



Factsheet 8: Individuals from 2024

Special professional expenses of employees and specialists working temporarily in Switzerland (expatriates)

1 Introduction

This factsheet explains how the special professional expenses incurred by expatriates who are posted temporarily by their foreign employer to Switzerland are taken into account for income tax purposes.

The question of whether these special professional expenses are deductible is determined by Art. 31 of the Taxation Act (TaxA), Art. 26 of the Federal Act on Direct Federal Taxation (DFTA) and the Expatriates Ordinance (ExpatO)¹.

2 Expatriates²

Expatriates in terms of the [ExpatO](#) are **management executives** and **specialists** with particular professional qualifications who **are posted temporarily** by their foreign employer to Switzerland (normally to a subsidiary or affiliated company).

2.1 Management executives

Management executives are normally members of the management board or similar management bodies and officers of equivalent seniority. The person posted must also work in a management position with the Swiss company.

2.2 Specialists

Specialists in terms of these guidelines are employees who as a result of their special professional qualifications are likely to be deployed in different countries around the world (primarily information technology and telecommunications specialists).

2.3 Posting by a foreign employer

Being posted by a foreign employer means that the **contract of employment with the foreign employer** continues to apply during the posting. A posting also arises **within a group of companies** if the employee posted is given a local contract of employment by the Swiss group company or permanent establishment and there is an **agreement on reappointment** with the foreign company in its group that has made the posting.

2.4 Temporary employment

“Temporarily” means a period of employment limited to a **maximum of five years**. Expatriate status ceases to apply earlier if a contract of employment is concluded with the Swiss company for an unlimited period.

3 General professional expenses

The general provisions on the deduction of professional expenses (Professional Expenses Ordinance)³ also apply to expatriates. All expenses that are required and personally incurred in order to carry out the profession and earn an income can therefore be claimed.⁴

4 Special professional expenses⁵

Special professional expenses for expatriates are those costs that are incurred in **direct connection** with the **timelimited activity in Switzerland** and the **contemporaneous relationship with the foreign country of residence or of origin** and which cannot reasonably be avoided. The question of which special professional expenses expatriates can additionally claim depends on their **tax domicile** during the posting.

¹ FDF Ordinance of 3 October 2000 on the Deduction of Special Professional Expenses by Expatriates in the case of Direct Federal Taxation ([Expatriates Ordinance; SR 642.118.3](#)) in its version of 9 January 2015, in force since 1 January 2016.

² Persons already deemed to be expatriates under Article 1 paragraph 1 of the ExpatO in its version of 3 October 2000 before the amended ExpatO came into force retain this status until the end of the time-limited gainful economic activity ([Art. 4A ExpatO](#)).

³ FDF Ordinance of 10 February 1993 on the Deduction of Professional Expenses by Employees in the case of Direct Federal Taxation ([SR 642.118.1](#)).

⁴ By means of a retrospective ordinary assessment ROA (Art. 89, 89a and 99a DFTA, and Art. 114a, 114b and 123b TaxA); or in the ordinary tax return ([Art. 124 DFTA, Art. 31 TaxA](#)).

⁵ [Art. 2 ExpatO](#)

4.1 Expatriates domiciled abroad for tax purposes

The following may be claimed:

- the **costs required to travel** between the foreign domicile and Switzerland;
- **reasonable living expenses in Switzerland** while permanently retaining a dwelling abroad for personal use; **retention of the foreign dwelling** must **be proved** by providing relevant documents (lease, confirmation of place of residence, etc.).

4.2 Expatriates domiciled in Switzerland for tax purposes

The following may be claimed:

- the **costs incurred in moving** to Switzerland and back to the previous foreign country of residence;
- the **costs incurred to travel to and from Switzerland** by the expatriate and his or her family **at the start and the end of** the posting;
- **reasonable living expenses in Switzerland** while permanently retaining a dwelling abroad for personal use; **retention of the foreign dwelling** must **be proved** by providing relevant documents (lease, confirmation of place of residence, etc.);
- the **costs of schooling** any minor children who speak a foreign language in a foreign language private school, unless **schooling is offered in the child's mother tongue at public schools** at the place of residence. School costs do not include **meals, transport and childcare costs** before and after school hours.

4.3 Non-deductible costs⁶

The following in particular may not be claimed:

- the costs of permanently retaining a dwelling abroad. These costs have no direct connection with the temporary employment in Switzerland. They are incurred irrespective of whether the expatriate works in Switzerland or not and are therefore non-deductible;
- the outlays for the furnishing the dwelling and the cost of utilities in Switzerland;
- additional expenses due to the higher cost of living or the higher tax burden in Switzerland;
- the costs of obtaining legal or tax advice.

If the employer pays compensation or allowances to cover these expenses, these payments are added to the gross salary.

