fees apply. Persons who have reason to believe that the debt enforcement is illegitimate may file an objection (Rechtsvorschlag | Opposition) with the same office. Please be aware that debt enforcement can lead to confiscation of wages or objects of value. In addition, debt enforcement procedures are entered in the Enforced Payment Collection Register Records even if the debt has been paid. This can lead to difficulties when applying for work or housing.

Debt

Persons with financial concerns or persons in debt can consult a debt counselling service (Schuldenberatungsstelle | conseil en matière de dettes). Assistance is available there. Experts assess the situation with the concerned party and search for solutions. For residents of the canton of Bern, there are free regional counseling centers (Berner Schuldenberatung, Centre social protestant / CSP). The Caritas organization offers free, anonymous counselling via telephone and internet. If necessary one is referred to another service.

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

www.hallo-bern.ch/en/money-and-taxes/debt



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 | Brocantes). 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. Websites 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 limited financial means can shop for inexpensive food and everyday items in Caritas markets (Caritas Markt | Epicerie Caritas). 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. In Canton Bern there are stores in Bern, Biel and Thun.

Table Set Yourself

The organization, "Table Set Yourself" ("Tischlein deck dich") gives food free of charge to people with little money. Private and public social counseling centers can issue reference cards. The reference card also allows the first visit to all Caritas markets (Caritas Markt | Epicerie Caritas). There, one can subsequently apply for a personal Caritas Market card for further purchases.

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 or scholarships. Under certain circumstances one will receive money from the social insurance or social assistance.





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

www.hallo-bern.ch/en/money-and-taxes/living-with-little-money