



Arbeitgeberkontrollen bei der Alters- und Hinterlassenenversicherung

Evaluation des Kontrollsystems

Old Age and Survivors' Insurance (AHV) employer inspections

Evaluation of the control system

Key facts

Old Age and Survivors' Insurance (AHV) employer controls are carried out to ensure that the necessary deductions have been made from employee salaries in accordance with the relevant legal provisions. Approximately 36,000 on-the-spot statutory inspections are carried out annually, together with 11,000 on-the-spot or in-office "inspections using other methods". The inspections are the responsibility of the 79 Old Age and Survivors' Insurance compensation funds which are in part conducted by the latter or are assigned to external auditors or the Swiss National Accident Insurance Organisation. In all approximately 150 posts are involved with employer controls.

The inspections are financed by the employers themselves through their contributions to administration costs. The estimated cost of the entire inspection system is approximately CHF 45 million. In 2003, corrections to AHV wage contributions arising from inspections resulted in subsequent AHV contribution payments of almost CHF 100 million and refunds of approximately CHF 15 million.

Responsibility for the supervision of AHV employer inspections rests with the Federal Office for Social Security (FOSS).

The Swiss Federal Audit Office (SFAO) has carried out an evaluation of the AHV employer inspection system, which examined whether the existing approach, which has remained virtually unchanged since 1948, can effectively meet its legal brief. The core sections, (which were) examined within the scope of this evaluation concern the implementation of the legal brief and the results of the AHV inspections.

Most important conclusions

Based on the results of the written survey and the discussions with compensation fund managers and employer inspectors, the SFAO considers the AHV employer inspection procedure is generally suited to fulfilling the task at hand. The inspections are deemed to be appropriate by the players involved and are accepted by the employers inspected. However, the evaluation revealed certain shortcomings in the implementation of the AHV inspections.

Varying application of the control system by the compensation funds

The control system makes provision for all employers to undergo on-the-spot inspections within the prescribed five-year limitation period, either by means of a statutory employer inspection or "inspection using other methods". Certain compensation funds do not carry out employer inspections in cases where the declared total wage bill is under CHF 200,000. This means that approximately 25% of employers are monitored only fleetingly or not at all. This situation conflicts with the legal provisions.

The legal provisions for "inspections using other methods", which are mainly intended for small companies, leave open considerable room for interpretation. The way these inspections are carried out is thus very varied with regard to the documents that are checked, the location involved, as well as the employer inspector.

Some compensation funds currently make use of certain synergies in their inspection activities by combining the AHV employer inspection with that of the accident insurance inspection, for example. The analysis showed that full synergy potential has not yet been exhausted.

Added value of half a million Swiss francs per inspector

For each franc invested in employer inspections, additional social deductions of almost two francs go towards the AHV, or to put it another way, every auditor employed full-time to conduct AHV inspections generates added value of more than half a million Swiss francs to the AHV due to the outcome of the inspections.

Employer inspectors reveal discrepancies in every second employer which leads to rectifications being filed. The proportion has remained the same since 1995. Expenses, sickness benefits, allowances relating to accidents, employers missing statements as well as the social insurance status are among the areas where rectifications are filed most often. In the majority of cases, the complaints are accepted by the employers and are acted upon. In this way, it is only seldom that employers file appeals.

Most important recommendations

In the view of the SFAO, the discrepancy between the legal requirements and their implementation must be resolved. It has therefore recommended the following five core recommendations to the Federal Social Office for Social Security:

- The concept for the employer inspection procedure must be redefined. The frequency with which inspections are conducted should be flexible and take greater account of risk factors.
- The "inspections using other methods" must be abolished.
- The Federal Office for Social Security should more rigorously exercise its supervisory function over the compensation funds in connection with the proper exercising of employer inspections.
- Better use should be made of potential synergies in conducting inspections in the social insurance sector. The compensation funds should be urged to combine or coordinate employer inspections with other inspections in the social insurance field, e.g. family allowance.
- In order to reduce the high number of claims and rectifications issued following employer inspections, the Federal Office for Social Security should intensify its preventive measures.

The Federal Office for Social Security appreciates the recommendations of the SFAO evaluation. In particular the Federal Office for Social Security does envisage to commis-

sion an experts' report. Based on the results of the evaluation this report should provide concrete suggestion for the futur design of the employer inspections from 2008.

The comment of the Federal Office for Social Security is integrated in Chapter 6 "recommendations".

Outlook

Regardless of the existing legal rules and regulations, it might be worth considering in the medium to long-term, whether certain inspections by firms, even from other sectors, could not be merged with those of social insurance. In connection with the new Federal Act on Measures to Combat Undeclared Employment and the introduction of the new salary statement in 2006, the merging or coordination of inspections and the flow of information arising from inspections will be discussed at political level.

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