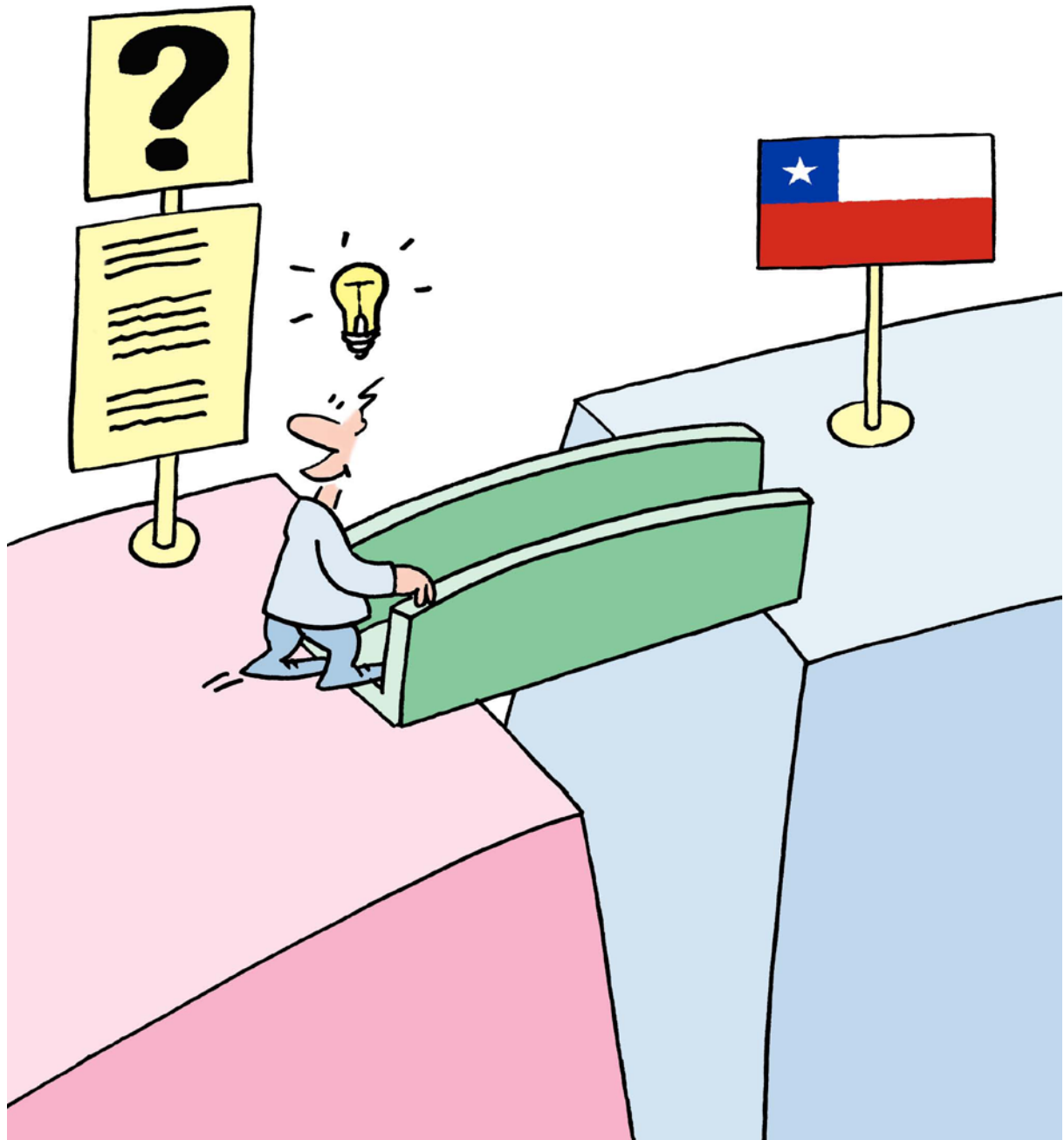




Social security agreement between Switzerland and the Republic of Chile





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Status as of 1 January, 2013

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1 The agreement in brief

Signed on 20 June 1996, the bilateral social security agreement between the Swiss Confederation and the Republic of Chile came into force on 1 March 1998. Its purpose is to ensure that Swiss and Chilean nationals receive equal treatment, wherever possible, in respect of their social security entitlements. The agreement determines to which national social security system a person is subject and where he/she is required to pay contributions.

