

## Some Considerations on Social Security when Working for Multilateral Organizations

When joining an international organization, social security is not normally the first consideration. However, good social security can prevent some sleepless nights in the long run.

### Mapping your social security

Preferably you map the different aspects of social security (old age, disability, death, illness, accident, maternity, unemployment) and assess how you are covered *now* and *will* be covered once you join or leave your employment with the international organization. This will help you identify existing and potential future gaps and even possible duplications in your social security.

**You might have to rely on three different social security systems to ensure satisfactory coverage.** (1) The social security system of the international organization you are working for, (2) the national social security of your country of origin (Switzerland) or of your country of domicile, and (3) the private (insurance) market of social security.

### Examples

#### Social security as consultant

Marie-Joelle worked for the WBG. As the WBG has a good pension system, she does not apply for the voluntary AVS. After a year at the WBG, a foundation makes her a great offer for a consultancy in Benin. She accepts and moves there with her family. In her consultancy contract, the foundation states that her fees include all potential social security costs. What are the consequences for her social security? Marie-Joelle cannot rejoin the Swiss social security system as she already missed the deadline for the voluntary AVS. She now has to organize all social security issues on her own on a private basis, mainly through insurance solutions, including health insurance, life and disability insurance, and old age pensions. She finds this is all very expensive and that options are limited.

## 1 Social security provided by the international organization

International organizations like the World Bank Group or United Nations provide relatively comprehensive social security to their employees. However, the situation might be very different for interns or consultants.

*Explore what will be provided by your employer, e.g. with respect to health insurance, old age, disability, maternity. Ask to what extent your family members (spouse, dependents) are also covered or can join, e.g. health insurance.*

The organizations primarily ensure your social security as long as you are employed by them; for instance, in most cases you will be insured against disability, accident and illness. The longer you work for the organization the more likely it is that you will receive an old age pension or that you can continue your health or life insurance. The length of employment matters: for example, when working for the UN you must contribute five years to their pension plan so that you can receive a pension as an annuity. Premiums might increase if you are allowed to continue e.g. health or life insurances.

*Check what will happen with health and accident insurance, disability coverage, old age savings, other aspects of social security when you leave the organization, e.g. after less than five years, after more than five years.*

Some organizations, such as the World Bank, offer different options to enhance social security, e.g. to save more for old age, to take out additional life insurance coverage, to include your family members in certain insurance schemes.

*Inform yourself about these options. There are often deadlines to observe. Always check what happens to the premiums and benefits once you leave the organization.*

Today careers, including international ones, are rarely limited to one organization. Job mobility is high. Some organizations have agreements to transfer benefits e.g. with respect to the pension fund.

*Inquire about the possibilities of maintaining benefits when changing organizations.*

## Health insurance options when leaving employment

Mira worked for the World Bank in Brazil. There she married Victor who is a citizen of Venezuela and they have two children. They are all insured through the World Bank. After ten years at the World Bank she takes up a position at the University of Geneva while her family remains in Brazil. What are the consequences for the health insurance?

Mira was able to continue health insurance through the WBG for herself and her family for three years. She now has the following options:

- Ask the health authorities of the Canton of Geneva whether she can opt out of the Swiss mandatory health insurance in order to remain solely in the WBG insurance scheme.
- Join the Swiss mandatory health insurance system but keep the WBG insurance to make sure that her family continues to be insured.
- End the WBG insurance, enter the mandatory Swiss health insurance system and look for private international insurance to cover her family in Brazil.

## 2 Social security through the Swiss or another national system

As a general rule – with few exceptions – you drop out of the Swiss social security system once you move abroad. One thing is very reassuring: as soon as you are back in Switzerland you can reenter the Swiss social security system. For instance, you can join the mandatory health insurance system irrespective of the state of your health. However, not being part of the Swiss social security system while abroad will impact your old age pension – and what if you do not want to go back to Switzerland just because of money and social security?

In particular, if you are not sure whether you will spend all your professional life within one organization it might be worthwhile to maintain links to the Swiss social security system. To do this, you have to make use of the existing exceptions. Old age pension, health insurance and unemployment insurance are often the most critical. There are better options for maintaining old age insurance (AVS/AHV/OASI) than unemployment insurance or health insurance, for example.

