

# HANDBOOK

The word 'HANDBOOK' is rendered in large, white, sans-serif capital letters. The letters are cut out, revealing a photograph of a man with a beard and a dark blue polo shirt. The man's face is visible through the 'H', 'A', 'N', 'D', and 'B'. The shirt is visible through the 'O', 'O', and 'K'. The background of the entire page is a solid teal color.

Handbook on collectively agreed occupational pensions and insurance from 1 October 2022

**Avtalat**

# Table of Contents



## **INTRODUCTION**..... 4

Welcome to Avtalat's handbook!..... 5

Security throughout your life..... 6



## **THE INSURANCE SYSTEM**..... 8

The insurance system  
– how it works..... 9

The employer must take out insurance..... 10

Summary – general state pension  
and statutory insurance schemes..... 14

Summary – occupational pension  
and insurance through work..... 15

Insurance cover for the self-employed..... 18

Indices and base amounts..... 20

Employer's contributions and premiums..... 21

Deduction rules and taxes for pensions..... 22

Employer's contributions  
– the following applies..... 23

Premiums for collective insurance schemes  
– blue collar workers..... 24

Premiums for collective insurance schemes  
– white collar workers with ITP1..... 25

Premiums for collective insurance schemes  
– white collar workers with ITP2..... 26

How pension and insurance schemes  
are managed..... 28

What affects the insurance cover?..... 29



## **PARENTAL LEAVE**..... 30

Statutory parental insurance..... 31

Parental benefit supplement (FPT)  
for blue collar workers..... 33

Parental pay for  
white collar workers through work..... 35

Checklist – Parental leave..... 36



## **ILLNESS**..... 38

Statutory health insurance..... 39

Group sickness insurance (AGS)  
for blue collar workers..... 43

ITP disability pension  
for white collar workers..... 46

Checklist – Illness..... 48



## **WORK INJURY**..... 50

Statutory work injury insurance..... 51

Work injury insurance (TFA) for both  
blue collar and white collar workers..... 54

ILO Convention – list of  
occupational diseases..... 58

Checklist – Work injury..... 60



## **WORK SHORTAGE**..... 62

Public transitional study support and  
statutory unemployment insurance..... 63

Career readjustment insurance  
for blue collar workers..... 66

Career readjustment agreement  
for white collar workers..... 68

Checklist – Work shortage..... 71

	<b>DEATH</b> .....	<b>72</b>		<b>STATIONED OUTSIDE SWEDEN</b> .....	<b>108</b>
	Statutory compensation to survivors.....	73		Stationed outside Sweden.....	114
	Compensation to survivors for blue collar workers.....	75		Statutory insurance schemes.....	114
	TGL Group life insurance.....	76		Collectively agreed insurance for blue collar workers.....	116
	Compensation to survivors for white collar workers.....	79		Collectively agreed insurance for white collar workers.....	118
	TGL Group life insurance for white collar workers.....	82		Checklist – Stationed outside Sweden.....	120
	Checklist – Death.....	84		<b>FOREIGN CITIZENS</b> .....	<b>108</b>
	<b>PENSION</b> .....	<b>86</b>		Foreign citizens.....	122
	Statutory pension.....	87		<b>REASSESSMENTS</b> .....	<b>126</b>
	SAF-LO Collective pension for blue collar workers.....	89		Appealing decisions relating to statutory insurance.....	127
	ITP plan for white collar workers.....	93		Appealing decisions relating to collective insurance schemes.....	128
	Comparison between ITP1 and ITP2.....	94		<b>OTHER INFORMATION</b> .....	<b>132</b>
	ITP1 for white collar workers.....	95		Explanations and names.....	133
	ITP 2 for white collar workers.....	98		Index.....	134
	Checklist – Pensions.....	106			
	<b>DIFFERENT TYPES OF ABSENCE</b> .....	<b>108</b>			
	Insurance cover for different types of absence during employment.....	109			
	Blue collar worker.....	110			
	White collar worker.....	112			



# Introduction

## Welcome to Avtalat's handbook!

Avtalat has been tasked with ensuring that employers and employees in the private sector understand how occupational pensions and insurance through work actually function. Through [avtalat.se](https://avtalat.se), customer services, training, materials and our pension and insurance specialists, we help out with all issues related to collectively agreed occupational pensions and insurance.

Avtalat's handbook is intended for individuals who work with these matters. It provides in-depth information about collectively agreed occupational pensions and insurance, and can be used as a reference book.

In the handbook, we describe how the insurance schemes work based on various events in a person's life – parental leave, illness, work injuries, redundancy due to work shortage, death and retirement. For each event, there is a checklist where we have gathered together the various elements that the employer and the employee need to consider.

You can download the handbook at [avtalat.se](https://avtalat.se).



# Security throughout your life

Coping with change is a part of life.

People become parents, have accidents or want to retire a little earlier. As a result, it is comforting to know that work-based pensions and insurance schemes can provide employees with extra financial support.



## Parental leave

In addition to parental benefit, the employee can receive additional, collectively agreed compensation.

## Illness

Everyone gets ill sometimes, in which case additional compensation is available through a collective agreement at the workplace.



## Work injuries

If an accident occurs resulting in the employee suffering an injury at work or on the way to or from work, additional compensation is in place in accordance with collective agreements.

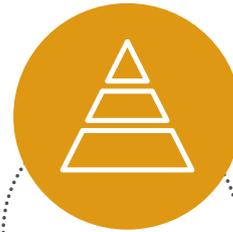
### Work shortage

In the event of redundancies due to work shortage, support is available in the readjustment process through a collective agreement.



### Death

The collective agreement can provide security to the surviving family, even at the most difficult of times.



### Pensions

Employees can receive pensions from different sources, with occupational pension through a collective agreement being an important part.



# The insurance system

# The insurance system

## – how it works

Sweden's insurance cover resembles a pyramid. The base comprises pensions and insurance, to which we are entitled by law. In addition to this there are occupational pensions and insurance schemes through work. At the top of the pyramid are group insurance policies and private insurance.

### Statutory pension and insurance schemes

The general state pension and the insurance schemes are part of society's security system. They can provide protection in the event that income should cease or be reduced. The general state pension is managed by the Pension Authority and the insurance schemes are managed by the Social Insurance Office. This security is paid for by employers and individuals through contributions and taxes.

The basic idea behind the security system is to provide economic security in the case of a change in their circumstances, such as in the event of illness or unemployment.

### Collective agreements – occupational pensions and insurance through work

Employers that have entered into a collective agreement must take out occupational pension and insurance schemes for their employees. Most employees are now covered by collective agreements. The employees gain security during and after working life, as well as between jobs. The employer can feel secure in the knowledge that they are providing their employees with good conditions.

Through their work, employees then have deposits paid into their pensions, known as occupational pensions, and into insurance schemes. The occupational pension is an important part of the future pension, and the insurance schemes can provide additional compensation in the event an individual becomes ill, sustains an injury at work or is on parental leave.

The collective agreements are negotiated by the parties on the labour market.

### Insurance schemes at the top of the pyramid

These can be group insurance policies through employment at the employer or membership of associations. It can be optional or mandatory to sign up to group insurance policies. Employees can also supplement their insurance cover themselves with private insurance.

-  Group insurance policies and private insurance
-  Collectively agreed
-  Statutory



The basic idea behind the security system is to compensate the individual's loss of income in the case of a change in their circumstances.



# The employer must take out insurance

Employers that are covered by a collective agreement must take out collectively agreed occupational pension and insurance schemes for their employees.



Insurance schemes for blue collar workers are taken out with Fora and for white collar workers with both Fora and Collectum.

Employers may be covered by collective agreements through

- ▶ membership of an employers' association
- ▶ local collective agreement, which means that the employer has entered into a collective agreement directly with a trade union.

Insurance schemes for privately employed blue collar workers are taken out with Fora and for white collar workers with both Fora and Collectum. Fora and Collectum manage the insurance schemes. The insurance agreement is in force when the employer has received confirmations, and the agreements apply retroactively from the date on which the collective agreement started to apply. In the event of any doubt regarding the provisions in the collective agreement, the employer must contact their employers' association. The employer that has a local collective agreement contacts the trade union with which the agreement has been entered into.

Self-employed persons and managing directors of limited liability companies are only covered by Work injury insurance (TFA) automatically. More information about the situation for self-employed persons and managing directors can be found on pages 18–19.

In the event of an operational transition, the collective agreement normally remains in place. The new owner also has to take out collectively agreed insurance.

Employers without collective agreements can voluntarily take out insurance agreements with Fora and make payments to collectively agreed occupational pension and insurance (apart from career readjustment support, TSL) for their employed blue collar workers. For employed white collar workers, the employer only pays into Work injury insurance (TFA) and TGL Group life insurance voluntarily.

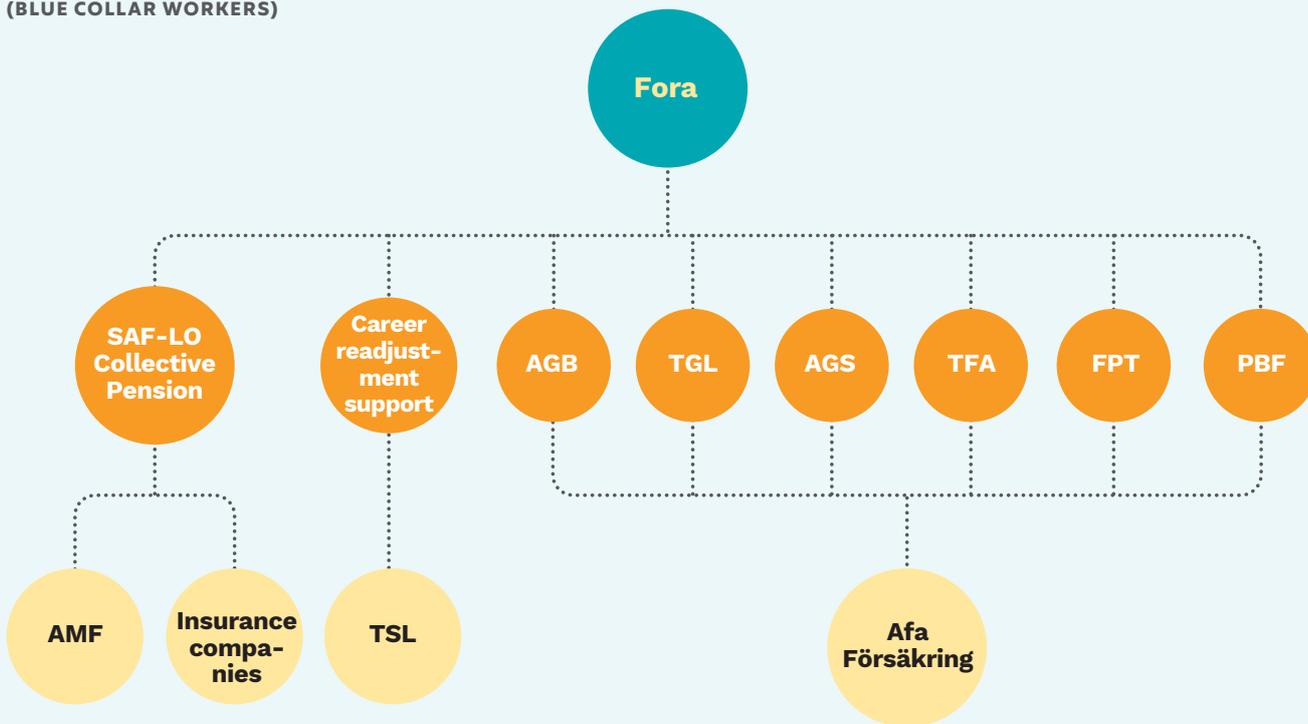
## **Blue collar workers and insurance**

Companies that have entered into a collective agreement in the agreement area Confederation of Swedish Enterprise and the Swedish Trade Union Confederation (LO) must enter into an insurance agreement with Fora.