The agreement sets out the requirements that a person must satisfy in order to receive old-age, survivors' and disability pensions, as well as rehabilitation measures from the Swiss disability insurance scheme. The agreement also sets out the rules on exporting these benefits.

Chile operates two old-age, survivors' and disability pension systems in parallel. Since 31 December 1982, anyone entering the labour market as an employee has become a member of the new individual funding system, which will gradually replace the old state pay-as-you-go system.

The purpose of this leaflet is simply to provide an overview of how Switzerland and Chile coordinate their social security systems. Only the relevant legal provisions and international agreements shall apply in the settlement of individual claims.

2 Material scope

Which Swiss legal provisions are covered by the agreement? The agreement covers the Federal Act on the Old-Age and Survivors' Insurance (OASI) and the Federal Act on Disability Insurance (DI).
The material scope also covers the Federal Act on Health Insurance (HIAs) to a limited extent.

Which Chilean legal provisions are covered by the agreement? The agreement applies to the Chilean legal provisions relating to the new individual funding old-age, disability and survivors' pension system, and to the legal provisions relating to the old-age, disability and survivors' pension system administered by the Social Security Institution (*Instituto de Previsión Social* - IPS, formerly INP), that is, the old pay-as-you-go system.
The material scope also covers the sickness benefits system to a limited extent.

3 Personal scope

Who is covered by the agreement? The agreement applies to Chilean and Swiss nationals, as well as their immediate family members (spouse and children) and surviving dependents.

Are third-state nationals covered by the agreement? The affiliation provisions may also apply to third-state nationals, i.e. individuals who are not Swiss or Chilean nationals. For example, the provisions on workers posted temporarily to one of the contracting States by their employer which has its headquarters in the other contracting State apply equally to third-state nationals.

4 Basic principles: equal treatment, export and totalization

What does equality of treatment mean? Equality of treatment is a guiding principle of the agreement.
This means in practice that Chilean nationals shall be treated in the same way as Swiss nationals as regards the rights and obligations under Swiss old-age, survivors' and disability insurance legislation.
Likewise, Swiss nationals shall be treated in the same way as Chilean nationals as regards the rights and obligations under the Chilean social security schemes covered by the agreement.

Are there exceptions? There are a number of clear-cut exceptions to the equal treatment principle. For example, only Swiss nationals living abroad (outside EU/EFTA member States) may join the facultative Swiss OASI/DI scheme; it is not open to Chilean nationals.
In addition, some benefits may not be exported, neither for Swiss nationals nor for Chilean nationals.

What does export mean? This means that Swiss and Chilean nationals may receive their pension even though they no longer live in the State paying their benefit.

What does totalization mean?

It means that Swiss insurance periods are taken into account (totalized) when a person to whom the agreement applies and who is claiming a Chilean benefit that is covered by the agreement does not meet all of the minimum qualifying period of insurance, contribution or residence required by Chilean legislation for entitlement to benefits (see Section 8 for the conditions which must be met to acquire entitlement to Chilean pensions). These include periods of insurance that pre-date the agreement.

Entitlement to Swiss pensions is exclusively based on contributions paid into the Swiss social security system.

However, the calculation and the amount of a pension from one of the contracting States are determined solely by the contributions paid in that State.

5 Affiliation / compulsory insurance cover

What is meant by the principle of affiliation to the social security legislation of the country of employment?

A Swiss or Chilean national is subject to the legal provisions on compulsory insurance cover in the contracting State on whose territory this person works (principle of being subject to the social security legislation of the country of employment).

This means that a Chilean employee working exclusively in Switzerland is in principle subject to Swiss social security legislation and must therefore contribute to the compulsory Swiss social security schemes. Self-employed individuals must pay contributions to the relevant compulsory social security schemes in the State where they work.

Individuals who are gainfully employed in both Switzerland and Chile are subject to the compulsory social security schemes in both States. However, the social security system of each State will consider only the income earned on its territory.