### Old age insurance and pension

- In many cases you can join the **voluntary Old Age and Survivors' Insurance (AVS)/Disability Insurance (AI)** if you have been a member of the AVS for five years immediately prior to joining the voluntary AVS. In addition, the voluntary AVS is only open to those living outside of the European Union and EFTA. Because of the five year prior adherence requirement and the one year deadline, you have only a limited window of opportunity for joining the voluntary AVS/AI. Each family member must join AVS independently, including your underage children. The voluntary AVS/AI does not give you access to unemployment insurance or Swiss mandatory health insurance. The voluntary AVS/AI will cost you 10.1% (2021) of your gross salary, not including administrative costs.

*If in doubt, join the voluntary AVS/AI. You can always quit the voluntary AVS/AI again, for instance if/once you acquire the right to a good pension from your organization - or if you cannot or do not want to afford it anymore.*

*Don't forget your family members. Each person must individually request to join the AVS/AI. In some cases, it might make sense that family members that are not gainfully employed join the voluntary AVS/AI even if you do not.*

- In a very few cases you can argue that while working abroad you are not establishing your domicile outside of Switzerland, e.g. because you have several duty stations and your base remains in Switzerland; because of your work contract and the conditions at the duty station, e.g. you stay at an encampment without free choice of your living quarters, the organization decides how long you

### Voluntary AVS/AHV/OASI and five years prior contributions

Lara has worked in the UK. Because the UK at that time was an EU country she was not allowed to join the voluntary AVS. Now she has moved to New York. Can she join the voluntary AVS now?

Unfortunately she cannot. Because of the time spent in the UK she does not have the required five-year membership in the AVS immediately before joining the voluntary AVS.

### Voluntary AVS and children

Heidi and her husband work for the WB in Dakar. They and their ten year old son are all members of the voluntary AVS. Now Linus has been born. Can he also be included in the voluntary AVS?

No: every person must fulfill the eligibility conditions on their own. As Linus has only just been born and therefore was not a member of the AVS for at least five years prior he cannot join the voluntary AVS.

### Voluntary AVS and divorce

Beat is married to Paulette who is a French citizen. Both have been part of the voluntary AVS. Now they get divorced. Can Paulette stay in the voluntary AVS? Yes, she can. It is one of the advantages of the voluntary AVS that membership is independent of the membership of the spouse.

### Unemployment

Peter worked for a Swiss University before joining the World Bank for an assignment of 14 months. At the end of the assignment he moves back to Switzerland. Will he receive Swiss unemployment benefits?

are going to stay in this location and has the right to transfer you to another hot-spot in another country for humanitarian aid or in peacekeeping operations. Perhaps you are stationed at a non-family duty station and your family remains in Switzerland. In such specific circumstances, the cantonal AVS tends to accept that your center of life remains in Switzerland and that you can thus continue to contribute to the AVS and all connected insurances. Costs amount to slightly above 14% (2021) not including administrative charges of your relevant salary (taxable salary minus certain deductions). As a rule, you also remain in the mandatory Swiss health insurance system, however you may be able to opt out of this if the organization insures you against illness and accident.

*Keep in contact with your cantonal AVS (and your municipality of domicile) so that you can remain proactive. If the AVS decides that your domicile is no longer in Switzerland because your center of life is where you work, they can terminate your membership in the AVS. If they do so retroactively it may already be too late to join the voluntary AVS. If you do not have health insurance through your employer it can also put you under pressure to find international health insurance within a short time.*

- There are special rules if you work for the **International Red Cross** (basically, you will remain in the Swiss system) or if you work for a **multilateral organization headquartered in Switzerland** (e.g. the UN in Geneva). For many of these Switzerland-based organizations there are treaty-based options to maintain many aspects of the Swiss social security system. For instance, those employed by UN Geneva (UNOG) can choose to contribute to AVS, AI, Income Compensation Insurance (APG), and Unemployment Insurance (AC) or just the AC. Costs for AVS/AI/APG and AC amount to slightly above 14% (2021), not including administrative charges. If you opt to contribute only to AC, costs amount to 2.2% of your income up to CHF 148,200.— and 1% for the salary above this amount. To opt to maintain Swiss social security there is a deadline of three months after starting work for the organization (or receiving Swiss citizenship).

*Three months is a very short deadline.*

*In this case, do not forget your family members and make sure that their status is also clarified.*

### **Unemployment insurance**

- Remaining in the Swiss unemployment insurance system is only possible for those few who maintain their domicile in Switzerland despite deployment abroad or who opt to maintain the unemployment insurance based on a treaty between Switzerland and an organization located in Switzerland.
- There are some special rules when returning to Switzerland as an unemployed person. For instance, if within the 24 months prior to requesting unemployment benefits you worked outside of the EU/EFTA for at least twelve months and at least six months in Switzerland you can receive

Most likely he will. He returns to Switzerland after a stay longer than a year. In the last 24 months before registering as unemployed he worked 14 months in the WBG and more than 6 months in Switzerland. With this, in principle, he qualifies for Swiss unemployment benefits.