## Occupational pension and insurance – how it works

AGREEMENT AREA CONFEDERATION OF SWEDISH ENTERPRISE-LO  
(BLUE COLLAR WORKERS)



### THE INSURANCE AGREEMENTS COVER THESE INSURANCE SCHEMES:

#### AGREEMENT AREA CONFEDERATION OF SWEDISH ENTERPRISE-LO

SAF-LO Collective Pension

Career readjustment support and Severance pay (AGB)

TGL Group life insurance

Group sickness insurance (AGS)

Work injury insurance (TFA)

Parental benefit supplement (FPT)

Waiver of premium insurance (PBF)



## White collar workers and insurance

Employers that have entered into collective agreements must take out occupational pension and insurance with Collectum and Fora.

With Collectum, the employer must enter into a pension agreement for occupational pension ITP and an agreement for TGL Group life insurance. The employer must choose which company they want to take out TGL with. An up-to-date list can be found at Collectum.

The ITP agreement contains two parts: ITP1 and ITP2. The main rule is that employed white collar workers born in 1979 or later have ITP1 and those born in or prior to 1978 have ITP2. Employers that enter into collective agreements now have the potential to take out ITP1 for all white collar workers, regardless of age. Want to know more? Read on page 93.

In the insurance agreement with Fora, white collar workers are covered by Work injury insurance (TFA) and the Career readjustment agreement from TRR.

# ITP1

= employed white collar workers born in 1979 or later.

# ITP2

= employed white collar workers born in 1978 or earlier.

### THE INSURANCE AGREEMENTS COVER THESE INSURANCE SCHEMES FOR AGREEMENT AREA CONFEDERATION OF SWEDISH ENTERPRISE-PTK:

#### ITP2

- Retirement pension
- Family pension
- Disability pension
- ITPK
- Waiver of premium insurance (PBF)
- TGL Group life insurance
- Work injury insurance (TFA)
- Career readjustment agreement TRR

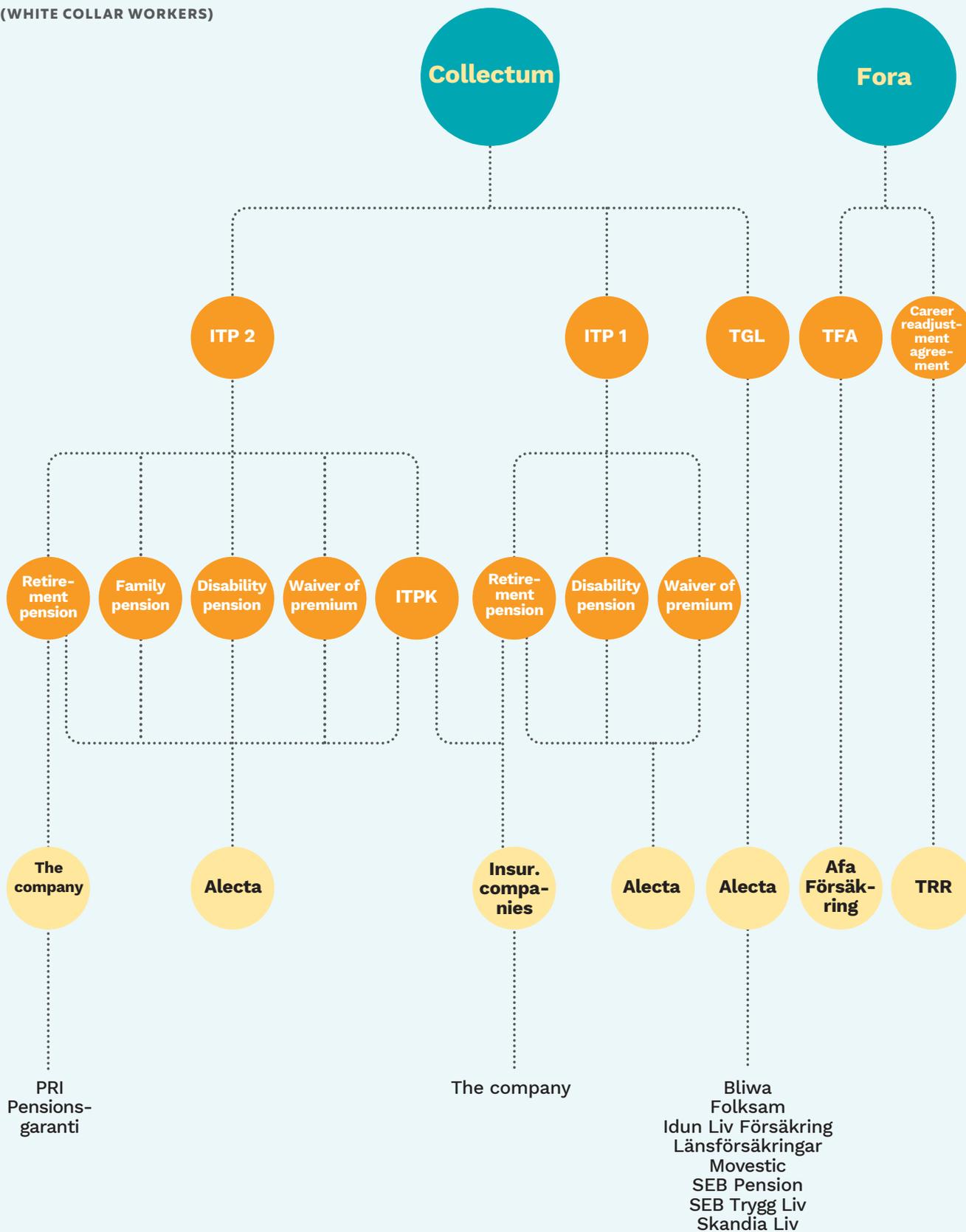
#### ITP1

- Retirement pension
- Disability pension
- Waiver of premium insurance (PBF)
- TGL Group life insurance
- Work injury insurance (TFA)
- Career readjustment agreement TRR



### Occupational pension and insurance – how it works

AGREEMENT AREA CONFEDERATION OF SWEDISH ENTERPRISE-PTK (WHITE COLLAR WORKERS)





# Summary – general state pension and statutory insurance schemes

Below is a summary of the general state pension and the statutory insurance schemes. You can read a little more about each insurance scheme later in the book.



A person who is ill can receive sick pay from their employer for the first 14 days.

## Parental insurance

A person who has or adopts a child may be entitled to parental leave and parental benefit. Parental benefit applies from the birth of the child until the child reaches the age of twelve. The entitlement to parental benefit applies for a total of 480 days for each child. In the case of multiple births, parents are entitled to a further 180 days of parental benefit for each additional child.

## Health insurance

A person who is ill is generally entitled to receive sick pay from their employer for the first 14 days with a qualifying deduction. From day 15, they can receive sickness benefit from the Social Insurance Office. In the event of illness (work incapacity) for an extended period, they may also be entitled to activity or sickness compensation.

## Work injury insurance

A person who has sustained an injury at work can receive compensation from the general work injury insurance. The insurance covers all employees, self-employed individuals and contractors, and is dealt with by the Social Insurance Office. The employee can report the work injury themselves at [forsakringskassan.se](https://forsakringskassan.se). Employers must report work injuries on the Social Insurance Office's and the Swedish Work Environment Authority's joint website, [anmalarbetskada.se](https://anmalarbetskada.se).

## Public transitional study support and unemployment insurance

From 1 October 2022, a new public transitional study support applies that is managed by CSN. The support is valid for studies that commence after 1 January 2023. Unemployment insurance applies to both employees and self-employed persons, but the rules for them differ.

## Survivors' pension

In the event a spouse, registered partner or, in some cases, cohabitant has died, the survivors may be entitled to survivors' pension. Children below the age of 20 may also be entitled to compensation. The pension compensates for the livelihood that disappears when a close relative dies, and comprises the following elements: child pension, adjustment pension and extended adjustment pension. There may be other forms of compensation.

## Pension

A person who has worked or lived in Sweden may be entitled to general statutory pension. The pension is funded through employer's contributions and the employee's own contribution. The Pension Authority is responsible for the general state pension. The general state pension comprises income pension, income pension supplement, premium pension, guarantee pension and supplementary pension.

Read more about pensions and insurance schemes at [pensionsmyndigheten.se](https://pensionsmyndigheten.se), [forsakringskassan.se](https://forsakringskassan.se), [kammarkollegiet.se](https://kammarkollegiet.se) and [csn.se](https://csn.se)



# Summary – occupational pension and insurance through work

Below is a summary of occupational pension and insurance through work. You can read a little more about each insurance scheme later in the book.

## Blue collar workers

### PARENTAL BENEFIT SUPPLEMENT (FPT)

A person who has had or adopted a child may be entitled to parental benefit supplement. The supplement is paid when parental benefit at sickness benefit level is paid by the Social Insurance Office, and for a maximum of 180 days until the child reaches the age of 18 months or 18 months after their adoption.

**180 days**

Parental benefit supplement is paid for a maximum of 180 days.

### GROUP SICKNESS INSURANCE (AGS)

For a person receiving sickness benefit, disease carrier's benefit and rehabilitation compensation, AGS can provide daily compensation from day 15–360 of the sickness period. If the employer pays sick pay for longer than 14 days, compensation is provided at the earliest after the final sick pay day.

If sickness benefit switches to activity or sickness compensation, AGS can provide a supplementary monthly compensation.

### WORK INJURY INSURANCE (TFA)

If the blue collar worker has sustained an injury at work, there may be an entitlement to compensation through TFA. To receive this compensation, the injury must have been caused by an accident at work or on the way to or from work. The insurance can also apply in the event of illness that is due to work. TFA can replace the income the employee loses due to the work injury and any expenses. It can also provide compensation for non-pecuniary loss, such as mental suffering and disability. TFA does not apply to travel accidents that are covered by the Traffic Injuries Act. For accidents at work that are covered by the Traffic Injuries Act, the accident must be regulated in the first instance by the vehicle's traffic insurance company.

### SEVERANCE PAY (AGB) AND TSL

If a blue collar worker is made redundant due to work shortage, they can receive support and compensation through the career readjustment insurance. The insurance consists of two parts: career readjustment support, which is handled by TSL, and a lump sum through Severance pay (AGB) if the person has reached the age of 40 when the employment is terminated.

## New rules

As from 1 October 2022, new rules regarding an extended right to career readjustment and skills support apply for blue collar workers who are covered by the new Main agreement.

### TGL GROUP LIFE INSURANCE

If a blue collar worker dies, a tax-free lump sum can be paid to their spouse, registered partner, cohabitant, child(ren) or grandchild(ren) with a right of inheritance through TGL.

### SAF-LO COLLECTIVE PENSION IN THE EVENT OF DEATH

If a blue collar worker dies, close relatives can receive compensation through SAF-LO Collective pension if the blue collar worker has opted to add cover for their family. The forms of cover that can be selected are repayment cover or family cover, or both.



### **SAF-LO COLLECTIVE PENSION**

SAF-LO Collective Pension is a defined-premium occupational pension. Since 1 January 2022, the employee starts earning towards SAF-LO Collective pension from the age of 23 at most until the age of 65, unless the employer and employee have reached agreement regarding continued payments.

### **WAIVER OF PREMIUM INSURANCE (PBF)**

The insurance can take over the employer's payments to the collectively agreed occupational pension. It applies when the employee is on sick leave from day 15, is receiving parental benefit, pregnancy benefit or is on sick leave due to a work injury.

## **White collar workers with ITP 1**

### **ITP 1 – ILLNESS**

In the event of illness for an extended period, there may be an entitlement to ITP disability pension. If the employer has a collective agreement, the employee can receive sick pay from their employer up until day 90, in addition to the sickness benefit. Between days 91–360, the employee can receive ITP disability pension up to 10 price base amounts (SEK 483,000 in 2022) from their salary. White collar workers can receive ITP disability pension for salary portions above 10 price base amounts from day 91. ITP disability pension also applies in the event of activity or sickness compensation.

