

# Individual Redundancy Step Plan (Switzerland): Chart

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A Chart setting out the recommended steps for a lawful individual redundancy process in Switzerland, and the suggested approximate timeframes. The Chart does not cover or consider the rules, procedure, and steps applicable to a collective redundancy or mass dismissal scenario.

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There is no statutory definition of an individual redundancy under Swiss law, and the term redundancy is not commonly used.

However, as a matter of principle, in Switzerland an individual redundancy occurs when an employee's employment is terminated for a reason not related to the individual employee (that is, a reason not related to the employee's conduct or performance), in most cases the termination of employment is for economic reasons, and the applicable threshold for a collective redundancy scenario is not reached.

Unlike collective dismissal scenarios there are no specific consultation rights applicable to employees in individual redundancies (see *Collective Dismissals Step Plan (Switzerland): Chart*). In particular, there is no statutory requirement for the employer to give advance warning of potential individual redundancies to affected employees. There are also no special information, consultation, or approval processes (towards authorities or employee representative bodies) for an individual employee termination or redundancy. However, such requirements may be included in an applicable collective bargaining agreement (CBA).

Freedom of termination is a feature of Swiss employment law, meaning that in the case of an individual redundancy termination the employer only needs to observe the applicable contractual or statutory notice period and potential form requirements provided for in the employment agreement or employee regulations or similar. See the following:

- *Practice Note, Individual Employee Termination (Switzerland): Notice and No Requirement of Particular Reasons.*
- *Practice Note, Notice of Termination (Switzerland)*

## Individual Redundancy Step Plan

The following step plan sets out the steps and actions an employer is required (and recommended, where applicable) to undertake a lawful individual redundancy process in Switzerland. It explains how long an individual redundancy process in Switzerland may take, what is required, and when each step is to occur. It does not cover or consider the rules, procedure, and steps applicable to a collective redundancy scenario (see *Collective Dismissals Step Plan (Switzerland): Chart*).

The steps or actions stated are required by local law, unless stated otherwise. If a step or action is only considered best practice, this is expressly stated.

The time-line refers to the days before the issuing of the individual termination notice, rather than the days prior to the termination of employment. The date of termination of employment is usually the end of the month, if not agreed otherwise.

For example, if the applicable notice period is three months to the end of a month and the notice is served on 15 August, the notice period runs from 1 September to 30 November.

Time-line	Step	Actions
Calendar days before issuing the notice of termination of employment on the grounds of redundancy.  Note, payment in lieu of notice is, not a recognised concept under Swiss law.		
25 to 15 days	Establish ground(s) for redundancy proposal.	It is best practice for management and decision makers to justify the potential individual redundancy situation and evidence or substantiate business reasoning.
25 to 15 days	Plan before the formal redundancy process begins.	As best practice: <ul style="list-style-type: none"> <li>Managers involved in the redundancy process should familiarise themselves with the employer's legal obligations.</li> <li>Ensure the relevant line managers are available to hold the termination meeting and provide necessary support to the affected employee, if necessary.</li> </ul>
25 to 15 days	Consider pool of employees, selection criteria, and any alternative vacancies.	There are no statutory redundancy selection criteria and no specific requirements regarding the objectivity of any selection criteria, save that the selection criteria are objective and not discriminatory. If applicable a CBA may set out specific criteria and mandatory steps.  In the event that selection is necessary in the circumstances, or is mandated due to an applicable CBA, the following practical steps are recommended: <ul style="list-style-type: none"> <li>Consider the appropriate or required pool of employees that are at risk of redundancy.</li> <li>Establish objective selection criteria (that is, in the event redundancies are to occur, the criteria for determining</li> </ul>