### **Pregnancy**

Pia works for the UN in New York. She becomes pregnant. Her maternity leave starts towards the end of her three-year contract. Her husband has joined her at the duty station. He is a stay-at-home dad and looks after their other two children. Her contract is extended until the end of her maternity leave. In total, she has 16 weeks of paid maternity leave including a minimum of 10 weeks after birth. Her health insurance also expires with the end of her contract. As they are in the US, the UN does not offer a conversion of the UN health insurance plan into an individual plan. If they decide to go back to Switzerland, the whole family including the new-born can immediately join the mandatory Swiss health insurance system. However, without a job, finances will be dire for Pia and her family as they do not have access to the unemployment insurance.

### **Mandatory health insurance in Switzerland**

Jean is deployed as a UNV to South Sudan. As it is a relatively short deployment he will remain domiciled in Switzerland. Does he have to keep the Swiss health insurance?

As a UNV, Jean is included in a health insurance scheme provided by the UN. It is not completely clear whether Jean has to maintain the Swiss health

unemployment benefits. If you have spent several years abroad and do not find a job back in Switzerland right away you do not qualify because you cannot provide the required six months of work in Switzerland. The longer you have been abroad the less likely you are able to fulfill the conditions for unemployment benefits right away.

### **Health insurance**

- Normally there is good health insurance when working for an international organization and it does not make much sense to maintain the mandatory health insurance when working for an international organization. However, particularly for shorter engagements with an international organization it might be worthwhile to keep supplementary insurances. Some insurance policies allow you to put supplementary insurance on hold for a certain time.

### **Joining an international organization as a federal employee**

There are some special incentives for federal employees to join Multilateral Organizations for a certain period of time. In 2002 the DFAE passed an ordinance to facilitate the deployment of federal employees to Multilateral Organizations: the ordinance on the benefits for federal employees who join an international organization. This ordinance is still in force and establishes that when a posting in an MO is in the interest of the Confederation, the federal employee can take unpaid leave with a right to return to the same or a similar position within five years. The salary is paid by the MO, however, the Confederation can compensate potential differences in income and make contributions to ensure pension as well as disability or loss of breadwinner benefits.

insurance. Jean will request an exemption from the Swiss mandatory health insurance with the cantonal authorities. It is not guaranteed that this exemption will be granted.

### **Joining a MO as a federal employee**

Having worked for a Human Rights Organization in Syria, Claudine has joined the MENA Desk of the Swiss Federal Department of Foreign Affairs (FDFA). After working there three years, the FDFA encourages her to join the UN for a prestigious posting in Yemen.

She accepts. She is now considered as being on unpaid leave from the FDFA. What does this mean for her financial situation in the future?

Upon entering the UN, she receives her salary from the UN and enters the UN social security system, in particular she joins their pension scheme and their health insurance. Because of her stint with the Human Rights Organization in Yemen, during which she was not insured in the AVS, she cannot join the voluntary AVS as this would have required five years of membership in the scheme immediately prior to leaving Switzerland. To limit the financial consequences of this, the FDFA pays the premiums of her private life insurance that compensates old age savings and covers the risks of disability and premature death.

As a federal employee she has a number of further advantages: while working for the UN she earns less than working for the FDFA. The FDFA can decide to compensate the difference. In addition, she is

### 3 Private options

If your mapping shows that gaps remain in your social security, it is worthwhile looking at private options.

*There are several options through insurances or banks to improve financial security during old age.*

*Insurance companies offer the possibility to insure the risks of death and disability, including loss of income because of illness and/or accident.*

*There are a limited number of Swiss but many international insurance companies that offer international health insurance. However, the availability and costs will depend on your health and age. For instance, if you plan a life as a consultant without a fixed base in Switzerland it is best to join an international health insurance early while you are (relatively) young and healthy. Once you have or have had health problems it will be difficult to find health insurance.*

*Unemployment tends to be the most difficult social security risk to mitigate, in particular if you work abroad for longer than 18 months. There are no private insurance schemes that will cover you against unemployment. When ending your work for an international organization you must be prepared to fend for yourself until you find new employment. Therefore, if financially feasible, it is recommended to save some money for such an eventuality. (If you do not have the financial means to do so, there is the possibility of social aid if you decide to return to Switzerland).*

guaranteed the right to return to her old function or a comparable one.