I work for an airline or on a boat

Employees of an airline which has its head office in the territory of one of the contracting States who are sent to the territory of the other State remain subject to the legal social security provisions of the State in the territory of which the company has its head office. If this company has a branch in the territory of the other contracting State, its employees are subject to the legal provisions of that State, except in the event of temporary posting.

Nationals of one of the contracting States who are members of the crew of a vessel sailing under the flag of one of the States are covered according to the legal provisions of the latter State.

Which social security contributions are compulsory in Switzerland?

Individuals who are subject to compulsory insurance in Switzerland must contribute to the old-age, survivors' and disability insurance schemes, the accident insurance scheme, the unemployment insurance scheme (for employees), as well as the compensation for loss of income/maternity insurance scheme. The employer registers its employees with its compensation fund and deducts the employees' compulsory insurance contributions directly from their salary. An overview of contribution rates can be found at the following [link](#) (in French or German).

What about health insurance? As a general rule, anyone taking up residence in Switzerland must take out health insurance cover and pay monthly health insurance premiums with an authorized Swiss health insurer within three months of arriving on Swiss territory. A list of current premiums, by health insurance fund and canton/region, can be found at: www.priminfo.ch (in French, German or Italian).

What about occupational pensions? The agreement does not apply to the Swiss occupational old-age, survivors' and disability insurance scheme (Occupational Pension Act - OPA). Swiss legislation states that employees who pay compulsory OASI contributions become liable for compulsory OPA contributions when meeting a number of requirements (minimum qualifying age and salary in particular).

6 Postings – an exception to the rule

Maintaining affiliation to the legislation of the State of origin Employees who are posted temporarily to Chile by their Swiss employer remain subject to Swiss social security legislation and therefore must continue to contribute to the compulsory Swiss insurance schemes (including health and accident insurance). They are exempted from contributions to the parts of the Chilean social security system that are covered by the agreement.

Likewise, employees who are posted temporarily to Switzerland by their Chilean employer remain subject to Chilean social security legislation.

What does temporarily mean? As a rule, a person may be posted for a maximum of three years (36 months).

What conditions apply? In the interests of worker protection, a posting presupposes that the person concerned is already insured under the social security system of the State of origin before taking up employment in the host State. In addition, the employer must intend to continue to employ the worker once his/her posting comes to an end.

A direct employment relationship between employee and employer must continue to exist for the entire duration of the posting. In particular, an employer who posts a worker abroad must retain the sole power to terminate the employment relationship (contract) and to broadly define the type of work that the posted employee will perform. The posted employee must work in the interests and on behalf of his/her employer, but the salary does not have to be paid directly by the posting employer.

Submission of the certificate of posting The employer asks the competent institution in the State from which the employee is being posted (State of origin) to issue a certificate of posting.

This certificate confirms that the posted worker continues to be subject to the social security legislation of the State of origin for the duration of the posting. As such, the worker is exempt from contributions to the compulsory social security schemes of the host State which are covered by the agreement.

Competent insurance institutions In Switzerland the competent insurance institutions are the [OASI compensation funds](#). The application form for a certificate of posting as regards **postings from Switzerland** can be downloaded in French, German or Italian at the following [link](#) (request for certificate of posting).

For **postings from Chile**, it is the Chilean liaison body responsible for the pension scheme to which the individual is affiliated (see Section 9).

May the posting be extended? Should the posting exceed the maximum time limit of three years, it is possible to apply for an extension (up to a maximum total period of six years) by submitting a request to the competent authority in the State of origin:

- in Switzerland: the Federal Social Insurance Office (www.bsv.admin.ch)
- in Chile: Ministerio del trabajo y previsión social, Subsecretaría de Previsión social, Huérfanos 1273, 5° piso, Santiago de Chile, www.mintrab.gob.cl

The application form for extending **postings from Switzerland** is available at the following [link](#) (request for a Special Agreement).

What about family members? Non-working family members (spouse and children) who accompany a posted employee remain subject to the social security legislation of the State of origin.

More detailed information on postings can be found in the fact sheet "[Social security for posted workers. Contracting states, outside EU/EFTA](#)".

7 Swiss old-age, survivors' and disability benefits

Retirement age in Switzerland The ordinary retirement age in Switzerland is 64 for women and 65 for men.

