

# Summary of Study on Social Security for Swiss International Civil Servants

At the request of the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO), cinfo (the Swiss Center for Information, Counselling and Training for Professions relating to International Cooperation) mandated Soliswiss (Cooperative of Swiss Abroad) to analyse the social security of Swiss international civil servants working in multilateral organisations (MOs), particularly in the United Nations and the World Bank Group. This paper summarises the report that was submitted to SDC and SECO in March 2021.

The social security systems of Switzerland, the United Nations (UN) and the World Bank Group (WBG) all provide comprehensive social security benefits, in particular for long-term adherence. A majority of current and former Swiss WBG employees expressed overall satisfaction with the benefits provided, Swiss UN staff was somewhat less satisfied. A majority of interviewees argued that, at the time of employment, they did not pay much attention to social security issues, although it became more important to them over time. Soliswiss' desk review and the interviews show that weaknesses appear for Swiss international civil servants primarily when there is shorter term adherence to a system and when there are gaps between appointments. Additional challenges arise for those who do not have the status of international civil servant, e.g. Consultants or United Nations Volunteers (UNVs).

## Part I: Main Concern

The report identifies the following aspects as the main concerns:

- High levels of job mobility can lead to situations in which the concerned Swiss international civil servant, his or her spouse or dependent are not part of any social security system, or are not covered by certain aspects of social security for certain time periods.
- Job mobility decisively limits the possibility to accrue rights to an old-age pension based on annuity. In particular with shorter term appointments, those leaving a MO receive (part of the) pension contributions as a lumpsum payment. This leads to an increased risk that the funds are not used for old age but, for example in the absence of an unemployment insurance, to bridge financial difficulties between jobs.
- Salaries in MOs tend to be high enough to afford a comfortable lifestyle at the place of deployment. However, compared to Swiss salaries they can be considered as relatively low and might not lead to a pension that is sufficient to afford a similar living standard after retirement in Switzerland.
- Maintaining OASI (Old Age and Survivors Insurance - AHV/AVS) is relatively expensive. It can pose a financial burden when persons have to contribute to two different social security systems (the Swiss and the MOs). However, it leads to better security in case of disability and for old age.

- Maintaining OASI is not possible for everyone. Once someone exits the Swiss social security system it is not possible to re-join without moving back to Switzerland. Swiss international civil servants living abroad cannot simply re-enter the Swiss social security system when they can afford to do so or realize the importance of it.
- There are significant chances that persons have no or limited access to health insurance in between postings.
- Unemployment after a posting with a MO can potentially lead to financial hardship as there is no access to unemployment insurance in the vast majority of cases.
- Private options to improve social security exist but are often expensive. Furthermore, insurance companies have discretion whether to onboard someone for an insurance solution.

## **Part II: Existing Measures**

To date, Swiss international civil servants can influence their personal social security by:

- Keeping informed of the different aspects of the social security systems.
- Keeping abreast of various deadlines, e.g. for joining the voluntary OASI, for opting out of the Swiss health insurance.
- Maintaining, if possible, a minimum level of social security, even if it seems costly at times (e.g. the voluntary OASI)
- Exploring all options, e.g. the option of remaining domiciled in Switzerland when deployed for shorter missions.
- Maximizing options provided, e.g. optimizing savings in the WB pension scheme or acquiring and maintaining optional UN or WBG life insurance.
- Adding components from private providers early on whenever there are substantial risks that gaps in social security may arise, e.g. purchasing life or disability insurance, private pension plans, private international health insurance.
- Negotiating whenever possible with current national or international, private or public employers, e.g. on unpaid leave with the possibility of returning at the end of the appointment.
- Planning for all eventualities, e.g. savings for periods without employment.

Furthermore, returning to Switzerland opens avenues to re-enter the social security system in many cases.

## **Part III: Potential Reforms**

Reforms could further help to mitigate challenges and to improve the social security position of Swiss international civil servants, with two overarching goals. Firstly, they have access to adequate information on how to navigate the different aspects of social security. Secondly, the combined measures allow them to rely on continuous, affordable social security, including post-employment, which ensures benefits comparable to those of Swiss civil servants or employees at similar career levels.

Reforms in the field of social security are highly challenging because of the complexity of the system(s), existing international obligations, the costs and the diversity of interests as well as political opinions. The report identifies different options that could contribute to the following five objectives, including reform measures that can be realised relatively easily as well as others that require legislative reforms or additional funding:

<b>Objective 1</b>	Improve the availability of information and advice
<b>Objective 2</b>	Facilitate continuity and avoid gaps in social security coverage
<b>Objective 3</b>	Improve the cost benefit situation for Swiss international civil servants and reduce financial burdens
<b>Objective 4</b>	Enhance access to private options of social security
<b>Objective 5</b>	Increase lobbying for the concerns of Swiss international civil servants

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

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

**cinfo** was founded in 1990. Its mandate includes supporting SDC and SECO in strengthening the presence of Swiss nationals in priority multilateral organisations.

[www.cinfo.ch/swiss-nationals](http://www.cinfo.ch/swiss-nationals)

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