

Unemployment and health insurance

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

Unemployment insurance follows a special rule for frontier workers. Article 65 of Regulation 883/2004 provides that a wholly unemployed frontier worker receives unemployment benefits from the state of residence, although the contributions have been paid in the state of employment. To compensate the state of residence, the state of the last employment reimburses the benefits for a limited period of three or five months, depending on the length of the preceding employment.¹ A commuter from Saint-Louis who loses a job in Basel therefore registers with France Travail, the French employment agency, and receives French benefits, which are often more generous than the corresponding Swiss benefits.

This rule has long been a source of tension, because France pays benefits calculated on Swiss salaries while receiving only a limited reimbursement from Switzerland. The European Commission proposed in 2016 a revision of the regulation under which the state of last employment would become competent for frontier workers, a reform that would shift the burden onto Switzerland and other employing states. The legislative process within the European Union has stalled for several years.² Any change would also require an adaptation of Annex II of the free movement agreement, which links the question to the broader negotiations between Switzerland and the European Union.

Health insurance follows its own logic. Under the general rule, a cross-border commuter working in Switzerland would be subject to compulsory health insurance under the Swiss Federal Act on Health Insurance (KVG/LAMal). Annex XI of Regulation 883/2004, as applied to Switzerland, grants frontier workers resident in certain neighbouring states a right of option, under which they may choose instead to be insured in the system of their state of residence. Germany, France, Italy and Austria are among the states concerned.³ The choice is in principle irrevocable and

must be exercised within three months of taking up employment in Switzerland.

For commuters from France the option has a particular history. Until 2014 they could choose a private French health insurance policy as an alternative to the LAMal, a scheme that many frontaliers preferred because of its low premiums. French legislation abolished this possibility with effect from 1 June 2014, so that commuters who choose French insurance are now affiliated to the general French scheme, today the *Protection universelle maladie* (PUMa), and pay a contribution calculated as a percentage of their income above a threshold.⁴ The reform caused considerable protest in Alsace and in the Geneva region, because the French contribution exceeded the former private premiums for many households. A practitioner advising a French commuter must compare the LAMal premiums for the family with the French contribution, taking into account where the family will seek medical treatment.

Commuters from Germany face a similar choice. They may opt for insurance under the Swiss LAMal or join the German statutory health insurance, where contributions are calculated on the Swiss salary up to the assessment ceiling and the commuter bears both the employee's and the employer's share, since the Swiss employer has no obligation to contribute.⁵ Higher earners above the German compulsory insurance threshold may instead choose private health insurance in Germany. The choice affects the commuter's family, because the Swiss system charges a premium per insured person, whereas German statutory insurance covers dependent family members without additional contributions.

1 Notes

1. Art. 65 paras. 2, 6 and 7 of Regulation (EC) No 883/2004 and Art. 70 of Regulation (EC) No 987/2009 on the reimbursement of unemployment benefits for frontier workers. To be verified. ↩
2. Proposal of the European Commission of 13 December 2016 for a Regulation amending Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009, COM(2016) 815 final, and the subsequent trilogue negotiations. Status to be verified. ↩
3. Annex XI, Switzerland, of Regulation (EC) No 883/2004 as applicable under Annex II AFMP; Art. 2 para. 6 of the Ordinance of 27 June 1995 on Health Insurance (KVV, SR 832.102). To be verified. ↩
4. On the end of the private insurance option for frontaliers with effect from 1 June 2014 under Art. 32 of the Loi n° 2013-1203 du 23 décembre

2013 de financement de la sécurité sociale pour 2014, and on the contribution of frontaliers affiliated to the French general scheme (formerly CMU, now PUMa), see Art. L. 380-3-1 of the Code de la sécurité sociale. Rate and threshold to be verified. ↩

5. On the right of option of German cross-border commuters and the calculation of contributions to the German statutory health insurance on income from Swiss employment, see §§ 3 and 6 of the Fifth Book of the German Social Code (SGB V) and the guidance of the GKV-Spitzenverband and the Deutsche Verbindungsstelle Krankenversicherung – Ausland. To be verified. ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: helveticaregister.com/basel-unemployment-and-health-insurance