Certification in the salary certificate⁷

If an employer pays the abovementioned special professional costs directly or refunds them to the expatriate, the amounts paid must be indicated in the annual salary certificate (Lohnausweis) in Section 13.1.2. The certified payments also include any payments in kind (for example if the employer provides a house or apartment or pays school fees), which must be entered on the certificate at their market value.

If the employer does not pay the expatriate the actual costs, but a flat-rate amount, this flat-rate payment must be added to the salary by entering it in the annual salary certificate in Section 2.3 with the note "Pauschalspesen Expatriates". In Section 15 of the annual salary certificate, it should be indicated whether there is an approved **expatriate** ruling⁸.

5 Claiming special professional expenses⁹

The procedure by which expatriates can claim their special professional expenses for tax purposes depends on their **tax domicile** during the posting and on whether taxes are deducted at source from their earned income.

5.1 Claiming special professional expenses when tax is deducted at source

If the expatriate's employer refunds the **special professional expenses** specified in Section 4 of this factsheet **against receipt**, no tax is deducted at source in respect of these payments. The employer must retain the original receipts.

If the expatriate's employer does not refund the **special professional expenses** specified in Section 4 of this factsheet, the employer should reduce the taxable monthly salary by CHF 1500.– and deduct tax at source from the remaining amount. This monthly allowance may only be deducted if the expatriate retains his or her dwelling abroad for personal use and has provided the employer with proof of retention of the foreign dwelling.

If the expatriate employer refunds the **special professional expenses** specified in Section 4 of this factsheet **by paying a monthly flat-rate amount**, this flat-rate amount is deemed to be part of the taxable monthly salary. The employer should reduce the taxable monthly salary by CHF 1500.– and deduct tax at source from the remaining amount. This monthly reduction may only be made if the expatriate retains his or her dwelling abroad for personal use and has provided the employer with proof of retention of the foreign dwelling.

⁶ Art. 3 ExpatO

⁷ See the [Wegleitung zum Ausfüllen des Lohnausweises bzw. der Rentenbescheinigung of 12 May 2015](#), valid from 1 January 2024, issued by the Swiss Tax Conference (CSPP) and the Federal Tax Administration (FTA), available on the [FTA website](#) (not in English)

⁸ For expatriate rulings already valid before 1.1.2016, the provisions of the ExpatO that came into force on 1.1.2016 take precedence over divergent provisions in the expatriate ruling.

⁹ Art. 4 ExpatO

5.2 Special professional expenses that could not be claimed when tax was deducted at source

Expatriates domiciled abroad for tax purposes

If the employer has not refunded all the proven expenses to the expatriate or if the expenses paid by the expatriate exceed the monthly allowance of CHF 1 500.–, the expatriate may apply for a retrospective ordinary assessment (ROA) by the end of March of the following year if he or she meets the requirements for quasi-residence (Art. 99a DFTA, Art. 114b TaxA¹⁰). The request for an ROA should be sent to the following address: Steuerverwaltung des Kantons Bern, Quellensteuer, Postfach, 3001 Bern. No interest is paid on any excess tax deducted at source that is refunded.

Expatriates domiciled in Switzerland for tax purposes

If the employer has not refunded all the proven expenses to the expatriate or if the expenses paid by the expatriate exceed the monthly allowance of CHF 1 500.–, in principle these expenses may be claimed under the ROA procedure¹¹ (Art. 89 and 89a DFTA, 114a and 114b TaxA). The costs of attending a foreign language private school are not part of the flat-rate allowance available when deducting tax at source¹² and must therefore be claimed under the ROA procedure.

5.3 Special professional expenses incurred by expatriates without deduction of tax at source

Expatriates who are not required to pay tax at source, but who are taxed under the ordinary procedure may claim their special professional expenses in their ordinary annual tax return.

Where expatriates have themselves paid the travel and relocation costs as well as the accommodation and living expenses specified in Section 4 of this factsheet, unless their employer has refunded these expenses, they can deduct a flat-rate allowance of CHF 1 500.– per month from their gross earnings in the tax return. The deduction of CHF 1 500.– per month in the tax return is also permitted if the expatriate's employer has refunded the special professional expenses in the form of a flat-rate amount that has been added to the gross taxable salary in the annual salary certificate. The deduction of CHF 1 500.– may only be made if the expatriate can provide the relevant documents (lease, confirmation of place of residence, etc.) to prove he or she has retained the foreign dwelling.

¹⁰ [Info supplement on retrospective ordinary assessment](#), [TaxInfo article on ROA for quasi residents](#).

¹¹ [Info supplement on retrospective ordinary assessment](#), [TaxInfo article about retrospective ordinary assessment](#) as well as retrospective ordinary assessment on application.

¹² See Section 5.1