

Global Summit of Women

A New Look at Work/Life Integration

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Tax incentives and gender equality

Employment

- 84.2 % of all people living in Switzerland are active in the workforce. This is the second highest employment rate of all EU / EFTA States.
- High rate of employment for women, but mostly part-time: 6 out of 10 women work part-time, only 1.8 out of 10 men work part-time

Gender pay gap

- Women earn 18,3 % less than men. 44 % of this difference cannot be explained and are believed to be discrimination
- Other factors: Traditional female occupation (e.g. nursing, care-giving, retail) are less payed, women profit less from variable pay, less work experience, fewer women in leadership positions
- Unequal pay is an even bigger problem for mothers: (small) part-time occupation leads to lesser pay und lesser chances to more qualified work («mommy track»)
 - Incentives for women to work less: Unequal pay, not enough child care places, unequal and inadequate parental leave (14 weeks for the mother, 1(!) day for the father), tax system

Tax-System in switzerland

- «Marriage penalty»: Incomes of married couples are added. The combined income is taxed. Working married couples pay more taxes than, working couples that are not married because they are subject of a higher progression. → Mainly a problem for couples with high and equal incomes
 - To compensate this married couples have certain tax deductions and deduction possibilities for child care
 - The same problem applies to the pension system: Married couples get a combined pension that is lower than the pension of unmarried couples.
- ➔ Tax system favors married couples with traditional roles (one income or one high income and one low income)

Individual tax

- Individual tax is an old political demand, mainly supported by the left and liberal parties of the center and womens organisations. Individual tax would tax each income separatly, wether people are married or not.
 - A study commissioned by the Müller-Möhl-Foundation has proposed a model where an individual tax is combined with a tax deduction for people with children (couple or single parents).
 - This would lead to a rise in employment of 0.5 % which corresponds to 19'000 full time equivalents.
- ➔ Fair model for everybody whether they are married or not