### **WORK INJURY INSURANCE (TFA)**

If the employee has sustained an injury at work, there may be an entitlement to compensation through TFA. To receive this compensation, the injury must have been caused by an accident at work or on the way to or from work. The insurance may also apply in the event of illness due to the work. TFA can replace the income that is lost due to the work injury and any expenses. It can also provide compensation for non-pecuniary loss, such as mental suffering and disability. TFA does not apply to travel accidents that are covered by the Traffic Injuries Act. For accidents at work that are covered by the Traffic Injuries Act, the accident must be regulated in the first instance by the vehicle's traffic insurance company.

### **CAREER READJUSTMENT AGREEMENT TRR**

If a white collar worker is made redundant due to work shortage or illness, they can receive advice and support to help them find a new job through the career readjustment organisation TRR. In addition, a person who has reached the age of 40, and who has worked continuously for at least five years at a company that is affiliated to TRR, can receive a supplement to the unemployment insurance fund (UIF) through the Severance compensation (AGE).

### **TGL GROUP LIFE INSURANCE**

If the white collar worker dies, a tax-free lump sum may be paid out. The person who can receive the lump sum is generally the worker's spouse, registered partner, child(ren), grandchild(ren) or parents. The white collar worker can prepare a special beneficiary clause and determine for themselves who is to receive the money. The form can be found at [collectum.se](http://collectum.se).

### **ITP 1 – DEATH**

If a white collar worker dies, close relatives can receive compensation through ITP1 if the worker has selected repayment cover or family cover, or both.

### **ITP 1 – RETIREMENT PENSION**

ITP1 is a defined-premium occupational pension. The employee starts earning the pension from the age of 25 at most until the age of 65 – unless the employer and employee have reached agreement regarding continued payments.

## **New rules**

As from 1 October 2022, new rules regarding an extended right to career readjustment and skills support apply for white collar workers.

# **ITP 1**

ITP1 retirement pension is a defined-premium retirement pension.



### WAIVER OF PREMIUM INSURANCE, ITP1

The insurance can take over the employer's payments of premiums to ITP 1. This applies in the event of sick leave after day 14 and in the case of parental leave (including leave for child care).

## White collar workers with ITP 2

### ITP 2 – ILLNESS

In the event of illness for an extended period, there may be an entitlement to ITP disability pension. If the employer has a collective agreement, the employee can receive sick pay from their employer up until day 90, in addition to the sickness benefit. Between days 91–360, the employee can receive ITP disability pension up to 10 price base amounts (SEK 483,000 in 2022) from their salary. White collar workers can receive ITP disability pension for salary portions above 10 price base amounts from day 91. ITP disability pension also applies in the event of activity or sickness compensation.

### WORK INJURY INSURANCE (TFA)

If the employee has sustained an injury at work, there may be an entitlement to compensation through TFA. To receive this compensation, the injury must have been caused by an accident at work or on the way to or from work. The insurance can also apply in the event of illness that is due to work. TFA can replace the income that is lost due to the work injury and any expenses. It can also provide compensation for non-pecuniary loss, such as mental suffering and disability. TFA does not apply to travel accidents that are covered by the Traffic Injuries Act. For accidents at work involving a vehicle that is obliged to have traffic insurance, the report must be submitted to the vehicle's traffic insurance company.

### CAREER READJUSTMENT AGREEMENT TRR

If a white collar worker is made redundant due to work shortage or illness, the white collar worker can receive advice and support to help them find a new job through the career readjustment organisation TRR. In addition, a person who has reached the age of 40, and who has worked continuously for at least five years at a company that is affiliated to TRR, can receive a supplement to the unemployment insurance fund (UIF) through severance compensation (AGE).

### TGL GROUP LIFE INSURANCE

If the white collar worker dies, a tax-free lump sum may be paid out. The person who can receive the lump sum is generally the worker's spouse, registered partner, child(ren), grandchild(ren) or parents. The white collar worker can prepare a special beneficiary clause and determine for themselves who is to receive the money. The form can be found at [collectum.se](http://collectum.se).

### ITP 2 – DEATH

In the event of death, close relatives can receive compensation if the white collar worker has selected repayment cover or family cover, or both, for their ITPK. Family pension can be paid out to surviving spouses, registered partners and child(ren) up to the age of 20 if the white collar worker had a salary above 7.5 income base amounts (SEK 532,500 in 2022).

### ITP 2 – RETIREMENT PENSION

The retirement pension in ITP 2 is a defined-benefit occupational pension with a defined-premium portion, called ITPK.

### WAIVER OF PREMIUM INSURANCE, ITP 2

The insurance can take over the employer's payments of premiums to ITP 2. This applies in the case of sick leave in the month after the 90th day of illness or if the employee has been ill for periods totalling 105 days over the previous twelve months.



For white collar workers with ITP 1 and ITP 2, there is an advisory service regarding collectively agreed pensions and insurance at [avtalat.se/radgivningstjanst](http://avtalat.se/radgivningstjanst)

## New rules

As from 1 October 2022, new rules regarding an extended right to career readjustment and skills support apply for white collar workers.

# ITP 2

ITP 2 retirement pension is a defined-benefit pension.



# Insurance cover for the self-employed

Collectively agreed insurance schemes do not apply to the self-employed. As a result, the self-employed have to obtain insurance cover themselves. There is one exception, however, called Work injury insurance (TFA). TFA applies to all employees at a company that has an insurance agreement with Fora.



Collectively agreed insurance schemes do not apply automatically to anyone who is a managing director of a limited liability company and who is deemed to be a white collar worker. For this reason, the employer and the managing director must reach agreement on the insurance cover.

## Who are considered to be self-employed?

- ▶ **Sole trading firm:** the owner.
- ▶ **Trading company:** all owners.
- ▶ **Limited partnerships:** the general partners (physical or legal persons who have unlimited liability for the company's debts).
- ▶ **Limited liability companies:** any shareholder who owns at least one-third of the shares, personally or jointly with shares that are owned by a spouse, registered partner, parent or child(ren) of the shareholder.
- ▶ Spouses of self-employed persons are always counted as self-employed persons, regardless of corporate form.

Co-owners who own a small portion of a limited liability company can apply for an exemption from being affiliated to the collectively agreed pension and insurance solutions. A person who is a cohabitant and has a child together with the self-employed person can also apply to be exempted. Applications for an exemption are submitted to the ITB Board at Collectum or the Insurance Board at Fora.

The insurance cover can be arranged through individual insurance with any insurance company, through insurance with Fora or the ITP plan via Collectum. Owners of trading companies, general partners in limited partnerships or owners of companies that are not a legal entity cannot be affiliated to ITP.

Self-employed persons who do not have employees can enter into an insurance agreement with Fora, in which case they are covered by Work injury insurance (TFA). A minimum premium of SEK 200/year is paid. If the self-employed person employs staff, these individuals are covered by Fora's insurance schemes for employees and the company starts paying for the insurance. The insurance cover can be extended with Fora by the self-employed person taking out Self-employed person's own insurance, where various options can be selected.

It is possible to combine one or more products in the collective insurance schemes with individual insurance. Self-employed persons can also take out discounted group insurance policies. The individual self-employed person's situation determines the need for insurance cover.

**The self-employed person can take out these insurance schemes via Fora and Collectum**

INSURANCE	SCOPE	INFORMATION FROM
TFA	Work injury insurance. Self-employed persons are automatically included at no cost if the company has taken out insurance policies for its employees with Fora.	Fora
AGS	Group sickness insurance.	Fora
TGL	Group life insurance	Fora and Collectum
SAF-LO COLLECTIVE PENSION	Pension insurance.	Fora
ITP	Self-employed persons in limited companies may affiliate to ITP. Only companies that have an obligation to take out ITP according to a collective agreement may be affiliated.	Collectum

Self-employed persons cannot be covered by the collective agreement's career readjustment insurance schemes. They are not covered by TRR's or TLL's activities.

**Insurance cover for managing directors**

Collectively agreed insurance schemes do not apply automatically to anyone who is a managing director of a limited liability company and who is deemed to be a white collar worker. For this reason, the employer and the managing director must reach agreement on the insurance cover. The exception to this is Work injury insurance (TFA), which also applies to managing directors. For managing directors, collectively agreed insurance can be taken out, such as the ITP plan via Collectum, or individual insurance may be taken out with any insurance company. Managing directors are not covered by TRR.



# Indices and base amounts

The pensions and insurance schemes included both in the general and the collective insurance schemes are calculated in terms of base amounts, the income index/balance index and the adaptability index. This index-links pensions and insurance schemes to prices and incomes, as well as to the stability of the pension system.

## Index

The general pension system has two different indices: income index and balance index. The income index is based on the way incomes change over the years, and is used to calculate the interest in the pension system. A balance sheet for the pension system is prepared every year. If the liabilities are greater than the assets, the pensions cannot follow the wage trend. The balance index guarantees that there is enough money in the system.

## Base amounts 2022

There are three base amounts: price base amount, income base amount and raised price base amount. The price base amounts are calculated by Statistics Sweden and the income base amount by the Pension Authority, at the request of the Government.

The various base amounts are used in different contexts. For example:

- ▶ **Price base amount SEK 48,300.** Income ceiling for sickness benefit and activity or sickness compensation, guarantee pension and work injury life annuity.
- ▶ **Income base amount SEK 71,000.** Income ceiling for the pensionable income (PGI), the general state pension contribution and extra pension rights for childcare years.
- ▶ **Raised price base amount SEK 49,300.** Used when calculating pension points for supplementary pension, for example.

The base amounts are also used within collectively agreed occupational pensions and insurance policies, and define ceilings for pension earning, calculations of compensation and life annuity amounts.

**SEK 48,300**

Price base amount

**SEK 71,000**

Income base amount

**SEK 49,300**

Raised price base amount

# Employer's contributions and premiums

Salaries, remunerations and benefits form the basis for the employer's contribution. The total payroll expense determines the size of the insurance premium.

## Employer's contributions

Companies must report and declare VAT, deducted tax and employer's contributions. The size of the employer's contribution is determined by the cash salary as well as taxable remunerations and benefits. This contribution is an expense that can be deducted in the tax return. If an employee has received a remuneration that is less than SEK 1,000 in a calendar year, they do not need to declare this. At [skatteverket.se](https://skatteverket.se) it is possible to read the deadlines for submitting the tax return and making the payment.

## Special payroll tax

The employer pays special payroll tax on their pension expenses for employees. Fora, Collectum or Alecta assist with the calculation of data for special payroll tax. Payroll tax on pension premiums is paid as normal for the company's corporation tax. The payroll tax is an expense that can be deducted in the tax return.



The employer pays special payroll tax on their pension expenses for employees.

## Premiums for collective insurance schemes for blue collar workers

The size of the premiums is determined annually. Fora invoices the Afa insurance schemes, career readjustment insurance and SAF-LO Collective pension every even month. These premiums can usually be deducted in the tax return.

## Premiums for collective insurance schemes for white collar workers

The size of the premiums is determined annually. Collectum invoices the premium for ITP 1 and ITP 2 as well as ITPK every month. If the employer has taken out TGL with Alecta, the premium is included in Collectum's invoice.

Fora invoices premiums for TFA and TRR. The invoice is sent at the start of each even month. These premiums can usually be deducted in the tax return.

## Compensation for premiums

As from 1 October 2022, the employers who pay a premium for additional collectively agreed study grant, through a career readjustment organisation, will be entitled to receive statutory compensation. This will be administered by Fora in collaboration with the Legal, Financial and Administrative Services Agency.

Only companies that are affiliated to a career readjustment organisation that is registered with the Legal, Financial and Administrative Services Agency will be entitled to seek compensation. This applies to TRR, TSL and CIKO, for example.

