



Guide for Declaring Payroll for Collective Sickness Allowance Insurance as per the Liechtenstein Health Insurance Act

The obligation to take out sickness allowance insurance as per Art. 7 para. 1 let. b of the Liechtenstein Health Insurance Act (KVG) does not apply to infrequent or short-term employees.

Infrequently-employed persons are deemed to be employees who, on an annual average, are employed for less than eight work hours per week for one employer. Short-term employed persons are deemed to be employees who have a fixed-term contract of a maximum of three months.

The prevailing AHV (Old Age and Survivor's Insurance) wage for employees must be declared for the calculation of premiums in collective sickness allowance insurance as per the KVG. Furthermore, the special features listed below must be taken into account.

- For employees who are not yet subject to AHV contributions (such as apprentices under the age of 18), the gross wage stipulated in the employment contract must be declared.
- For employees that are no longer subject to AHV contributions because they have reached the ordinary retirement age, the wages agreed upon must be declared up until age 70.
- In the collective sickness allowance insurance, an annual maximum insurable salary is determined per person. This can be seen in the policy.

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In particular, the following are a part of the prevailing AHV wage (Art. 8 AHVV): *

- time wage, piece wage (piecework wage), and premium wage, including compensation for overtime, night employment and substitution;
- local allowance and cost-of-living allowance;
- bonuses and gratuities, loyalty bonuses and performance premiums as well as the value of employee shares insofar as this exceeds the acquisition price and the employee can have these shares at his/her disposal;
- fees of the limited partners which flow from an employment relationship with a limited partnership; dividends of the employees insofar as they exceed the interest of any possible capital contribution;
- tips insofar as they constitute an essential part of the wages;
- periodic payment in kind;
- commission expenses and fees;
- subject to Art. 6 para. 2 let. e AHVV, royalties, fixed remuneration, daily allowances, payments and attendance fees to members of the management board, of the executive bodies, and – insofar as they are not full-time self-employed auditors – of the audit office of legal persons;
- incomes of the public authorities of the country and of the municipalities;
- charges and waiting pays to an insured person in a public employment relationship;
- fees of research assistants and employees with similar salaries;
- benefits from the employer for the loss of wages, e.g. due to an accident or illness;
- compensation for vacation, holidays and bad weather;
- benefits from the employer which include the takeover of the employee contributions for the Old Age, Survivors' and Disability Insurance, the occupational pension fund, unemployment insurance, non-occupational accident insurance and health insurance as well as the takeover of taxes;
- benefits from the employer in the event of a termination of the employee relationship insofar as these benefits do not constitute insurance benefits or welfare benefits;

Exemption from the AHV contributions (Art. 9 AHVV)

The following do not belong to the prevailing wage:

- statutory or regulatory contributions from the employer to the Old Age, Survivors' and Disability Insurance, the occupational pension fund, unemployment insurance, accident insurance and health insurance as well as to the family compensation fund;
- gifts in kind insofar as they do not exceed the value of CHF 1,000 per year;
- mobility contributions from the employer insofar as they do not exceed CHF 400 per year.

* The list is not exhaustive

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