



Finances



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Raising a family is a bit like managing a small business, with the goal of such a venture being to support the personal development of each family member through material assistance, emotional security and love. To achieve this goal, a family needs to establish clear guidelines such as well-defined areas of responsibility and a budget to manage family finances. When starting a family, it helps to gain an overview of the family's financial situation.

Similar to small businesses, families rely on middle and long-term planning to grow and prosper: they build resources – to be used for the children's education and for retirement. They raise the next generation that will pay taxes, finance the pension system and support the economy. Strengthening a family's independence is an investment in the future.



The income and assets of a family vary widely in different stages of life. Young families with several children as well as single parent families often need to be especially rigorous in their planning. It is important for parents to know how to draw up a household budget and where to turn for financial advice and help.

A budget provides clarity

A budget helps you to balance income and expenses. It is a useful tool not only in extreme financial situations. Drawing up a budget together with your spouse provides clarity for both partners. At times when money is tight, using a household budget to control expenses is especially important.

There is no «right or wrong» system. Some families hold several bank accounts or keep a budget book. Others use labelled envelopes or wallets. The main thing is to apply your chosen system consistently. Drawing up a budget involves first making a detailed list of income and expenses. The templates provided by Budgetberatung Schweiz can facilitate this task for you.

Budgetberatung Schweiz offers a range of services, from articles and book lists to sample budgets and financial planning templates.

Why not try a household budget book? These books explain how to draw up a budget and contain worksheets to list expenses every month. Large retail stores like Migros and Coop sell them at their customer service counters.

Of course, tools are only as good as the user. The most important point is to balance income and expenses. It's up to you to implement the changes that make this possible!

Debt: get help immediately

Debt can occur due to extreme situations such as unemployment, separation or illness. Often, however, people get tripped up by so-called debt traps, like using credit cards to buy goods and services they can't afford, entering into expensive leasing contracts or taking out small loans.

Teenagers are especially prone to imprudent spending through credit cards. By involving your child in budget planning, you encourage the responsible handling of money and invite your child to play an active role in family management.

Debt can also occur as a result of deferring tax payments. Waiting for a year-end bonus to pay taxes is risky. It is better to consider taxes as monthly expenses on a par with rent and health insurance, make them an integral part of your budget and pay them immediately.

Contact a debt counsellor before you lose control of unpaid bills. Good advice need not be expensive. Professional debt counsellors simply help their clients to help themselves.

Residents of the Canton of Basel-Landschaft and the municipalities of Bättwil, Dornach, Hofstetten-Flüh, Rodersdorf and Witterswil can obtain a free telephone consultation from the «Fachstelle für Schuldenfragen BL» (Centre for Debt Management BL). Depending on the situation of the



individual seeking help, the centre also offers in-depth counselling in its offices. The centre runs courses in debt avoidance for teenagers at high schools and vocational schools as well as in companies that train apprentices.

Government support

By raising children, parents fulfil a social responsibility and bear a greater financial burden than people without children. The state rewards this effort with financial benefits for families. The most important benefits are child and education allowances. The state provides further support for parents in the form of tax concessions and – depending on the parents' level of income – reduction of health insurance premiums. These benefits are determined by the cantons.

Boosting your salary: child allowances

Child allowances supplement your income and lighten the financial burden of raising a family. Child allowances start the month the child is born. Submit your application to your employer together with the birth certificate or family record book. The allowance is paid in addition to your net wage and listed separately on your pay slip. Child and education allowances in no case justify the reduction of salary payments. One allowance per child is the rule, so the allowance is not doubled if both parents are employed.

Stepchildren, adoptive children and foster children are also eligible for child and education allowances.

Child allowances depend on the parents' income. Parents must earn a minimum of CHF 570 per month or CHF 6'840 per year

to qualify. Each child receives the full monthly allowance (exception: in the month that employment starts or ends, the allowance is prorated based on the number of days worked in that month).

Should neither parent be employed, the family may still be entitled to child allowances. Contact your cantonal compensation office (Ausgleichskasse) for further information.

In most cases, family allowances are paid by the employer. If you work for an employer who is not liable for contributions, the allowances are paid directly by the family allowances compensation fund (Familienausgleichskasse). Non-employed parents receive allowances from the AHV office of the canton of residence.

The following persons are eligible for child and education allowances:

- Employers with a place of business in the canton Basel-Landschaft who are liable for AHV contributions according to federal law.
- The self-employed, with a place of business in the canton Basel-Landschaft and who are liable for AHV contributions.
- Employees as defined by social security and AHV legislation who are employed in the Canton of Basel-Landschaft.
- Persons working for employers not liable for AHV contributions who are residents of the canton Basel-Landschaft
- Non-employed persons (as defined by AHV legislation) who receive neither an AHV-pension nor supplementary benefits and whose taxable income does not exceed 150% of the maximum AHV-pension.



Reduction of health insurance premiums

In Switzerland, health insurance is mandatory to ensure access to basic health care. These websites offer comparisons of mandatory health insurance premiums:

- www.praemien.admin.ch
- www.comparis.ch

The government pays part of the mandatory health insurance cost for families with modest financial means.