## From 1 October 2022

Compensation for premiums only applies to companies that are affiliated to a career readjustment organisation that is registered with the Legal, Financial and Administrative Services Agency.



# Deduction rules and taxes for pensions

Employers may deduct the cost for their employees' pension premiums. There is, however, a maximum ceiling for how large the deduction may be, calculated either using the main or the supplementary rule.

## 35%

The pension premium may not constitute more than 35% of pensionable salary.

## SEK 483,000/year

The employer may deduct a maximum of 10 price base amounts (SEK 483,000 in 2022) per year per employee.

The main rule is that the deduction may not constitute more than 35% of the pensionable salary. The cost may be an insurance premium, balance-sheet liability entries or transfers to pension funds. The employer may deduct a maximum of 10 price base amounts (SEK 483,000 in 2022) per year per employee.

The supplementary rule may be used if at least one of the following conditions exists:

- ▶ change of pension agreement
- ▶ new pension agreement in the event of early retirement
- ▶ insufficiently secured pension commitments.

This means that the costs can be deducted regardless of how large they are. However, the pension may not exceed the levels shown in the table below. For pensions paid out for employees between the ages of 62–65, different rules apply. It is therefore best to check the effects for the employer and employee when one-off premiums are paid in.

SALARY PORTIONS IN PRICE BASE AMOUNTS	COMPARISON LEVEL AS A % OF SALARY, AT RETIREMENT AGE	
	55–64 YEARS	65– YEARS
–7.5	80	20
7.5–20	70	70
20–30	40	40

# Employer's contributions – the following applies

Employers must pay employer's contributions for their employees. This also applies to self-employed persons. For certain age groups, the employer's contribution is reduced.

	<b>EMPLOYER'S CONTRIBUTIONS FOR BLUE COLLAR AND WHITE COLLAR WORKERS (% OF GROSS SALARY)</b>	<b>CONTRIBUTIONS FOR SELF- EMPLOYED PERSONS – NOT LIMITED COMPANIES (% OF GROSS SALARY)</b>
Retirement pension	10.21	10.21
Health insurance	3.55	3.64
Parental insurance	2.60	2.60
Survivors' pension	0.60	0.60
Work injury insurance	0.20	0.20
Labour market contribution	2.64	0.10
General employment tax	11.62	11.62
<b>Total</b>	<b>31.42</b>	<b>28.97</b>

For employees born between 1938–1956, the employer pays retirement pension at 10.21%.

For employees born between 1999–2003, the employer pays employer's contributions at 19.73% for remuneration up to SEK 25,000/month. On portions of salary above SEK 25,000, a full employer's contribution is paid.

For employees born between 2004 and 2006, the employer only has to pay retirement pension fees at 10.21% for remuneration up to SEK 25,000/month. On portions of salary above SEK 25,000, a full employer's contribution is paid.

For sole trader companies employing their first employee, the employer's contribution is reduced to retirement pension at 10.21%. This applies for the first 24 months of the employment.

For self-employed persons born between 1938–1956, the contribution is 10.21% if no qualifying period has been selected. If business activities are passive, only special payroll tax at 24.26% is payable. This rule applies regardless of the age of the self-employed person.

Read more about employer and employee contributions at [skatteverket.se](https://skatteverket.se). Remember! In certain cases, there may be lower fees regionally.

Read more about employer and employee contributions at [skatteverket.se](https://skatteverket.se).



# Premiums for collective insurance schemes – blue collar workers

The employer's costs for the blue collar worker's occupational pension and insurance within agreement area Confederation of Swedish Enterprise and LO are described here.



The parties in most sectors have agreed that the employer is to pay premiums for additional pension allocations or part-time pension.

<b>PREMIUMS FOR SAF-LO COLLECTIVE PENSION – BLUE COLLAR WORKERS (% OF GROSS PAY)</b>	<b>SALARY ≤ SEK 532,500/YEAR</b>	<b>SALARY &gt; SEK 532,500/YEAR</b>
Pension premium *	4.50%	30.00%
Waiver of premium insurance (PBF) **	0%	0%
Group sickness insurance (AGS) **	0%	0%
Parental benefit supplement (FPT) **	0%	0%
Severance pay (AGB) and Career readjustment support from TSL ***	0.49%	0%
Work injury insurance (TFA)	0.01%	0.01%
TGL Group life insurance	0.15%	0%
<b>Total premium</b>	<b>5.15%</b>	<b>30.01%</b>
Funded by surplus funds****	-0.20%	0%
<b>Total premium invoiced</b>	<b>4.95%</b>	<b>30.01%</b>

- \* The premiums are paid from the month when the blue collar worker reaches the age of 23, up to and including the month before the age of 65.
- \*\* Premiums are not paid in 2022 as the companies within Afa Försäkring are well consolidated.
- \*\*\* The premium of 0.49% relates to employers who are covered by a main agreement. The premium is paid on salary portions up to 7.5 price base amounts (SEK 30,188 per month, 2022). As from 1 October, compensation for costs up to 0.15% will be repaid by the Legal, Financial and Administrative Services Agency via Fora. The premium for employers with local collective agreements is 0.89% (less repayment of 0.15%). The premium for employers with collective agreements regarding career readjustment insurance for blue collar workers (not main agreement) is 0.30% (less repayment of 0.15%). The premium for employers with local collective agreements is 0.70% (less repayment of 0.15%). Read more about premiums at [fora.se](https://fora.se).
- \*\*\*\* Premium reduction, which is financed through a surplus within the STP plan via AMF (the old pension plan for blue collar workers).

## Premiums according to industrial agreements

The parties in most sectors have agreed on premiums for additional pension allocations or part-time pension. These premiums are additional and are not included in the above summary. Fora administers the allocation. You can read more about the premiums at [fora.se](https://fora.se) and in the relevant collective agreement.

## Special payroll tax

Employers pay a special payroll tax of 24.26% of the pension costs for their employees. Fora produces the supporting data for payroll tax. This special payroll tax is paid as normal for the company's F-tax (corporation tax). The employer can deduct the payroll tax on taxed income. Read more at [skatteverket.se](https://skatteverket.se)

# Premiums for collective insurance schemes – white collar workers with ITP1

The employer's costs for the occupational pension and insurance within agreement area Confederation of Swedish Enterprise and PTK are described here.

PREMIUMS FOR ITP1 – WHITE COLLAR WORKERS (% OF GROSS SALARY)	SALARY	
	≤ SEK 44,375/MONTH	> SEK 44,375/MONTH
Retirement pension *	4.50%	30.00%
Waiver of premium insurance (PBF) *	0.099%	0.738%
ITP disability pension **	0.025%	0.127%
Career readjustment support and Severance compensation (AGE) from TRR ***	0.55%	0.55%
TGL Group life insurance ****	approx. 0.15%	0%
Work injury insurance (TFA)	0.05%	0.05%
<b>Total premium</b>	<b>5.37%</b>	<b>31.47%</b>

\* The premiums are paid from the month when the white collar worker reaches the age of 25, up to and including the month before the age of 65.

\*\* The premium of 0.025% is paid on salary portions up to 7.5 price base amounts (SEK 30,188/month in 2022).  
The premium of 0.127% is paid on salary portions above 7.5 price base amounts up to 30 income base amounts. (SEK 177,500/month in 2022)

\*\*\* As from 1 October, compensation for costs up to 0.15% will be repaid by the Legal, Financial and Administrative Services Agency and Fora. The premium for employers with local collective agreements is 0.95% (less repayment of 0.15%) from 1 October.

\*\*\*\* Free premium setting is applied and the premium is within the interval SEK 20–39 per month, which is equivalent to approx. 0.15% on salaries up to 7.5 price base amounts (SEK 30,188/month in 2022).

## Premiums according to industrial agreements

The parties in most sectors have agreed on premiums for part-time pension or flexible pension as well as other additional pension allocations. These premiums are additional and are not included in the above summary. Collectum administers the premiums for white collar workers who are covered by ITP. For white collar workers who have abstained from ITP, an agreement must be reached regarding the administration of the additional premiums. You can read more about premiums at [collectum.se](https://collectum.se) and in the relevant collective agreement.

## ITP1

White collar workers born in 1979 or later are covered by ITP1. Employers that enter into collective agreements now can take out ITP1 for all white collar workers irrespective of age, provided this is approved by Collectum. The employer reports the gross salary that is paid each month, and this forms the basis for the premium. For employees between the ages of 18–25, a premium is only paid for ITP health insurance.

## Special payroll tax

Employers pay a special payroll tax of 24.26% of the pension costs for their employees. Collectum produces the supporting data for payroll tax for ITP 1 and ITPK. This special payroll tax is payable as normal for the company's F-tax (corporation tax). The employer can deduct the payroll tax on taxed income. Read more at [skatteverket.se](https://skatteverket.se).

# 24.26%

Employers pay a special payroll tax of 24.26% of the pension costs for their employees.



# Premiums for collective insurance schemes – white collar workers with ITP2

The employer's costs for the occupational pension and insurance within agreement area Confederation of Swedish Enterprise and PTK are described here.

PREMIUMS FOR ITP 2 – WHITE COLLAR WORKERS (% OF GROSS SALARY)	SALARY UP TO 7.5 IBA (SEK 532,500/YEAR)	SALARY 7.5–30 IBA (SEK 532,500/YEAR – SEK 2,130,000/YEAR)
Retirement pension	Individual*	Individual*
ITPK	2.00%	2.00%
ITP disability pension**	0.025%	0.127%
Family pension	–	Individual*
Waiver of premium insurance (PBF)***	0.196%	1.842%
Career readjustment support **** and Severance compensation (AGE) from TRR	0.55%	0.55%
TGL Group life insurance*****	Approx. 0.15%	0.00%
Work injury insurance (TFA)	0.05%	0.05%
Equalisation premium*****	0.7%	0.7%
<b>Total</b>	<b>Individual</b>	<b>Individual</b>



The parties in most sectors have agreed that the employer must pay premiums for part-time pension or flexible pension as well as other additional pension allocations.

- \* Several factors affect the size of the premium, such as salary, age, previously earned pension and the change in the income base amount. The premium is paid until the month before the white collar worker turns 65.
- \*\* 7.5 price base amounts (SEK 362,250/year in 2022) applies here.
- \*\*\* The premium for the final payment of ITP 2 is also included here.
- \*\*\*\* As from 1 October, compensation for costs up to 0.15% will be repaid by the Legal, Financial and Administrative Services Agency via Fora. The premium for employers with local collective agreements is 0.95% (less compensation of 0.15%) from 1 October.
- \*\*\*\*\* Free premium setting is applied and the premium is within the interval SEK 20–39/month, which is equivalent to approx. 0.15% in the event of salaries of up to 7.5 price base amounts (SEK 362,250/year in 2022).
- \*\*\*\*\* Finances premium maximisation in ITP 2. If the premium is higher than the maximum permitted level, money from a special equalisation fund is contributed. All employers with ITP 2 contribute to the amount in the fund by paying the equalisation premium.

## Premiums according to industrial agreements

The parties in most sectors have agreed on premiums for part-time pension or flexible pension as well as other additional pension allocations. These premiums are additional and are not included in the above summary. Collectum administers the premiums. For white collar workers who have abstained from ITP, an agreement must be reached regarding the administration of the additional premiums. You can read more about the premiums at [collectum.se](http://collectum.se) and in the relevant collective agreement.



## ITP 2

White collar workers born in or prior to 1978 are covered by ITP 2. Employers that enter into collective agreements now can take out ITP 1 for all white collar workers irrespective of age, provided this is approved by Collectum. Read more on page 93.

### Special payroll tax

Employers pay a special payroll tax of 24.26% of the pension costs for their employees.

Alecta produces the supporting data for payroll tax for ITP 2 and Collectum for ITPK.

This special payroll tax is paid as normal for the company's F-tax (corporation tax).

