

Influence COVID-19-Measures on the allocation of foreign working days during the tax year 2021

Principle

A Cross-Border Commuter or an International Weekly Commuter is taxable in Switzerland for its salary, which is performed during the Swiss working days. All other working days (e.g., business trips, home office) will be allocated to abroad. The state of residence has the right for taxation for these days.

Proof for the allocation

Calendar with details about working days in Switzerland and abroad, which is signed by the employee and employer. A distinction is made between foreign working days (home office and business trips) and working days in Switzerland.

Influence COVID-19-measures

Switzerland has signed a so-called Consultation Agreement with Germany, Italy, France and Liechtenstein (exhaustive list). These agreements regulate the tax treatment of salary as well as government benefits (among others short-time work compensation) for employees during the measures to combat the COVID-19-Pandemic.

The agreements are effective on the following date and are still in force until at least 31 March 2022:

- Germany: since 11 March 2020
- Italy: since 24 February 2020
- France: since 14 March 2020
- Liechtenstein: since 11 March 2020

Based on the Consultation Agreements, home office days that were taken as a result of the measures to combat the COVID-19-Pandemic are considered as working days taken in the country of employment (i.e., Switzerland) and are therefore fully taxable in Switzerland. However, home office days which are NOT due to the measure to combat the COVID-19-Pandemic (e.g., contractually agreed) continue to be considered as days worked in the country of residence and are therefore excluded respectively are not subject to Swiss source tax. The same applies to all other foreign working days (business trips). This regulation was enacted differently depending on the state (cf. above).

If no such agreement has been signed with the country of residence (e.g., Austria, England, etc.), all working days not performed in Switzerland (i.e., also corona-related home office days) are considered as foreign working days (so-called third country days) and are not subject to Swiss source tax.

Proof for the allocation

As before, calendar with details about working days in Switzerland and abroad, which is signed by the employee and employer. The following distinctions are **new**:

- Corona-related home office days
- Not-corona related home office days
- Business trips

We have adjusted our template of working days abroad accordingly.

01.03.2022 / Nora Rinderknecht, Treuhänderin mit eidg. Fachausweis