Such premium reductions are determined at the cantonal level. Whether or not you qualify for premium reductions depends on your income and the number of children in your family. They are calculated based on your tax return, so it is important that you hand in your tax return on time.

If you qualify for premium reductions, you will automatically receive an application form telling you the amount of the premium reduction. New arrivals can pick up a request form at their place of residence (Gemeinde).

Taxes: cantonal and federal deductions for children

There are two types of family taxation: joint and separate assessment.

Joint assessment

Couples in unseparated marriage and same-sex couples in a registered partnership are jointly assessed. Income, deductions and assets are calculated to determine a couple's total economic capacity, independent of the matrimonial property regime (Güterstand). Thus, it

makes no difference whether a property is held jointly or separately.

By means of compensation, only half the income that determines the tax rate is used to compute cantonal taxes (income splitting). Income splitting does not apply to direct federal taxes (direkte Bundessteuer). However, a favourable tax rate is used to calculate federal taxes. If both partners are gainfully employed, an additional deduction is granted (double-income household).

You can deduct a fixed amount per child from your cantonal income tax. As for direct federal income tax (direkte Bundessteuer), a fixed amount per child is deducted from your taxable income before calculation of tax payable. In order to qualify for child deductions, you must meet the requirements on the effective date (generally December 31st of the tax year). The deductions are to be made by the person who has parental authority for the child and in whose household the child lives (common household). Once a child comes of age (at the age of 18) but is still in school or vocational training and not able to cover living costs, deductions continue to apply. If both parents are working and/or invalid, the costs of third-party childcare for children under 15 years of age can be deducted from the taxable income used for cantonal income tax (max. CHF 5'500 per year per child).

The income and property of a child is taxable. Before a child is 18, the person with parental authority is taxable for the child's earnings and property. After the age of 18, a child files his or her own tax return.



Separate assessment

Separate assessment applies to cohabiting couples, separated or divorced couples and single-parent families. Separate assessment takes effect in the year of separation or divorce for the full tax period. The couple's status at the end of the tax year determines which system is applied. Taxation of alimony payments is as follows: The person making alimony payments can deduct these from taxable income. The person receiving the payments adds them to taxable income. This rule does not apply in the case of a lump-sum settlement.

Alimonies can only be deducted up to a child's 18th birthday. Payments made after this point may no longer be deducted. However, if the child is still in school or training and requires financial support, a parent can make so-called support payments. After a child's 18th birthday, support payments are considered part of the child's taxable income rather than the custodian's. By law, support payments are tax-free for the person making them, as long as they are in fact contributions to the support and education of the child.

If you have custody of your children and are responsible for raising them, you can continue to apply income splitting and child deductions after your children have come of age, as long as they are still in school or training. If you are working or invalid, the costs for third-party childcare for children under the age of 15 can be deducted from the taxable income for cantonal income tax (max. CHF 5'500 per child). If the parents have joint custody, the favourable tax rate and child deductions can be applied by the parent

receiving alimonies. As child deductions are limited to one per child, only one parent can apply the deduction.

Supplementary benefits to AHV and IV

When AHV or IV pensions do not cover the costs of living, supplementary benefits can be claimed under certain conditions. The person's legal place of residence must be in Switzerland, the person must actually be living here and be the recipient of an AHV/IV pension, an IV helplessness allowance or an IV daily allowance for at least 6 months.

The supplements are calculated according to the recipient's needs by comparing approved expenses and income (including assets and any income from part-time work).

Social welfare: helping people to help themselves

The Social Services of towns and municipalities are responsible for advising people in need, offering help themselves or providing information on where help can be found. They value each human being and individual situation and strive to help people achieve integration into social networks and the workplace. In situations of extreme financial need, the social workers apply for welfare benefits, which are paid according to cantonal regulations.

Every application is dealt with carefully and confidentially. It is always best to tackle problems at an early stage. Don't hesitate to make use of the assistance offered by Social Services.



In accordance with the principle of helping people to help themselves, the Social Services offer:

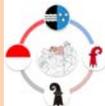
- counselling in personal, legal and financial matters
- information about support offered by other social institutions
- referrals to other social institutions



Finances: Adresses and links

Please note: Most of the described services and links are in German. If a service is explicitly offered in English this is marked by a *