Old-age benefits - Work periods in Switzerland and Chile Chilean or Swiss nationals who have contributed to both national social security systems receive partial pensions from each State provided that they meet the legal requirements of each State. The rate of the pension they receive will inter alia depend on their insurance record in each State.

Who can claim old-age and survivors' pensions? Chilean nationals can claim a regular Swiss old-age pension (full or partial) under the same conditions as Swiss nationals. This applies equally to Swiss survivors' pensions (widow's/widower's/orphan's pension).

To qualify for a Swiss old-age pension, the claimant must have contributed to the Swiss old-age insurance scheme for at least one year. Survivors can claim a survivors' pension provided that the deceased had paid contributions to the Swiss social security system for a minimum period of one year.

Can old-age and survivors' pensions be exported? Under Swiss legislation, Swiss nationals may draw a Swiss pension regardless of the country in which they live.

Under the agreement, Swiss pensions are paid to Chilean nationals on the same terms as to Swiss nationals. They can be exported anywhere in the world.

A lump-sum payment instead of a pension? Chilean nationals or their survivors who do not reside in Switzerland and who qualify for a Swiss old-age and survivors' pension which is not more than 10% of the full regular pension receive a one-off lump-sum payment instead of a partial pension. The lump sum is equal to the current value of the pension. This lump sum is also paid when a Chilean national who has received the partial pension leaves Switzerland with no intention of returning to live there.

Chilean nationals or their survivors who do not reside in Switzerland or who leave Switzerland with no intention of returning to live there, and who draw an old-age or survivors' pension worth more than 10% but less than 20% of the full regular OASI pension, may choose between payment of the partial pension and payment of the lump sum.

Under certain conditions, Chilean nationals who left Switzerland with no intention of returning to live there by the end of February 2008, or their survivors, are also entitled to apply to the Swiss Compensation Office (SCO, see Section 9) for reimbursement of the OASI contributions that they have paid.

Once the one-off lump sum has been paid or the contributions refunded, no further claims may be made to the Swiss OASI/DI schemes in respect of contributions paid or corresponding insurance periods.

Occupational pensions? The agreement does not cover the legal provisions on occupational old-age, survivors' and disability insurance. Under the relevant federal legislation (OPA), Swiss and foreign nationals receive equal treatment, i.e. the payment of pensions and other benefit entitlements abroad depend on the statutes and internal regulations of the claimant's pension fund. If a person has paid occupational pension contributions while working in Switzerland, this person may request that his/her accumulated capital (termination benefit) is paid out in cash provided that this person is relocating from Switzerland to a State that is not a member of either the EU or EFTA. The request must be submitted to the competent pension fund or termination benefits institution (insurance company or bank).

Disability benefits Swiss disability insurance legislation provides for the payment of cash benefits (pensions and daily allowances) and rehabilitation measures.

What are rehabilitation measures? Rehabilitation measures are provided by the Swiss disability insurance scheme with a view to improving the working capacity of individuals with disabilities. These measures can be occupational (career counselling, initial vocational training and retraining), medical, or involve the provision of aids (e.g. wheelchair).

Entitlement to and export of rehabilitation measures The agreement simplifies access to Swiss DI rehabilitation measures for Chilean nationals residing in Switzerland.

Persons:

a) who are subject to compulsory insurance contributions Chilean nationals who are paying compulsory Swiss old-age, survivors' and disability insurance contributions immediately prior to the onset of their disability may qualify for rehabilitation measures provided that they continue to reside in Switzerland. Rehabilitation measures cannot be exported.

