



Fiscal Policy

# Federal Council announces ***austerity measures after EP27***

15.04.2026

## At a glance

- The EP27 is not sufficient to eliminate the structural deficit of CHF 600 million in the 2027 budget.
- The Federal Council has therefore announced additional measures to ensure compliance with the debt brake next year.
- The gap is to be closed with targeted measures and linear cuts in uncommitted expenditure.

Federal finances remain under pressure. In the spring session, Parliament passed the 27th package of relief measures (EP27). However, only 60% of this was passed and is therefore not enough to fully balance the budget. The Federal Council therefore had to do what it had already announced during the consultation on EP27. At its meeting on April 15, 2026, it carried out a new status determination and decided on measures amounting to CHF 600 million for the 2027 budget in order to be able to comply with the debt brake next year.

## How are the deficits eliminated?

The Federal Council is relying on a combination of targeted measures and linear cuts in uncommitted expenditure. As Parliament rejected various relief proposals as part of EP27, the options for action are limited at the moment. Specifically, the Federal Council is planning four measures:

1. Reduction of contributions to funds and federal units with reserves
2. Redistribution between national research and innovation funding and the EU research framework programmes
3. Lower cost-of-living adjustment for federal staff (30 million)
4. Cross-sectional cuts in uncommitted expenditure of 1% or 300 million

## Uncertainty remains

The situation of the federal finances therefore remains uncertain. It is currently impossible to predict how the linear cuts will be implemented, particularly in areas that are not tied to the budget, such as education and research, international cooperation, agriculture, the armed forces and the Federal Administration. It is therefore necessary to wait until the end of June 2026, when the Federal Council, based on new economic forecasts and updated revenue estimates, definitively approves the 2027 budget and the integrated task and finance plan for 2028 to 2030. From *economiesuisse*'s perspective, it is crucial that the same tasks and areas that promote growth and prosperity, such as education, research and innovation or infrastructure, are not always affected by cuts.



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