The employer can deduct the payroll tax on taxed income. Read more at [skatteverket.se](https://skatteverket.se).



# How pension and insurance schemes are managed

Statutory pension and insurance schemes are managed by authorities: the Pension Authority, the Social Insurance Office and the Swedish Tax Agency. The collectively agreed insurance schemes are administered by Fora and Collectum.

The Pension Authority, the Social Insurance Office and the Swedish Tax Agency handle the administration.

## General state pension and statutory insurance schemes

The Swedish Parliament and the Government institute laws and review regulatory requirements in the field of pensions and insurance. The Pension Authority, the Social Insurance Office and the Swedish Tax Agency handle the administration. The Swedish Tax Agency determines the pensionable income annually. The Agency sends this information to the Pension Authority, and the information then forms the basis for future pensions. Read more about the situation for pensions and insurance under the relevant chapter in the book.



Collectively agreed occupational pensions and insurance are administered by Fora and Collectum.

## Occupational pension and insurance schemes through work

Central employers' and employees' organisations are responsible for negotiating and agreeing on the occupational pensions and insurance schemes included in the collective agreements. After this, they recommend that their member associations should accept the agreement. The collectively agreed occupational pensions and insurance schemes are administered by Fora and Collectum. Read more about the situation under the relevant chapter in the book.

Some collective agreements include supplementary premiums to the occupational pension, over and above that which exists within the framework of SAF-LO Collective pension and the ITP plan. Read more in the relevant collective agreement.

# What affects the insurance cover?

The insurance cover is affected by various factors, such as type of employment, period of employment and age. Pensions and compensation also follow socio-economic changes.

## Different types of employment

There are various types of employment: permanent and temporary. The type of employment can affect the insurance cover.

### PERMANENT EMPLOYMENT

In broad terms, this can be described as the employment continuing until either the employer or the employee – or both – decides that it should cease.

### TEMPORARY EMPLOYMENT

There are various types of temporary employment. The Security of Employment Act (LAS) and collective agreements regulate what applies in each situation.



There are various types of employment: permanent and temporary.

## Period of service – qualifying period

Period of service: Determines when the employee is earning money into their occupational pension and distinguishes between the agreements, but also applies to qualification for insurance.

Qualifying period: Some insurance schemes require that the employee has been covered by the insurance or has worked for certain time before it starts to apply, wholly or in part.

## Degree of service

The degree of service can affect the pension and insurance cover.

## Income – how it has an effect

For most pensions and insurance schemes, it is the income that determines the size of the compensation. The compensation is calculated on monthly income, annual income or on lifetime income. Hypothetical income can sometimes also be included.

## Base amounts

The pensions and insurance schemes that exist within both the general and the collectively agreed systems are calculated in relation to e.g. base amounts. These are the price base amount, the raised price base amount and the income base amount. Read more about base amounts on page 20.

## Leave – what is the situation?

Insurance schemes during leave apply in the event of studies or parental leave, for example. They can also apply in the event of leave of absence and holiday. Read more about leave on pages 110–113.

## Price base amount

The price base amount follows the general price trend.

## Income base amount

The income base amount follows the general income trend in Sweden.



# Parental leave

## Statutory parental insurance

Everyone who either has a child or has adopted a child is entitled to go on leave, both when the child is born and as the child grows up. Parental insurance can provide the employee with financial support and lays the foundations regarding when and for how long the leave may last.

### Parental benefit at the birth or adoption of a child

Parental benefit is paid to both parents and is provided for a maximum of 480 days in total for both parents. If the parents provide joint care, they are entitled to parental benefit for 240 days each. Of these days, the parents must take 90 days each – these days cannot be transferred. If the child was born before 2016, 60 days applies.

In the case of multiple births, the parents receive 180 extra compensation days for each additional child. Pregnant women can start drawing parental benefit 60 days before the estimated due date.

### Children born in 2014 and later

Parental benefit can be paid from the time when the child is born until the child reaches the age of twelve or when the child finishes year 5 of compulsory school. However, the majority of the compensation must be drawn before the child reaches the age of four. After the child's fourth birthday, the parents can save a total of 96 days. For parents who have had multiple children during the same birth, the parents may save a total of 132 days.

### Children born before 2014

For children born before 2014, special rules apply. The parents can receive parental benefit at most until the child has finished their first year of compulsory school. If the child reaches the age of eight after the end of the school year, the parental benefit may be drawn until the child's 8th birthday.

#### READ MORE ABOUT THE LEGAL SITUATION AT

- ▶ Social Insurance Code (2010:110) at [riksdagen.se](http://riksdagen.se)
- ▶ [forsakringskassan.se](http://forsakringskassan.se)



The majority of the parental benefit must be taken before the child reaches the age of four.



## Different compensation levels – size of the compensation

The parent can receive parental benefit seven days a week, including on those days when the parent is not normally at work. There are three different compensation levels.

- ▶ The first is known as sickness benefit level and corresponds to 77.6% of the sickness-benefit qualifying income (SGI) with an income ceiling of 10 price base amounts. This assumes that the parent has had an annual income of at least SEK 82,300 for at least 240 consecutive days before the child's predicted or actual birth. Compensation at this level can be provided to a parent who is insured for work-based parental benefit.
- ▶ The second level is known as basic level and amounts to SEK 250/day. The basic level applies to parents who do not have an income or have earned less than SEK 117,590 over the course of a year.
- ▶ The third level is called the lowest level and applies for 90 days. The lowest level is SEK 180/day. This can be provided to parents who are insured for residence-based parental benefit, and refers to time when parental benefit is not provided at sickness benefit level or basic level.

Find out more about how sickness benefit is calculated on page 41.

## Different compensation levels

### Sickness benefit level

Assumes that the parent has had an annual income of at least SEK 82,300 for at least 240 consecutive days before the child's predicted or actual birth.

77.6% of SGI

### Basic level

The basic level applies to parents who do not have an income or have earned less than SEK 117,590 over the course of a year.

SEK 250/day

### Lowest level

The lowest level can be provided to a parent who is insured for residence-based parental benefit, and refers to time when parental benefit may not be provided at sickness benefit level or basic level.

SEK 180/day

Day  
1

Day  
390

Day  
480

# Parental benefit supplement (FPT) for blue collar workers

Parental benefit supplement (FPT) provides supplementary compensation to employed blue collar workers who are on parental leave and who are receiving parental benefit from the Social Insurance Office.

## Period of employment for entitlement to Parental benefit supplement (FPT)

In order for an employee to be entitled to FPT via a collective agreement, they must have been employed for at least 12 or 24 months, within a period of four years before the birth or adoption of the child, at one or more employers who have had insurance regarding Parental benefit supplement. If the period of employment started before the employer had the insurance, this time is also counted.

1. A period of employment of at least 12 months grants entitlement to a maximum of 60 days with FPT.
2. A period of employment of at least 24 months grants entitlement to a maximum of 180 days with FPT.

Absence from work of more than six consecutive months is not counted as the qualifying period unless the absence is due to illness (with compensation such as sick pay, sickness benefit or activity and sickness compensation), full leave with pay or full leave according to the Parental Leave Act.



For each birth or adoption, the employee is entitled to FPT for a maximum of 180 calendar days with parental benefit at sickness benefit level.

## Entitlement to compensation

An employee who is on parental leave is entitled to FPT during a continuous period with parental benefit at sickness benefit level. This leave does not need to relate to every day of the week, rather it is the period of leave agreed between the employee and the employer. FPT applies for 18 months following the birth or adoption of the child.

## Drawing Parental benefit supplement





FPT is paid in proportion to the amount of statutory parental benefit that is drawn.

### **Drawing Parental benefit supplement (FPT)**

For each birth or adoption, the employee is entitled to Parental benefit supplement for 60 or a maximum of 180 calendar days with parental benefit at sickness benefit level. Parental benefit supplement applies for 18 months following the birth or adoption of the child. After parental benefit has been paid out from the Social Insurance Office, an application can be submitted to Afa Försäkring regarding FPT. Compensation is only paid for a continuous period of parental leave. The period can be continuous or comprise scattered days during the period. To be entitled to receive compensation, the application must be submitted within five and a half years following the birth or adoption of the child. FPT is paid in proportion to the amount of statutory parental benefit that is drawn.

### **Size of the Parental benefit supplement (FPT)**

The compensation is 10% on the portion of salary up to 10 price base amounts and 90% on salary portions above this amount. There is no income ceiling for compensation in the insurance relating to Parental benefit supplement. The insurance is designed such that it increases the conditions for an even drawing of compensation days, regardless of any difference in the parents' salary levels. Parental benefit supplement is proportional to the amount of parental benefit that is drawn.

### **Application for Parental benefit supplement from Afa Försäkring**

The employee must apply in person for FPT from Afa Försäkring. The application must be made within 5.5 years of the child's birth or adoption. If the application is submitted later than this, the employee will not receive any compensation. The employer can also apply, but is under no obligation to do so.

### **Waiver of premium insurance (PBF)**

When the employee makes an application for Parental benefit supplement from Afa Försäkring, waiver of premium insurance is applied for automatically. This insurance is linked to occupational pension included in the collective agreement. The insurance takes over the payment of premiums to the occupational pension the employer would have paid in if the employee had been at work and receiving salary. The premium is paid for a maximum of 13 months per child. A person who has failed to make an application for Parental benefit supplement within 5.5 years after the birth or adoption can still apply. The employee will be refused FPT, but will receive paid premiums for SAF-LO Collective Pension through waiver of premium insurance.

The blue collar worker may be entitled to pension allocation for time before Parental benefit supplement started to apply (1 January 2014). As from 1 January 2012, the mother-to-be can also receive pension allocation when she is receiving pregnancy benefit prior to the birth of the child.

Read more about waiver of premium insurance in the chapter on pensions on page 92.

### **Working after the age of 65**

The employee is also entitled to FPT after reaching the age of 65 (there is no upper age limit). Waiver of premium insurance ceases at the age of 65. The employer pays no premium from the month when the employee turns 65.

# Parental pay for white collar workers through work

The collective agreements include parental pay that is paid by the employer in the event of parental leave. However, there is no collectively agreed parental insurance.

The parental pay supplements the parental benefit in the event of parental leave, jointly corresponding to almost 90% of salary. Parental pay works differently in different sectors or collective agreements. Read more in the relevant collective agreement.

## White collar workers ITP1

The premium for occupational pension ITP 1 is paid automatically through the waiver of premium insurance in the event of parental leave or care of a sick child (VAB). To be entitled to waiver of premium insurance, the employee must be receiving compensation from the Social Insurance Office in the form of parental benefit or temporary parental benefit. The pension premiums continue to be paid in for ITP1 for a maximum of 13 months through waiver of premium insurance when the white collar worker is receiving parental benefit.

## White collar workers ITP2

For ITP2, it is up to the employer to decide whether or not to continue paying money into the occupational pension during parental leave. The Confederation of Swedish Enterprise and PTK recommend continuing to pay ITP2 for eleven months. The period of parental benefit is always counted as the pensionable employment period for eleven months.

# ≈90%

The parental pay supplements the parental benefit in the event of parental leave, jointly corresponding to almost 90% of salary.



# Checklist – Parental leave

What should employees and employers do in the event of parental leave? The checklist covers a number of important matters. It is important to consider that the situation differs for blue collar and white collar workers, as well as depending on whether a white collar worker has ITP1 or ITP2.



## EMPLOYER OF BLUE COLLAR WORKERS

- ▶ Notify the employee that Parental benefit supplement is a complement to the parental benefit.
- ▶ Reach agreement with the employee regarding when the parental leave is to start and end. FPT is paid out during a continuous period of leave.
- ▶ Confirm the employment to Afa Försäkring when an employee has applied for FPT.
- ▶ The employer should not pay pension premiums for the employee in the event of parental leave or pregnancy benefit. When the employee applies for FPT, an application is automatically submitted for pension allocation from the waiver of premium insurance.
- ▶ Report to Fora the salary that the company has paid to the employee during the year.