b) who are not subject to compulsory insurance contributions but are insured in the OASI/DI	Chilean nationals who, at the time of the onset of their disability, are not subject to compulsory insurance contributions but who are insured under the Swiss old-age, survivors' and disability schemes (e.g. a spouse who is not working but whose working spouse has paid OASI contributions totalling at least double the minimum amount) may qualify for rehabilitation measures provided that they satisfy certain conditions: they must reside in Switzerland and have lived there uninterrupted for a minimum of one year immediately prior to the onset of their disability. Rehabilitation measures cannot be exported.
Right of disabled children to rehabilitation	<p>Minor children may qualify for Swiss disability insurance rehabilitation measures provided that they reside in Switzerland and were born disabled there or have lived in Switzerland without interruption since their birth. Rehabilitation measures for minor children cannot be exported.</p> <p>Furthermore, specific provisions apply to ensure that children born disabled in Chile receive equal treatment. In certain circumstances, the Swiss disability insurance scheme will cover the costs arising from a congenital illness.</p>
Entitlement to disability pensions	If a Chilean national meets the qualifying requirements stipulated in Swiss disability insurance legislation (i.e. a Swiss minimum insurance period of three years as well as conditions pertaining to the degree of disability), this person may be entitled to a Swiss DI pension, possibly a partial one (prorated to the contributions paid in Switzerland).
Can disability pensions be exported?	<p>Regular DI pensions of Swiss and Chilean nationals whose degree of disability is at least 50% can be exported worldwide.</p> <p>Chilean and Swiss nationals whose degree of disability is less than 50% will only receive a Swiss disability pension if they reside in Switzerland.</p>

Click on the link below for more information on the Swiss social security system in French, German or Italian ([booklet "Social Security in Switzerland"](#)).

8 Chilean old-age, survivors' and disability benefits

Submission of a claim for Chilean benefits	<p>Individuals living in Switzerland submit their claim for Chilean benefits to the Swiss Compensation Office (SCO, see Section 9).</p> <p>Individuals living in a third country submit their claim to the competent Chilean liaison body (see Section 9).</p>
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Recognition of Swiss insurance periods

Where the insurance periods completed in Chile do not entitle an individual to a Chilean pension, the insurance periods completed in Switzerland are taken into account as if the individual had been covered in Chile, provided that they do not overlap.

In the case of Chilean pensions that are financed by sums accrued in individual funding accounts, Swiss insurance periods can also be taken into account in order to provide a pension that is at least equal to the minimum pension guaranteed by the State.

Such recognized periods of insurance acquired in Switzerland shall not include a period for which the claimant has received a contributions' refund.

Export of Chilean benefits

Chilean pensions are paid to Swiss nationals under the same terms as to Chilean nationals, on the basis of the agreement and in accordance with the principle of equal treatment. They are paid in Switzerland or Chile, or may in principle be exported anywhere in the world.

9 Competent authorities, liaison bodies and contact points

Benefit claims

- **Individuals living in Switzerland** should submit their Chilean pension claims to the Swiss Compensation Office (SCO).
- **Individuals living in Chile** should submit their Swiss pension claims to the competent Chilean liaison body.

Swiss competent authority

Federal Social Insurance Office (FSIO)
Effingerstrasse 20, 3003 Berne
www.bsv.admin.ch

Swiss liaison body for OASI/DI

Swiss Compensation Office (SCO) Av. Edmond-Vaucher 18,
Post office box 3100, 1211 Geneva
www.zas.admin.ch

Chilean competent authority

Ministerio del trabajo y previsión social, Subsecretaría de
Previsión social, Huérfanos 1273, 5° piso, Santiago de Chile,
www.mintrab.gob.cl

Chilean liaison bodies

- for individuals under the new individual funding pension system Superintendencia de Administradoras de Pensiones
Av. Libertador Bernardo O'Higgins 1449, 1° piso
Santiago de Chile
<http://www.safp.cl>
 - for individuals under the old state pension system administered by the social security institution Superintendencia de Seguridad Social
Huérfanos 1376, 6° Piso
Casilla 13420, Correo 21
Santiago de Chile
www.suseso.gov.cl
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Contact points in Switzerland

Queries and requests should be sent to the following bodies in Switzerland:

Queries regarding the export of OASI/DI pensions	SCO Geneva
Requests relating to postings from Switzerland (posting certificate)	Competent compensation fund (see Section 6)
Queries regarding extension of postings	FSIO

Contact points in Chile

Requests relating to postings from Chile (posting certificate)	Chilean liaison body responsible for the pension system to which the individual is affiliated
Body with responsibility for extension of postings	Ministerio del trabajo y previsión social Subsecretaría de Previsión social Huérfanos 1273, 5° piso Santiago de Chile www.mintrab.gob.cl