		<p>the employees to be made redundant).</p> <p>In addition, many employers consider alternative employment vacancies.</p>
15 to five days	Prepare the termination notice and, if intended, the termination agreement, prior to termination meeting.	<p>If the employment agreement or employee regulations or similar require written form for a termination of employment, the termination notice must be signed by persons authorised to sign for the employer. The signatures must be wet-ink or by means of a qualified electronic signature (Article 14, <a href="#">Code of Obligations</a> (CO)) .</p> <p>Even if there is no written form requirement, it is recommended and best practice to issue a written termination notice. Stating the reason for termination is not required for the notice of termination to be effective, and it is recommended not to do so.</p>
Around two days	Invitation to termination meeting.	<p>Holding a termination meeting is not mandatory, but is best practice.</p> <p>Invite the employee on short notice to the meeting with their manager or another competent person of the employer (often someone from Human Resources). The meeting should be scheduled towards the end of the employee's workday and the employee should not be informed about the topic of the meeting in advance. This helps avoid the employee seeing a doctor before (or straight after) the meeting to obtain a medical certificate confirming the employee's incapacity to work for the very same day. In such case, the termination would (very likely) be considered null and void.</p>
Day one	Issue termination notice (either in a termination meeting or otherwise).	<p>To ensure delivery before the end of the month, the termination notice should be communicated, delivered, or both, around one week before the end of the month (delivery in any case needs to take place before the end of the month).</p> <p>Holding a termination meeting is not mandatory but is best practice.</p>

Meeting

At the meeting, the termination should be communicated verbally, and the employee is then presented with the written termination notice letter, a copy of which they are asked to sign as confirmation of receipt. In case of an online meeting, the termination is communicated verbally and then sent to the employee by email (attached as pdf) and the employee is asked to confirm receipt by e-mail.

It is recommended to have a second person present at the meeting as a witness to confirm that the termination was communicated and that the notice of termination was handed over or sent to the employee. If the employee refuses to sign the confirmation of receipt, the company representatives should date and sign the notice letter (or a scan or copy of it) with the remark "confirmation refused by employee". A copy of this document can be given or sent to the employee.

No Meeting

Alternatively, when there is no termination meeting (in person or online), the termination notice should be sent to the employee either:

- By email as a PDF copy.
- By registered mail.

Potential form requirements in the employment agreement or similar regarding the issuing of the termination notice need to be observed (for example, the termination notice needing to be sent by registered mail). See [Practice Note, Notice of Termination \(Switzerland\): Service and Receipt of Notice](#).

		<p><u>No Termination Agreement</u></p> <p>See <a href="#">Practice Note, Individual Employee Termination (Switzerland): Termination Agreements</a>.</p> <p>If the employer does not offer an individual termination agreement (which often provides for an agreed garden leave), the termination notice letter should confirm whether the employee is to:</p> <ul style="list-style-type: none"> <li>• Work during their notice period.</li> <li>• Spend their notice period on garden leave.</li> </ul> <p>Payment in lieu of notice is not a recognised concept under Swiss law.</p>
Day one, or one or two days later	Offer of individual termination agreement (if intended).	<p>A termination agreement is not mandatory but may be advisable in the circumstances.</p> <p>Termination agreements usually provide for a full release of claims and a fixed end date of employment (at the end of the contractual notice period), in exchange for redundancy benefits above the employee's contractual entitlements until the expiry of the notice period (for example, garden leave, severance, outplacement support, and so on). See Practice Notes:</p> <ul style="list-style-type: none"> <li>• <a href="#">Notice of Termination (Switzerland): When Notice Cannot be Given</a>.</li> <li>• <a href="#">Individual Employee Termination (Switzerland): Termination Agreements</a>.</li> </ul>
Written objection provided during the notice period; and litigation claim made within 180 calendar days after the end of the employment relationship	Appeal process.	<p>A termination of employment may be found to be an abusive termination (see <a href="#">Practice Note, Individual Employee Termination (Switzerland): Protection Against Abusive Termination</a>).</p>

	<p>To challenge the termination as abusive the employee must raise a written objection against the termination within their notice period and must file a litigation claim within 180 calendar days after the end of the employment relationship (Article 336b, CO).</p> <p>In any event, the termination of the employment is valid, even if it is later ruled to be unfair.</p> <p>The sanction for abusive termination is payment of a damages award of not more than an amount equal to six months' salary (and any other damage to the employee). The amount of the award is determined by the court and in practice is between two and three months of salary.</p> <p>However, if the employer can establish the grounds for redundancy through corresponding documentation (or also witness statements) there are in general no grounds for an abusive termination and corresponding compensation claims.</p>
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