## BLUE COLLAR WORKERS

- ▶ Apply for parental benefit from the Social Insurance Office.
- ▶ Apply for FPT from Afa Försäkring.
- ▶ Reach agreement with the employer regarding when the parental leave is to start and end. FPT is paid out during a continuous period of leave. It is therefore important to plan the relevant period.
- ▶ If no application for FPT is submitted – apply for pension allocation from the waiver of premium insurance with Afa Försäkring.



## EMPLOYER OF WHITE COLLAR WORKERS WITH ITP1

- ▶ Continue reporting the paid gross salary/month to Collectum. This applies even if the salary is SEK 0. Remember! The employee must not be deregistered.
- ▶ The premium for occupational pension ITP1 is paid automatically through the waiver of premium insurance in the event of parental leave or care of a sick child (VAB).
- ▶ To be entitled to waiver of premium insurance, the employee must be receiving compensation from the Social Insurance Office in the form of parental benefit or temporary parental benefit.
- ▶ According to most collective agreements, parental pay must be paid out; read more in the relevant collective agreement.
- ▶ The ITP insurance continues to apply to ITP1 for a maximum of 13 months through waiver of premium insurance when parental benefit is being drawn.

## EMPLOYER OF WHITE COLLAR WORKERS WITH ITP2

- ▶ Pay the ITP insurance during parental leave. The employer is not obliged to do this, but the Confederation of Swedish Enterprise and PTK recommend continuing to pay ITP 2 for eleven months.
- ▶ If the employer is not going to pay the ITP insurance during the leave, the employer must notify this to Collectum.
- ▶ Report to Collectum when the employee is back at work and specify that parental leave has applied.
- ▶ According to most collective agreements, parental pay must be paid out; read more in the relevant collective agreement.

## WHITE COLLAR WORKERS WITH ITP1 OR ITP2

- ▶ Apply for parental benefit from the Social Insurance Office.
- ▶ Check with the employer or your trade union what rules apply at the workplace regarding parental pay.
- ▶ The premium for occupational pension ITP1 is paid automatically through the waiver of premium insurance in the event of parental leave or care of a child (VAB).
- ▶ To be entitled to waiver of premium insurance, the employee must be receiving compensation from the Social Insurance Office in the form of parental benefit or temporary parental benefit.
- ▶ The insurance continues to apply to ITP1 for a maximum of 13 months through waiver of premium insurance when the white collar worker person is receiving parental benefit.
- ▶ It is recommended that the premium for the occupational pension ITP 2 should be paid by the employer for eleven months during parental leave. There is no entitlement to waiver of premium.



# Illness

# Statutory health insurance

The general health insurance can provide financial support to anyone who becomes ill. The insurance covers portions of the lost income.

## Different forms of compensation

If the employee becomes ill or sustains an injury and their work capacity is reduced, they may be entitled to sick pay from their employer. Sick pay can be provided for up to 14 days for each new period of illness. At the start of the period of illness, the employer makes a deduction from the salary (qualifying deduction).

As from day 15 of the period of illness, sickness benefit may be granted from the Social Insurance Office.

A person who is below the age of 30 and who, due to illness or injury, has reduced working capacity for at least one year, can receive activity compensation. Since 2017, full sickness compensation may be granted from the age of 19 in certain cases. For a person between the ages of 30–64 and whose work capacity is permanently reduced, sickness compensation may be granted until further notice.

## Sick Pay Act

Employers pay sick pay for the first 14 calendar days when an employee has reduced working capacity due to illness. This applies to individuals who have permanent employment or who are temporarily employed for at least one month.

A person who is temporarily employed for a period of less than one month is entitled to sick pay if they have been employed for 14 consecutive days. Several periods of employment with the same employer may be combined if the intervals between them do not exceed 14 calendar days.

## Size of the sick pay

The employee's sick pay during the sick pay period is 80% of their salary. This applies regardless of the size of their salary. For each instance of illness, a qualifying deduction must be made from the sick pay, corresponding to 20% of the sick pay during an average week.

## Qualifying deduction

The qualifying deduction is a deduction that is made from sick pay or sickness benefit in conjunction with sickness absence. This corresponds to 20% of sick pay during an average week. Deductions are made for each hour that the employee would have worked if they had not been ill. Weekly working hours refers to the number of working hours/holiday-free week.

### READ MORE ABOUT THE LEGAL SITUATION AT

- ▶ Social Insurance Code (2010:110) at [riksdagen.se](http://riksdagen.se)
- ▶ [forsakringskassan.se](http://forsakringskassan.se)

**Illness deduction per hour:**  
 $\frac{20\% \times \text{monthly salary} \times 12}{52 \times \text{weekly working hours}}$

For a person who has irregular working hours, the average weekly working time/month is calculated. To calculate the illness deduction per hour for the compensation days in the sick pay period:  $20\% \times \text{monthly salary} \times 12 / 52 \times \text{weekly working hours} = \text{illness deduction per hour}$ . Read more in the relevant collective agreement about how qualifying deductions are calculated.

# 20%

The qualifying deduction corresponds to 20% of sick pay during an average week.

### SPECIAL RULES WHEN BECOMING ILL AGAIN

Occasionally the employee returns to work after having been ill and then becomes ill again. If this occurs within five calendar days, it is counted as a continuation of the previous period. In other words, it is not necessary to start over with a new qualifying deduction. The employer combines the days and pays sick pay for a sickness period of 14 days.

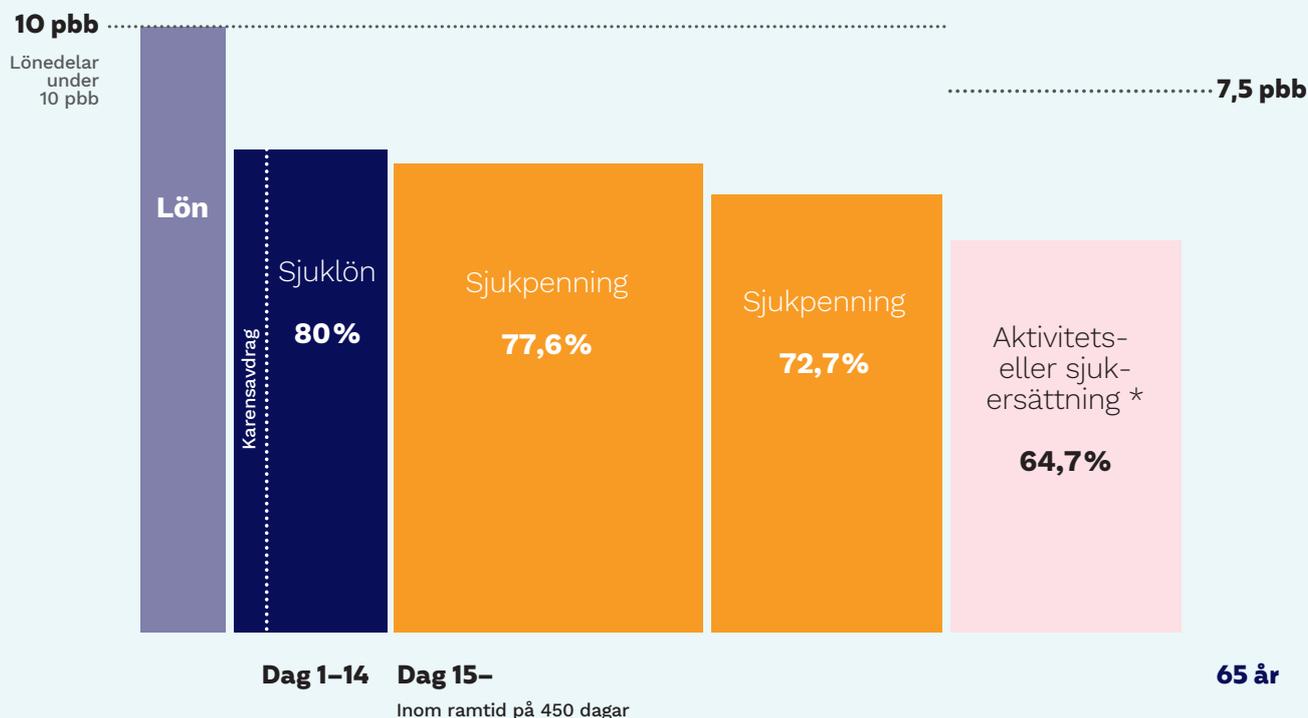
### MAX TEN INSTANCES WITH QUALIFYING DEDUCTIONS

There is a ceiling for how many qualifying deductions a person may have. At a single employer, an employee may have a maximum of ten qualifying deductions over a period of twelve months. A person who becomes ill for an eleventh time receives compensation at 80% of their salary with no qualifying deduction for the sick pay period.

### Special high-risk cover

In the event of illness or disability that can entail a person frequently becoming ill (more than ten times during the course of one year) or being ill for a prolonged period (more than 28 consecutive days), an application can be made for special high-risk cover from the

## Compensation during illness



\* Sickness compensation is based on the assumed income.

Social Insurance Office. This means that the employee can avoid qualifying deductions in the case of repeated instances of illness, and the employer can receive compensation for sick pay costs in the event of prolonged or frequently recurring periods of illness. The maximum compensation an employer can receive is SEK 250,000 for a year. Read more at [forsakringskassan.se](https://forsakringskassan.se).

### Sickness benefit

Everyone who has a sickness-benefit qualifying income (SGI) of at least SEK 11,500 in 2022 – and who works in Sweden – can be entitled to sickness benefit from the Social Insurance Office. The employee's SGI (max 10 price base amounts) is calculated by multiplying the monthly salary by 12 and then by a factor of 0.97. Taxable benefits or holiday supplements may not be included in SGI. An individual who has received sickness benefit for 364 days during a framework period comprising the past 450 days needs to apply again in order to continue receiving sickness benefit. There are two levels they can apply for: sickness benefit at normal level or sickness benefit at continuation level. In the case of serious illness, sickness benefit applies at normal level. The illnesses that are counted as serious are described in the National Board of Health and Welfare's criteria for serious illness. Sickness benefit at normal level is 80% of SGI and sickness benefit at continuation level is 75% of SGI, multiplied by a factor of 0.97. This means that the compensation levels are 77.6% and 72.7% respectively.

**SGI:**  
Monthly salary x 12 up to  
10 pba/year x 0.97

In order to receive sickness benefit, a person's working capacity must be reduced by at least 25%. To be entitled to full sickness benefit, the employee must have no working capacity at all. Other sickness benefit levels that they may be entitled to are 50% or 75%.

### Activity and sickness compensation

In the event of reduced working capacity for a prolonged period, there are two different types of compensation: activity compensation and sickness compensation. A person who is below the age of 30 and who has reduced working capacity due to illness, injury or disability for at least one year can receive activity compensation. From the age of 19, the person can receive full sickness compensation if it is deemed that they have permanently reduced working capacity. A person who has a permanent reduction in working capacity and who is between the ages of 30–65 can receive sickness compensation. For both types of compensation, the working capacity must be reduced by at least 25%. Other levels are 50%, 75% or 100%. The income-related activity or sickness compensation is calculated on the assumed income. Assumed income is generally calculated as the average of the three highest annual incomes over a framework period. The length of the framework period varies from five to eight years and is dependent on the person's age. A person aged 46 or younger has a framework period of eight years, while older individuals have a shorter framework period. Assumed income can never be higher than 7.5 pba. Full income-related activity or sickness compensation is calculated as 64.7% of the assumed income. It is the Social Insurance Office that pays out these types of compensation.

