



« It is also important for everyone that Switzerland's largest public budget does not get into difficulties. »

Fiscal Policy

# The EP 27 strengthens the state *where it is relevant for all*

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## At a glance

- Tasks that are important for the entire population - the AHV and security - will be given more room in the federal budget.
- Individual interests will be put on the back burner in favor of stability.
- Following cutbacks in the Council of States, the National Council now has it in its hands to give greater weight to the public interest again.

In the Council of States, lofty principles were invoked during long hours of deliberation on the 27th package of relief measures (EP27): Responsibility, stability, the protection of the weakest, the future of our children.

There was talk of political vision and the supporting pillars of our state.

They would all be endangered, sawn up, sacrificed - by the EP27 package.

## The nail in the coffin.

With so much horror being invoked, it can't hurt to remind ourselves of the circumstances.

The Federal Council's relief package 27

- cuts the Confederation's budget of almost CHF 100 billion by three billion francs, i.e. by just three percent. Previous programs were significantly more drastic, as were programs in debt-ridden foreign countries anyway.
- Reduces the growth in federal spending from three to two percent. The state continues to grow. And foreseeably faster than the Swiss economy.
- excludes social welfare from spending cuts. At CHF 30 billion, it is by far the federal government's most expensive expenditure item and has been growing strongly for years. And this is set to continue. One of the main reasons for rising social spending is the AHV. Partly due to the 13th pension, the federal government pays more than one billion additional tax francs into the state pension scheme every year. The EP27 restructures the budget to make this possible.

is broadly based with over 50 measures to make it digestible for those affected. Hardly any area of responsibility is confronted with cuts that exceed a single-digit percentage amount.

- This sacrificial symmetry lacks vision, say critics.
- And at the same time they complain that where priorities are set, areas in which the state plays an important role are sacrificed.

***"Some of you have mentioned that you have received submissions, letters, emails from many lobby groups. But someone has certainly not contacted you, namely the people, the taxpayers."***

Said the Finance Minister.

...and that there is an expectation that precious taxpayers' money will be handled carefully.

...you keep the house in order.

...and to respect the debt brake.

After the debate in the Council of States, the EP27 was one billion francs short. The Council of States had refrained from making cuts to this extent and failed to meet the targets.

For example, in the buildings program:

***"I will only briefly explain my minority's proposal [...]. The partial earmarking of the CO2 levy is to be increased to 45 percent. This will make additional funds available, which can then be used to finance the buildings program to a greater extent, naturally at the expense of the population, who will receive less CO2 levy reimbursed via their health insurance."***

Instead of focusing on the climate sector, as proposed in EP27, the 15-year-old buildings program, known for its expensive inefficiencies, has been expanded. A larger proportion of the CO2 levy, which must in principle be refunded to the population and the economy, has been earmarked for the program. Property owners who convert oil heating systems and insulate thin facades benefit from subsidies. The rest of the population pays.

The example is exemplary:

Here is EP27, which wants to create more room in the budget for tasks that benefit everyone: the AHV and above all the army, which must be strengthened in the coming years in view of the precarious security in Europe, which requires more resources and a shift in priorities.

On the other hand, there are individual and group interests. All perhaps legitimate in their own right. But less relevant for the rest of the population and therefore for the majority of taxpayers.

It is also relevant for everyone that Switzerland's largest public budget does not get into difficulties. Only a financially stable state can fulfill its tasks in the long term and reliably provide the central services assigned to it (the "supporting pillars"). All sections of the population and the weaker sections in particular benefit from this. It must be expected that the state will normally manage without new taxes. And that it does not run up debts at the expense of our children and grandchildren, anyway!

The EP27 is there for all of this.

Responsibility. Stability. The protection of the weakest. The future of our children.

EP27 serves these principles well. The alternatives that are conceivable are worse.



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