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Introduction of Individual Taxation

What will change for married couples?

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Individual taxation as of 2032

On 8 March 2026, Swiss voters approved the Federal Act on Individual Taxation with 54.23% voting in favour. The will of the electorate was reaffirmed by the rejection of the Centre Initiative on 29 November 2026, which sought to retain joint taxation for married couples. The reform will enter into force on 1 January 2032. This will bring an end to the current joint taxation of married couples and registered partnerships. In future, all individuals will be taxed individually, regardless of their marital status. For many married couples and individuals in registered partnerships, this will mean a fundamental change to their tax situation.

The current system dates back to a time when married couples were often regarded as a single economic unit and frequently only one person was in paid employment. Modern lifestyles and employment patterns have become more diverse. In particular, married couples and those in registered partnerships where both partners work may be at a tax disadvantage due to their incomes being aggregated. The reform aims to eliminate this unequal treatment and make it more attractive for the second partner to work.

Current rules (until 2031)

Married couples and individuals in registered partnerships submit a joint tax return. Their incomes and assets are aggregated, regardless of who owns them under civil law. Tax is calculated on the basis of their combined taxable income and assets. By contrast, unmarried individuals are already taxed individually. This joint taxation, combined with progressive tax rates, can result in married couples and those in registered partnerships being at a tax disadvantage compared with cohabiting partners (‘marriage penalty’).

To take account of the joint taxation of married couples, both the Confederation and the cantons provide for special tax rates and allowances. In the case of direct federal tax, a special tax rate for married couples is applied, along with the married couples’ allowance and the dual-earner allowance. The cantons have different relief schemes, such as special tax rates, income-splitting schemes to determine the tax rate and additional allowances. The details of these vary from canton to canton. Whilst in many cantons the respective relief schemes have completely eliminated the marriage penalty, the disadvantage remains particularly pronounced in the case of direct federal tax.

New rules (from 2032)

In future, each person will submit their own tax return, pay tax on the income and assets attributable to them, and claim the allowances to which they are entitled. Debts and interest on debts will also be allocated individually. Joint tax assessment will no longer apply.

The reform applies to direct federal tax as well as to cantonal and municipal taxes. Whilst the new tax rate and certain allowances for direct federal tax are already laid down by law, the cantons still need to adjust their tax rates and various personal and family allowances. The actual implications therefore also depend on the canton of residence.

The changes in detail

1 New tax rates and allowances

In future, there will be a single tax rate for all taxpayers under the direct federal tax system. The existing special tax rates for married couples and parents will be abolished. The new tax rate provides relief for lower and middle incomes compared with the existing basic tax rate, whilst higher incomes will be taxed slightly more heavily.

Under the Federal Act on Individual Taxation that has been passed, a person will only pay tax under the new tax rate once their taxable income reaches CHF 20,000. This amount will be adjusted for inflation before the law comes into force. The married couples' and dual-earner allowances, which were previously intended exclusively for married couples, will be abolished. At the same time, the child allowance for direct federal tax will be increased from CHF 6,800 to CHF 12,000 per child. In the case of parents with joint parental responsibility, it will generally be split equally between them.

The cantons must also switch to individual taxation. However, they will continue to set their own tax rates within the framework of their constitutional autonomy and will review their allowances. In many cantons, these changes will be subject to a mandatory referendum, which is why cantonal referendums will be held. It is therefore not yet possible to make a general statement about the future cantonal and municipal tax burden.

2 Allocation of assets and liabilities

In future, the allocation of assets will, in principle, be determined by the ownership arrangements under civil law. Each person must declare in their tax return those assets that actually belong to them. This applies, amongst other things, to bank balances, securities, shareholdings and property. If the allocation cannot be determined unequivocally, co-ownership by both spouses must be assumed in the absence of evidence, in accordance with Article 248(2) of the Swiss Civil Code. Matrimonial property law, however, does not constitute an independent criterion for tax allocation.

Where spouses own a joint bank or securities account in equal shares, each declares half in their tax return. In the case of property, the entry in the land register is particularly important. If a property belongs to only one spouse, it is, in principle, attributed in full to that spouse. In the case of co-ownership, the division is based on the ownership shares.

Debts are allocated in accordance with the underlying legal obligations. If, for example, only one person has entered into a loan agreement, the debt is generally attributed to that person. If both persons are equally liable, the debt is generally allocated equally between them. In the case of complex joint or joint and several liabilities, the specific contract must be examined.

Example: Jointly owned property
Mr and Mrs Miller each own half of a let property with a tax value of CHF 1,200,000. Both are also equally liable for a mortgage of CHF 600,000. In their respective tax returns, they generally declare CHF 600,000 in property assets and CHF 300,000 in mortgage liabilities. Rental income and the associated property costs are also allocated in proportion to their respective shares of ownership.

3 Allocation of income and allowances

In future, income will also be attributed to each person individually. Income from employment or self-employment is taxed in the name of the person who earns it. The same generally applies to pensions, pension scheme benefits and other personal income, such as unemployment benefits or sickness allowances.

In the case of income from assets, however, the decisive factor is who owns the asset in question under civil law. Income from a securities account held in one person's name is attributed to that person accordingly. If both spouses are registered in the land register as owning half of a let property, they will, in principle, each be liable for tax on half of the rental income. Civil law is therefore decisive for

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the attribution. The matrimonial property regime is not, in itself, decisive for tax allocation.

Income-related allowances
Income-related allowances are costs directly related to the generation of taxable income. These include, in particular, employment-related allowances such as travel costs and additional costs for meals whilst away from home, as well as, in the case of let properties, deductible maintenance and management costs. They are attributed to the person who pays tax on the corresponding income. The decisive factor is therefore the connection to the income and not merely the account from which an invoice was paid. In the case of co-ownership, property-related costs are generally allocated in accordance with the allocation of income.