### Working after the age of 65

The Sick Pay Act has no age limit and sickness benefit is paid for employees who have reached the age of 65 – although with certain limitations. For an employee who has received sickness benefit for 180 days and who has reached the age of 65, the Social Insurance Office can assess the continued entitlement to sickness benefit. If the person has reached the age of 70, sickness benefit is paid out for a maximum of 180 days in total. Employees who have reached the age of 65 cannot receive sickness compensation. Read more at [forsakringskassan.se](https://forsakringskassan.se).

### Workplace-oriented rehabilitation support

The employer can receive a grant to hire experts to investigate, plan, initiate, implement and follow up workplace-oriented measures. Read more at [forsakringskassan.se](https://forsakringskassan.se).

## The rehabilitation chain – how the Social Insurance Office assesses this

Working capacity is assessed differently depending on the length of time an employee has been ill. According to the rehabilitation chain, working capacity, and accordingly the entitlement to sickness benefit, is assessed against the employee's own work, against other work at the employer or against normally occurring work on the labour market at various times. Sickness benefit can be exchanged for rehabilitation compensation during work-oriented rehabilitation.

### SICK DAYS 15–90

The employee may be entitled to sickness benefit if they cannot carry out their work at their employer. The employer must investigate whether the person on sick leave can work, in part by determining whether there are any work duties that the person can perform or whether the workplace and working conditions can be adapted. At the latest by day 30 of a sickness period, the employer must have drawn up a “plan for returning to work” if the capacity to work is assumed to have been reduced for at least 60 days. This plan may be requested by the Social Insurance Office.

### SICK DAYS 91–180

The employee may be entitled to sickness benefit if they cannot carry out any work at all at their employer. The employer must investigate the potential to adapt the work so that the person can continue to work. The employer also needs to investigate whether there is any other suitable work within the operation.

### SICK DAYS 181–365

The person who is employed and still cannot carry out any work due to illness is only entitled to sickness benefit if they cannot carry out work that occurs normally on the labour market. If there are significant grounds to suggest that the employee can return to work at the employer before day 365, the assessment of working capacity against normally occurring work on the labour market can be deferred. There are certain other exceptional situations when working capacity can be assessed in relation to work at an employer after day 180 as well. Read more at [forsakringskassan.se](https://www.forsakringskassan.se).

### FROM SICK DAY 366

After day 365, working capacity is always assessed against normally occurring work on the labour market, except when this can be considered unreasonable.

## Rehabilitation chain



# Group sickness insurance (AGS) for blue collar workers

Group sickness insurance (AGS) complements sickness benefit and activity or sickness compensation when a blue collar worker is on sick leave and cannot work.

## Who can receive AGS?

The insurance applies to blue collar workers who cannot work due to illness or an accident. The employee must have a sickness-benefit qualifying income in order for the insurance to apply.

## Who is entitled to compensation, and when?

In order to be entitled to AGS compensation, the blue collar worker must

- ▶ have been employed for 90 days (qualifying period). Previous employment at employers who have taken out AGS-KL, AGS, ITP or KTP may also be credited if part of this has, at the latest, been during the two years immediately preceding the current employment
- ▶ have been fit for work to at least 25% for at least one week when the insurance is to enter into force
- ▶ have a sickness-benefit qualifying income (SGI) established by the Social Insurance Office.



AGS applies to blue collar workers who cannot work due to illness or an accident.

When the qualifying period has been completed and the insurance cover has started to apply, the insurance applies for as long as the employment continues (insurance-carrying employment period). However, the employee may not be absent from work for a prolonged period unless the absence is due to illness, full leave according to the Parental Leave Act or full leave with pay. In the case of absence from work for more than six months due to other reasons, this period is not classed as an insurance-carrying employment period and the rules relating to post-employment cover apply instead. If the person is entitled to other agreed sickness benefit during the period of absence, the entitlement to AGS will cease.

## How AGS provides compensation

- ▶ When sickness benefit is at approximately 80% at normal level (77.6%) from the Social Insurance Office, the daily compensation from AGS is 12.5% of the sickness benefit.
- ▶ When sickness benefit is at approximately 75% at continuation level (72.7%), the daily compensation is 13.3% of the sickness benefit.
- ▶ AGS does not provide daily compensation for the time after day 360 of the sickness period or for incomes above 10 price base amounts, i.e. the ceiling.

In the event activity or sickness compensation is being paid, AGS can provide a monthly compensation based on the sickness-benefit qualifying income (SGI) at the time when the person becomes ill.



AGS can also provide compensation in the case of disease carrier's benefit, preventive sickness benefit and rehabilitation compensation.

- ▶ For income portions up to 7.5 price base amounts, monthly compensation is provided from AGS according to a table in the insurance provisions.
- ▶ For income portions between 7.5 and up to 20 price base amounts, monthly compensation from AGS is provided at 65% of SGI.
- ▶ For incomes between 20 and up to 30 price base amounts, monthly compensation from AGS is provided at 32.5% of SGI.
- ▶ Both daily compensation and monthly compensation are taxable benefits.

## Waiver of premium insurance

Waiver of premium insurance means that the premiums for occupational pension are paid from the insurance rather than by the employer as from day 15 of a sickness period.

### Waiver of premium insurance (PBF)

When the employee submits an application for AGS, Afa Försäkring investigates whether there is an entitlement to waiver of premium. This insurance is linked to occupational pension included in the collective agreement. The insurance takes over the payment of premiums to the occupational pension the employer would have paid in if the employee had been at work and receiving salary. Read more about waiver of premium insurance in the chapter on pensions on page 92.

### Post-employment cover AGS

If the employment ceases or in the event of a prolonged period of absence from work, the insurance can continue to apply for a certain time. This time is known as the period of post-employment cover and applies for a maximum of 720 calendar days. In order for this to apply, the insured person must have a sickness-benefit qualifying income (SGI). If the blue collar worker receives sickness benefit during the period with post-employment cover, no post-employment cover days are used up. The post-employment cover ceases if the person has not been registered with the Employment Service within three months. The same applies if they have been employed for a total of 180 days at an employer that has not taken out AGS. Post-employment cover also does not apply if they becomes otherwise entitled to benefits that correspond in principle. Blue collar workers who leave a workplace and do not comply with the agreed notice period are not covered by post-employment cover.

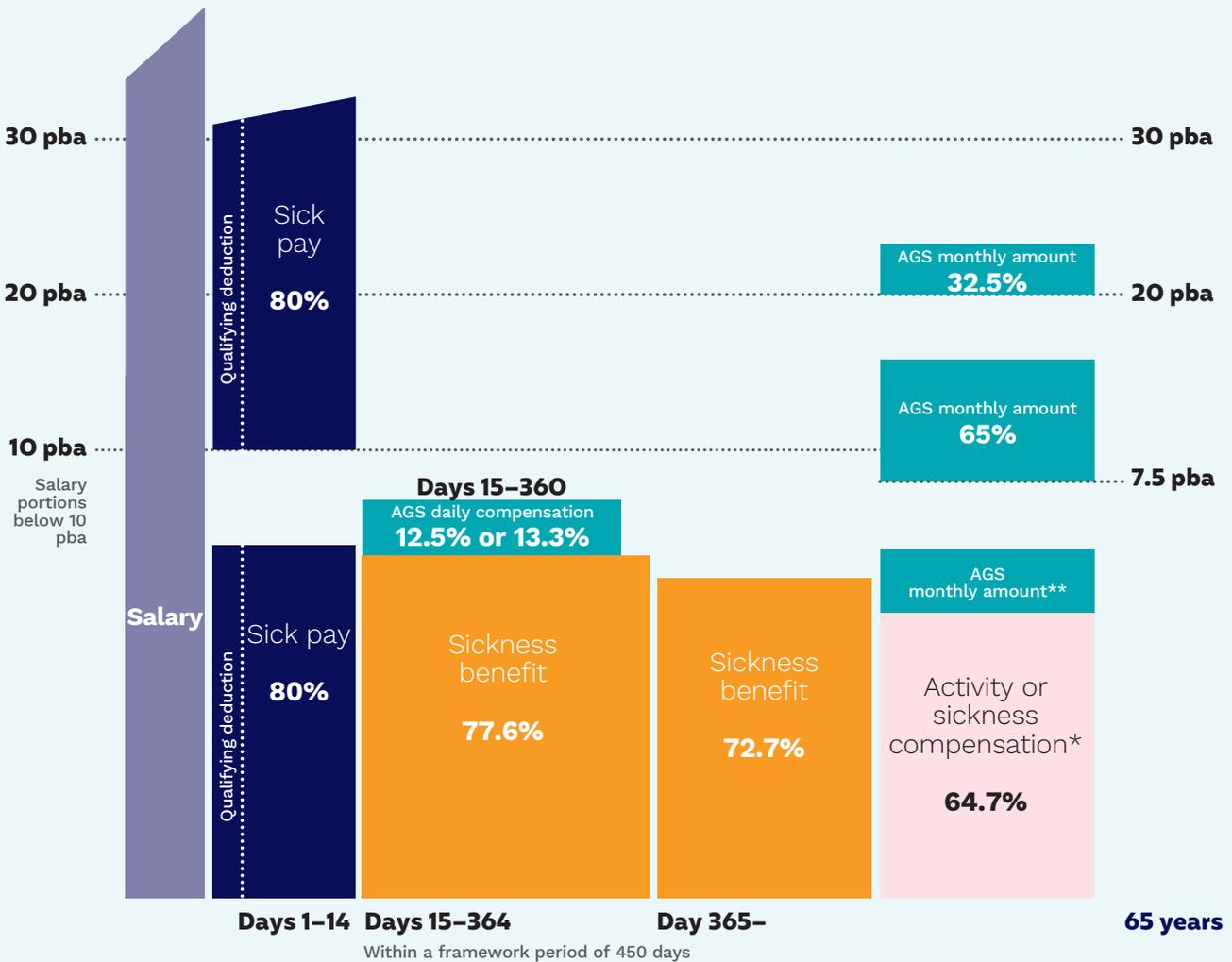
### Working after the age of 65

AGS applies at most until the month before the employee turns 65.

### Rehabilitation support – support for work-oriented rehabilitation

The employer can receive financial compensation for up to half of their costs when a blue collar worker undergoes preventive initiatives or work-oriented rehabilitation for both physical and psychological problems. The Confederation of Swedish Enterprise and LO jointly allocate funds through the AGS fund. The employer applies for the support from Afa Försäkring.

## Group sickness insurance (AGS) for blue collar workers



\* Sickness compensation is based on the assumed income.

\*\* Monthly amounts are based on SGI at the time when the person becomes ill.



# ITP disability pension for white collar workers

In addition to sickness benefit, a white collar worker who is ill can also receive sick pay from their employer from day 15. This is set out in collective agreements for white collar workers. In the event of long-term illness, ITP disability pension may be paid out.



When a person has worked for an employer with a collective agreement for at least one year, they are entitled to collectively agreed sick pay between days 15 and 90. A person who has worked for less than one year receives collectively agreed sick pay between days 15 and 45.

## Entitlement to collectively agreed sick pay

When a person has worked for an employer with a collective agreement for at least one year, or has transferred directly from a position in which they were entitled to sick pay for at least 90 days, they are entitled to collectively agreed sick pay between days 15 and 90. A person who has worked for less than one year receives sick pay between days 15 and 45. If they become ill on multiple occasions during a twelve-month period, sick pay applies for a maximum of 105 days in total. The sick pay is paid by the employer. Read more in the relevant collective agreement.

## ITP disability pension during a sickness benefit period

After 90 sick days, the entitlement to collectively agreed sick pay ceases. ITP disability pension can then be paid out by Alecta as a complement to the sickness benefit.

## Entitlement to ITP disability pension

White collar workers may be entitled to ITP disability pension if they:

- ▶ are at least 18 years old and are covered by the ITP plan
- ▶ have a minimum of 25% sick leave
- ▶ are receiving preventive sickness benefit, sickness benefit, rehabilitation compensation, activity or sickness compensation
- ▶ have been ill for more than 90 consecutive days (or more than 105 calendar days in different periods over the past twelve months).

