

# You will be receiving CHF 87. Here's why.

## Information sheet on environmental levies

Bern, August 2020

Dear Insurance Customer

In 2021 **you will receive a refund of CHF 87 from the revenues from environmental levies (CO<sub>2</sub> and VOC levies)**. As you will see from your insurance certificate, this amount will be set off against your premium. The Federal Office for the Environment (FOEN) is responsible for distributing the levies to all insured persons, and it does this through health insurers.

### What funds are being distributed?

Some of the money comes from the CO<sub>2</sub> levy on fossil fuels such as heating oil and natural gas. These energy sources account for a significant part of the harmful carbon emissions in Switzerland. Revenue from this incentive tax is returned to the public and businesses after a deduction for the building programme and technology fund. The other portion is based on the VOC levy. Volatile organic compounds (VOC) are used in paints and varnishes or to clean metals, for example. They contribute to the excessive formation of ground-level ozone in summer (summer smog).

### What is the purpose of these environmental levies?

In making fossil fuels more expensive, the CO<sub>2</sub> levy creates an incentive to use them more economically and choose more carbon-neutral or low-carbon energy sources, such as wood. The VOC levy also uses price increases to encourage the more sparing use of solvents, helping to combat high ozone levels and benefiting our health as a result. These two incentive taxes are market-based instruments in the field of environmental policy and are in line with the polluter pays principle, which is enshrined in the Environmental Protection Act.

### Why is it being distributed amongst the public?

Environmental levies are not general taxes. **The VOC levy is entirely redistributed to the public, while the CO<sub>2</sub> levy is proportionally split between the public and the business community.** For 2021, the amount to be refunded to the public is CHF 639 million from the CO<sub>2</sub> levy and CHF 114 million from the VOC levy, amounting to CHF 753 million overall and resulting in a figure of CHF 87 per insured person.

### Why is this being distributed through health insurers?

Distributing through health insurance companies is the easiest way to manage the refund, because they have up-to-date registers of all Swiss residents as the basic insurance is mandatory for everyone.

Further information can be found on the internet at:

[bafu.admin.ch/co2-abgabe](https://bafu.admin.ch/co2-abgabe)

[bafu.admin.ch/voc](https://bafu.admin.ch/voc)



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