Interest on debt and other personal allowances
Interest on debt is allocated in accordance with the underlying debt agreement. This remains subject to the substantive rules on the deductibility of interest on debt, which will be amended with effect from 2029 as part of the abolition of imputed rental income taxation. Contributions to the pension fund and Pillar 3a, as well as personal insurance, healthcare and further education costs, are generally to be allocated to the person who meets the statutory requirements for the respective allowance.

Example: Personal employment-related allowances
Mrs Miller earns an income of CHF 120,000 and Mr Miller earns CHF 60,000. Both pay tax on their earnings separately and claim their own employment-related allowances. If Mrs Miller finances her husband's professional education, the payment alone does not entitle her to claim the corresponding costs as an allowance on her tax return.

Personal and family allowances and children
The allocation of personal and family allowances is particularly important for married couples with children. For direct federal tax, the new child allowance of CHF 12,000 is, as a rule, split equally between parents with joint parental responsibility, giving each a allowance of CHF 6,000. The same generally applies to adult children who are in education or training.

4 Impact on lump-sum taxation

Individual taxation also applies to individuals subject to lump-sum taxation. Under current law, married couples must jointly meet the requirements for lump-sum taxation. This joint requirement will be removed under the reform.

In future, each person will be assessed separately to determine whether they meet the requirements. This means that, in principle, one spouse may be subject to lump-sum taxation whilst the other is subject to ordinary taxation. This may be relevant, for example, if only one person is in gainful employment in Switzerland.

The minimum tax bases applicable to lump-sum taxation will also be applied per person in future, rather than jointly for the married couple. If both spouses are liable for tax under the lump-sum tax system, this may result in a higher overall tax base. The specific implications must be assessed, particularly with regard to the cost of living and cantonal law.

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5 Winners and losers under the reform

As regards cantonal and municipal taxes, it is not yet possible to say who will benefit from individual taxation and who will face a heavier tax burden. To determine this, the cantons must first set their new tax rates and allowances. In the case of direct federal tax, dual-earner married couples with similar levels of income, as well as married pensioner couples, are likely to benefit from lower taxes. Single-earner households and high-income single people, on the other hand, are likely to face a heavier tax burden. Cantonal and municipal tax authorities must also expect high IT costs for adapting their assessment systems and an increase in the number of tax returns. It is to be hoped that the use of digital tools and the increased application of artificial intelligence can offset some of this additional workload.

	Until 2031	From 2032
Tax return	One joint tax return per married couple	Two separate tax returns
Income	Joint assessment and taxation	Individual assessment and taxation
Assets	Joint assessment and taxation	Individual assessment and taxation
Income-related allowance	Within joint assessment	Claimed by the person to whom the income is attributed
Federal child allowance	CHF 6,800 per child	CHF 12,000, generally split equally
Married couples' and dual-earner allowances	Available subject to conditions	Not applicable
Lump-sum taxation	Conditions must be met jointly	Individual eligibility and minimum tax base
Federal tax rate	Married couples', basic and parental tax rates	Uniform tax rate
Cantonal tax rates	Cantonal taxation of married couples	Adjustments by the cantons

Preparation for the reform

The introduction of individual taxation may also bring about significant changes for married couples' wealth and pension planning. As income, assets and allowances will in future be attributed to each spouse individually, it makes sense to review the current situation at an early stage.

New tax considerations may arise, particularly when planning voluntary pension fund buy-ins, allocating assets and liabilities, and aligning matrimonial agreements and wills. Below, we outline the aspects that should be taken into account even before the introduction.

Documenting assets and ownership

It is necessary to check which person is legally entitled to bank accounts, investment accounts, shareholdings and property under civil law. In the case of jointly held assets or mixed financing arrangements, the ownership structure under civil law, any loans and reciprocal reimbursement claims must be documented.

Reviewing debts and contracts

In the case of mortgages and private loans, it is worth examining the contracting parties. As the allocation of interest on debt for tax purposes will in future be based on the contractual obligation, existing contractual structures may affect individual tax allowance options. Any changes should only be made after taking into account the financing arrangements, bank terms and conditions, and the consequences under matrimonial property law.

Planning pension fund buy-ins and benefit withdrawals

In future, voluntary pension fund buy-ins will have a tax effect solely for the person making the buy-in. Particularly where spouses have different levels of income, it is therefore important to assess which spouse makes a buy-in in which year and whether the tax allowance can actually be utilised. Individual tax progression before and after 2032 may influence the optimal timing of such buy-ins.

Withdrawals of pension capital from the pension fund and Pillar 3a should also be included in the planning. As capital payments to spouses will be taxed separately in future, this may open up new opportunities for staggering payments. Furthermore, the statutory and tax-related lock-in periods relating to pension fund buy-ins followed by withdrawals shortly thereafter must be taken into account.

Aligning the matrimonial agreement and will

Anyone who has drawn up a matrimonial agreement or a will should check whether the existing provisions are consistent with the planned tax allocation of assets. A comprehensive review of matrimonial property law and inheritance law may be worthwhile, particularly in relation to separate property, acquired property, inherited property and mutual investments.

It is important to ensure that tax adjustments do not inadvertently alter entitlements in the event of divorce or death. A gift between spouses or a change to the matrimonial property regime should therefore never be made solely on the basis of a potential tax advantage. The overall impact of the matrimonial agreement, will and pension planning must be assessed.

Modelling individual tax liabilities

Finally, it is advisable to calculate several scenarios for future taxation. In addition to the distribution of income, assets and allowances, cantonal tax rates must also be taken into account as soon as they are finalised. On this basis, pension planning decisions and possible adjustments to the asset structure can be prepared in a targeted manner.

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