Switzerland	Aargau	Basel-Landschaft	Basel-Stadt	Solothurn
A budget provides clarity				
Budgetberatung Schweiz www.budgetberatung.ch	Budgetberatung Aargau: http://www.budgetberatung-ag.ch/	Budgetberatung Baselland: http://www.frauenverein-muttentz.ch/budgetberatung/	Budget- und Schuldenberatung Basel- Stadt: http://www.schulden.ch/dynasite.cfm?dsmid=76281	Schuldenberatung Aargau- Solothurn http://www.schulden-ag-so.ch/
Debt: get help immediately!				
www.profamilia.ch > Hilfe > Familienfinanzen > Budgetplanung Schuldenberatung Schweiz http://www.schulden.ch/ I am in debt- what effects does this have? * https://www.ch.ch/en/debts-what-effects/ Debt enforcement, debts and bankruptcy https://www.ch.ch/en/debt-enforcement-bankruptcy	Schuldenberatung Aargau- Solothurn http://www.schulden-ag-so.ch/	Fachstelle für Schuldenberatung BL (und Bezirk Dorneck) www.schuldenberatung-bl.ch	Budget- und Schuldenberatung der Familien- Paar und Erziehungsberatung (Fabe) http://www.fabe.ch/beratungsangebot/finanzen-verschuldung.html Some municipalities in Baselland have an agreement with the Fabe. Familea counselling for women (incl. budget counselling): http://www.familea.ch/de/Frauenberatung	Schuldenberatung Aargau- Solothurn http://www.schulden-ag-so.ch/



Switzerland	Aargau	Basel-Landschaft	Basel-Stadt	Solothurn
Government support				
Boosting your salary: child allowances				
The „Bundesamt für Sozialversicherungen“ informs about family allowances: http://www.bsv.admin.ch/themen/zulagen/00059/index.html?lang=de	Guide about family allowances: http://www.sva-ag.ch/dienstleistungen/familienausgleichskasse/familienzulagen/	Guide about family allowances: https://www.sva-bl.ch/de/familienzulagen/	Family allowances in Basel-Stadt: http://www.ausgleichskasse-bs.ch/sozialversicherungen/fak.php?folder=6&mainId=666&parent=664	Family allowances in Solothurn http://www.akso.ch/dienstleistungen/leistungen/ergaenzungsleistungen-fuer-familienfamel.html
Reduction of health insurance premiums				
Comparison of health insurance premiums: www.praemien.admin.ch www.comparis.ch	Ausgleichskasse Aargau (SVA) http://www.sva-ag.ch/dienstleistungen/individuelle-praemienverbilligung/	Sozialversicherungsanstalt Basel-Landschaft www.sva-bl.ch > Leistungen > Prämienvverbilligung in der Krankenversicherung	Amt für Sozialbeiträge (ASB): http://www.asb.bs.ch	Ausgleichskasse des Kanton Solothurn: https://www.akso.ch/dienstleistungen/leistungen/individuelle-praemienverbilligung-ipv.html
Taxes: cantonal and federal deductions for children				
	Department Finanzen und Ressourcen: https://www.ag.ch/de/dfr/steuern/natuerliche_personen/steuern_natuerliche_personen/stpfl1/stpfl2_familie_1/stpfl2_familie1.jsp	Finanz- und Kirchendirektion Baselland: www.bl.ch > Finanzen, Kirchen > Steuern	Finanzdepartement Basel-Stadt: http://www.steuerverwaltung.bs.ch/	Steueramt Solothurn: https://www.so.ch/verwaltung/finanzdepartement/steueramt/



Switzerland	Aargau	Basel-Landschaft	Basel-Stadt	Solothurn
Supplementary benefits to AHV and IV				
The „Bundesamt für Sozialversicherungen“ informs about supplementary benefits: http://www.bsv.admin.ch/themen/ergaenzung/aktuell/	Ausgleichskasse Aargau (SVA) http://www.sva-ag.ch/dienstleistungen/ergaenzungsleistungen/	Sozialversicherungsanstalt Basel-Landschaft www.sva-bl.ch > Leistungen > Ergänzungsleistungen zur AHV und IV	Amt für Sozialbeiträge (ASB): http://www.asb.bs.ch/alter-behinde/rung/ergaenzungsleistungen.html	Ausgleichskasse des Kanton Solothurn: https://www.akso.ch/dienstleistungen/leistungen/ergaenzungsleistungen.html
Social welfare: helping people to help themselves				
Guidelines on social welfare by the SKOS: www.skos.ch > Deutsch > SKOS-Richtlinien > Richtlinien konsultieren	Kantonaler Sozialdienst: https://www.ag.ch/de/dgs/ueber_uns_dgs/organisation_dgs/kantonalersozialdienst.jsp	Please consult with the social services of your municipality or with the cantonal office for social welfare: www.bl.ch > Finanzen, Kirchen > Sozialamt	Help for residents of Basel-Stadt who need social welfare: http://www.sozialhilfe.bs.ch	Amt für soziale Sicherheit: https://www.so.ch/verwaltung/departement-des-innern/amt-fuer-soziale-sicherheit/sozialhilfe/

Book recommendations

Our book recommendations are generally for books that are available in German only. Where possible we've listed the English translation or an equivalent.

On the topic of finances

„Mit Geld richtig umgehen- Budget, Sparen, Wege aus der Schuldenfalle“

Von Gabriela Baumgartner, Beobachter Verlag, 2012.

On the topic of social welfare

„Sozialhilfe -Rechte, Chancen und Grenzen“

Von Toni Wirz, Beobachter Verlag, 2012.