



Fiscal Policy

# Relief package 27 remains urgent

25.06.2025

## At a glance

- The Federal Council is going easy on the social sector in the key figures for the 27 relief package and cuts at the expense of the cantons are also lower.
- With impending deficits of over CHF 4 billion, the relief package is still necessary.
- The Federal Council is sticking to a tax increase on pension capital withdrawals despite rising taxes and contributions for old-age provision. This tax increase is rejected.

Almost two months after the end of the consultation process, the Federal Council has defined the key parameters for the 27th package of tax relief measures (EP27). Individual measures were specified, adjusted or rejected. In total, the Federal Council envisages corrections of just under CHF 3 billion. The dispatch is due to be published in September.

## Lower cuts at the expense of the cantons and the social welfare sector

The Federal Council is particularly accommodating to the cantons and the social welfare sector when it comes to the measures. For example, the cuts in the area of migration are to be smaller. The Federal Council has refrained from making cuts to vocational training and premium reductions. The impact on resource-poor cantons will be cushioned. Even the desirable disentanglement between the federal government and AHV is not being pursued. With these changes, social welfare is largely left out of EP27.

The Federal Council has not dispensed with the only tax increase in the package. Capital withdrawals from the 2nd and 3rd pillars will continue to be taxed at a higher rate. Only withdrawals of up to CHF 100,000 are not to be taxed more heavily. This is out of consideration for the typical Pillar 3a withdrawals.

## Expenditure adjustment required

economiesuisse supported the package approach in the consultation. A broad distribution of the relief costs is important in order to make the unavoidable corrections acceptable to a majority. This makes the individual costs bearable. The business community itself supports numerous cuts. However, it is demanding that other affected parties also accept the reductions. economiesuisse rejects additional revenue as part of EP27 and in particular a tax increase. Recent parliamentary decisions show that there is a threat of unprecedented tax and contribution increases in the billions in the coming years. Pension provision is a sensitive area for all sections of the population. Additional additional burdens, especially for irrelevant reasons (for the federal budget), are not acceptable. As a substitute for the tax increase, economiesuisse demanded in the consultation that the Confederation's own budget be reduced accordingly and thus make an appropriate contribution to the relief. This demand remains unchanged.

## Federal financial situation remains tense

In addition to the EP27 benchmarks, the Federal Council has adopted the 2026 budget for the federal budget and the financial planning up to 2029. Despite reductions, expenditure will continue to increase from CHF 90 billion (2026) to CHF 98 billion (2029). This growth of almost ten percent is enormous. There can be no talk of "dead savings" and "government cutbacks" as a result of EP27. The main drivers of expenditure are the AHV (reinforced by the 13th pension) and the necessary rearmament of the army. With EP27, the federal budget will remain balanced until 2028 and the debt brake requirements will be met. Without the relief measures, deficits will rise rapidly, to over CHF 4 billion in 2029.

## If the package fails, drastic budget cuts will follow

If EP27 fails or is severely cut, the Federal Council will have to implement the necessary measures in the budget. The consequences of ad hoc cuts of several billion francs would be drastic for those affected. The EP27 is the simpler way. It takes targeted measures and makes them plannable. There is no way around stabilizing the federal budget itself. It is the mandate that the people have given the state with the debt brake. The Federal Council is taking this mandate seriously. From the fall, the ball will be in the politicians' court.



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