After three years she returns to the DFAE as the new head of the MENA desk. As she has stayed less than five years in the UN system, only her own personal contributions (one-third of overall contributions) to the UN pension system are refunded to her. Based on the ordinance, she is obliged to transfer this capital to the pension fund (second pillar) of the FDFA. Based on the ordinance, the DFAE can also compensate losses in the pension fund.

### Advice and support

Each situation is unique, depending on which organization and duty station you join, whether you have contributed to the Swiss social security system, and whether you have dependents. **Soliswiss** can support you in assessing your own social security situation, explain different national options and – depending on your needs – also point you to some private choices to improve your social security. We can provide advice at different stages, when joining, remaining, and leaving a multilateral organization.

**Soliswiss** was founded in 1958 to support Swiss citizens who move, work and live abroad or return to Switzerland. As part of the support, Soliswiss offers advice, including on social security issues.

<https://soliswiss.ch/en/>

<p>Employees of international organizations are normally covered by their organization for the risks of illness, accident, old age, death, and disability. There can be differences, depending on the length of employment within the organization.</p> <p>Challenges (gaps in social security) can for instance arise when changing jobs, losing employment, returning to Switzerland as a pensioner (because of high living costs). In some cases, it is possible to maintain certain aspects of the Swiss social security system to mitigate potential challenges.</p>			
<b>With duty station outside of EU/EFTA</b>	<b>With duty station EU/EFTA</b>	<b>With duty station Switzerland</b>	<b>Swiss civil servants</b>
<p><b>Old age, death, disability</b> In many cases voluntary AVS/AI possible, 5 years AVS adherence immediately prior required, <b>deadline of 1 year</b></p> <p>Depending on situation, it might be possible and preferable to maintain domicile in Switzerland (AnobAG).</p>	<p><b>Old age, death, disability</b> In principle, voluntary AVS/AI not possible. Perhaps additional insurance through country in which organization has its seat.</p> <p>Depending on situation, it might be possible and preferable to maintain of domicile in Switzerland (AnobAG).</p>	<p><b>Old age, death, disability</b> As a rule not included in the AVS/AI, can join AVS, AI, EO, AC, or just AC, <b>deadline 3 months.</b></p>	<p><b>Old age, death, disability</b> Ordinance of the Swiss Department of Foreign Affairs envisages unpaid leave, if in the interest of the Confederation. Outside of EU/EFTA potentially voluntary AVS/AI, otherwise the Confederation can finance private options.</p>
<p>No 2nd or 3rd pillar In case of ANobAG, 2nd and 3rd pillar possible, however depending on tax situation not always recommended.</p>	<p>As a rule no 2nd or 3rd pillar In case of ANobAG, 2nd and 3rd pillar possible, however depending on tax situation not always recommended.</p>	<p>2nd and 3rd pillar possible if optional AVS, however, not always recommended depending on tax situation</p>	<p>Can remain in public system.</p>
<p><b>Illness, accident:</b> If domicile outside of Switzerland, not possible to remain insured in the Swiss mandatory health insurance, depending on the insurance company, supplementary insurance might be put on hold. In case of ANobAG, if insured by multilateral organization, request opting out of Swiss mandatory health insurance.</p>	<p><b>Illness, accident:</b> Not possible to remain insured in the Swiss mandatory health insurance system, depending on the insurance company, supplementary insurance might be put on hold. In case of ANobAG, if insured by multilateral organization, request opting out of Swiss mandatory health insurance.</p>	<p><b>Illness, accident:</b> If insured by multilateral organization, request opting out of Swiss mandatory health insurance system.</p>	<p><b>Illness, accident:</b> If domicile outside of Switzerland, not possible to remain insured in the Swiss mandatory health insurance system, depending on the insurance company, supplementary insurance might be put on hold.</p>
<p><b>Private solutions:</b> Particularly when leaving a multilateral organization without returning to Switzerland, private solutions might be required (in particular old age, death, disability, illness, accident). Savings recommended because no AC (unemployment insurance).</p>	<p><b>Private solutions:</b> Particularly when leaving a multilateral organization without returning to Switzerland, private solutions might be required (in particular old age, death, disability, illness, accident). Savings recommended because no AC, unless part of the AC scheme of the country of residence.</p>	<p><b>Private solutions:</b> Particularly when no prior opt-in to Swiss system and moving onwards to (a branch of) an organization headquartered outside of Switzerland, private solutions might be required. Savings recommended if no AC (unemployment insurance).</p>	<p><b>Private solutions:</b> Are at least in part financed by the Confederation. Confederation expects return to Switzerland.</p>
<p><b>Always consider the situation of all family members.</b></p>			