## ITP 1

When a person with ITP 1 becomes ill and loses payments into their occupational pension, they are compensated by the waiver of premium insurance taking over the payments.

### WAIVER OF PREMIUM INSURANCE (PBF), ITP 1

The insurance takes over the payments to the occupational pension in the event of loss of income due to illness for longer than 14 days. The insurance applies from the month when the employee turns 25 until the month before they turn 65. The waiver of premium is proportional to the degree of compensation from the Social Insurance Office.

## ITP 2

For employees with ITP 2, the waiver of premium insurance takes over the payments to the occupational pension after the 90th day of illness or if the employee has been ill for periods totalling 105 days.

### WAIVER OF PREMIUM INSURANCE (PBF), ITP 2

For employees with ITP 2, the waiver of premium insurance takes over the payments to the occupational pension fully the month after the 90th day of illness or if the employee has been ill for periods totalling 105 days over the past twelve calendar months. This also applies if the sick leave is part-time.

The insurance applies until the month before the employee turns 65.

As long as the waiver of premium applies, the entire ITP insurance is calculated on the salary the employee had immediately before the waiver of premium. The insurance does not follow the wage trend, rather the benefits are calculated using Alecta's pension supplement. Benefits during payment are also calculated using Alecta's pension supplement.



### Post-employment cover

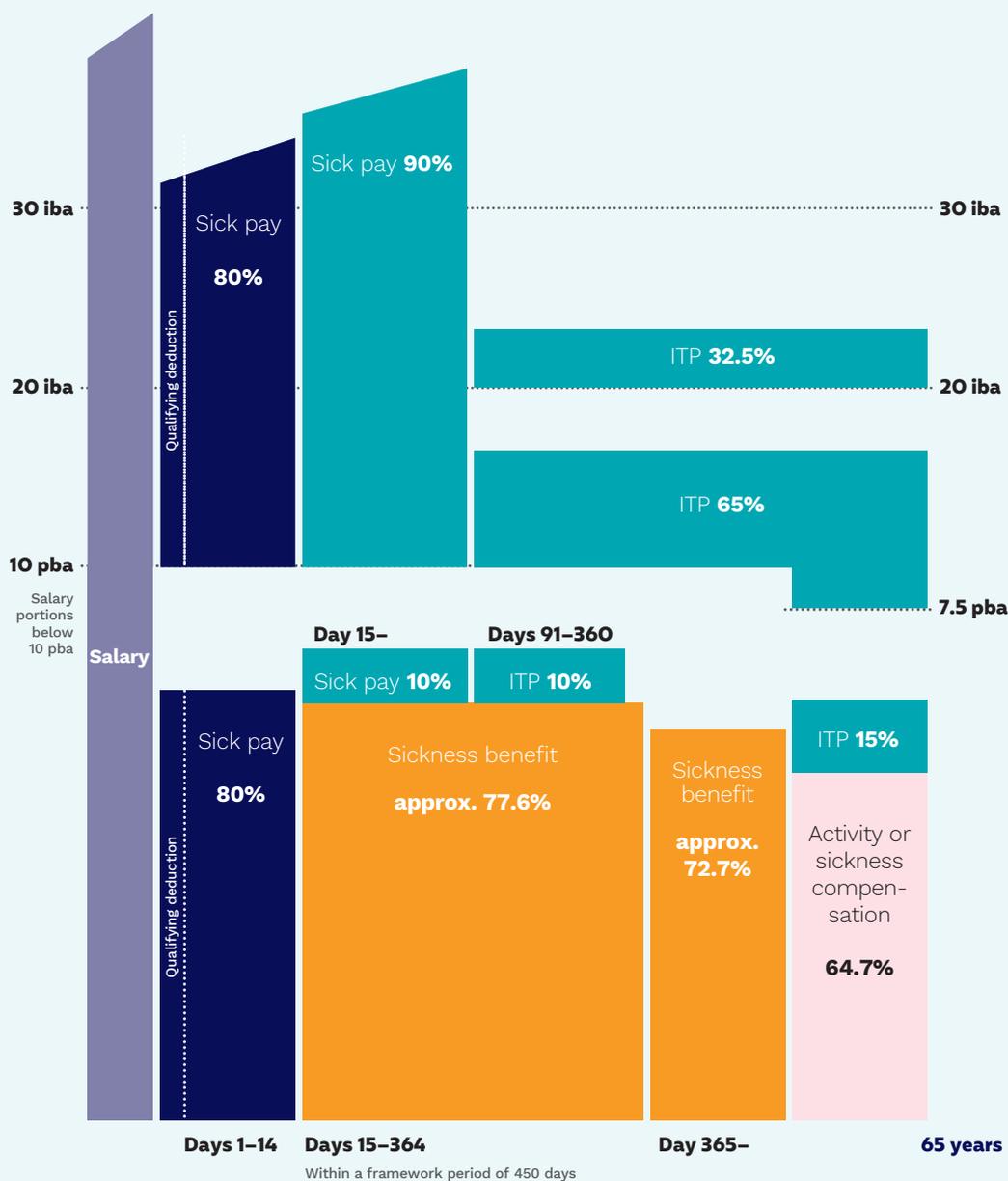
When the employment is terminated, the health insurance may apply for a further three months. This is known as post-employment cover.

### Working after the age of 65

A person who continues working after turning 65 is usually entitled to collectively agreed sick pay up to the age of 68, although different rules may apply in the event of new employment after turning 65. White collar workers can be covered by ITP disability pension if certain conditions are satisfied.

A white collar worker who is covered by ITP 1 before reaching the age 65, and who continues to work at the same company after this, may be entitled to ITP disability pension for up to 180 days. A precondition is that the Social Insurance Office pays compensation during this period. For white collar workers with ITP 2, the entitlement to ITP disability pension ceases at the age of 65, even if the employer continues paying in premiums to ITP 1 after the age of 65.

### TFA for white collar workers



# Checklist – Illness

What should the employee and employer do when an employee becomes ill at work? This checklist covers a number of important things to do in the event of short-term and long-term illness. Different things apply depending on whether the employee is a blue collar or a white collar worker.



## EMPLOYER OF BLUE COLLAR WORKERS

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>▶ Note that the employee submits a notification of illness and makes a qualifying deduction from their salary.</li> <li>▶ Pay sick pay at 80% of the salary and any other employment benefits.</li> <li>▶ After 14 days – when the sick pay ceases – register the employee as ill to the Social Insurance Office.</li> <li>▶ Confirm the employment with Afa Försäkring if the employee has applied for AGS.</li> </ul> | <ul style="list-style-type: none"> <li>▶ The company pays lower or no premiums when the employee is on sick leave. SAF-LO Collective pension includes waiver of premium insurance (PBF).</li> <li>▶ Draw up a plan at the latest on day 30 regarding how the sick employee will be able to return to work. This applies if the employee is expected to be ill for more than 60 days.</li> <li>▶ The employer has the opportunity to apply for financial support for rehabilitation costs from the Social Insurance Office and support from the AGS fund at Afa Försäkring.</li> </ul> |
|--|---|

## BLUE COLLAR WORKERS

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>▶ Submit a doctor's certificate to the employer after seven days.</li> <li>▶ Apply for AGS daily compensation from Afa Försäkring in the event of sick leave lasting longer than 14 days.</li> <li>▶ If it is deemed that the incapacity to work will be permanent, they can apply for activity compensation or sickness compensation. Different rules and age limits apply.</li> </ul> | <ul style="list-style-type: none"> <li>▶ If the activity compensation or sickness compensation is granted, the application for monthly compensation from Group sickness insurance (AGS) can be submitted to Afa Försäkring.</li> </ul> |
|--|--|



## EMPLOYER OF WHITE COLLAR WORKERS

- ▶ Note that the employee submits a notification of illness and makes a qualifying deduction from their salary.
- ▶ Pay sick pay at 80% of the salary and any other employment benefits.
- ▶ After 14 days – register the employee as ill to the Social Insurance Office.
- ▶ During the period from day 15 to day 90, at most, employers with a collective agreement must pay sick pay as a complement to sickness benefit.
- ▶ With regard to ITP1, the gross salary paid out must be reported every month as normal, but does not include the collectively agreed sick pay.
- ▶ After 90 sick days (or 105 during a twelve-month period), the employer must reports the illness to Collectum.
- ▶ The employer pays lower or no premiums when the employee is on sick leave. ITP includes waiver of premium insurance, which is managed by Collectum. The company does not need to do anything.
- ▶ Submit a health declaration to Collectum when the employee is back at work.
- ▶ Draw up a plan at the latest on day 30 regarding how the sick employee will be able to return to work. This applies if the employee is expected to be ill for more than 60 days.
- ▶ The employer has the opportunity to apply for financial support for rehabilitation costs from the Social Insurance Office.

## WHITE COLLAR WORKERS

- ▶ Submit a doctor's certificate to the employer after seven days.
- ▶ If it is deemed that the incapacity to work will be permanent, they can apply for activity compensation or sickness compensation. Different rules and age limits apply.



# Work injuries

# Statutory work injury insurance

A person who sustains an injury at work can receive compensation from the general work injury insurance. The Social Insurance Office manages this insurance and pays out compensation.

## Who is covered?

Everyone who works is covered by the work injury insurance, both permanent employees and those who have temporary employment. Managing directors, self-employed persons and those working on commission or on a freelance basis are also covered. Individuals who are studying within a working area and who are exposed to risk during these studies are also covered.

## What is a work injury?

- ▶ Accident – if the employee is involved in an accident or is injured at work.
- ▶ Travel accident – if the employee is involved in an accident on their way to or from work.
- ▶ Occupational illness.
- ▶ Illness that is caused through infection.

## How the general work injury insurance provides compensation

The Social Insurance Office assesses whether there has been a work injury and decides whether the work injury insurance will apply. This insurance can provide compensation for:

- ▶ loss of income
- ▶ healthcare outside of Sweden
- ▶ dental care
- ▶ special technical aids, such as crutches and prostheses
- ▶ in the event of death

### READ MORE ABOUT THE LEGAL SITUATION AT

- ▶ Social Insurance Code (2010:110) at [riksdagen.se](http://riksdagen.se)
- ▶ [forsakringskassan.se](http://forsakringskassan.se).

# 1/15

In order for a life annuity to be granted, the income must be reduced by at least one-fifteenth of the previous income.



When the employer learns that an employee has been injured, they are obliged to report this.

## Work injury life annuity

If an employee loses income due to a work injury, they can receive compensation in the form of a life annuity. The compensation can be granted when the injury causes a lasting loss of income that is expected to exist for at least a year. In order for a life annuity to be granted, the income must be reduced by at least one-fifteenth (1/15) of the previous income. The reduction in income must also amount to at least a quarter of the price base amount per year. A further requirement is that it is deemed to be the work that has caused the accident and the subsequent problems or illness. The ceiling for work injury life annuity is 7.5 price base amounts.

The entitlement to work injury life annuity is a separate benefit, which is not dependent on sickness compensation or activity compensation having been granted. The collectively agreed health insurance schemes may be affected in the event work injury life annuity is granted due to co-ordination.

The occupational injury life annuity counts as pensionable income towards the general retirement pension. The life annuity may be reduced or terminated if the person's post-injury income should rise or if their work capacity should have improved. In this case, improved work capacity means that it is deemed possible for the person to obtain a job with the same level of income as before the injury. In order to receive life annuity, they have to apply for compensation from the Social Insurance Office. The life annuity is normally paid at most until the month before they turn 65. If an employee suffers a work injury after turning 65, the life annuity may be paid at most until the month before they turn 68.

## Death

If an employee dies due to a work injury, relatives can receive compensation through the work injury insurance:

- ▶ funeral grant
- ▶ compensation to the family in the form of: adjustment annuity to spouse or cohabitant, extended adjustment annuity and life annuity to child(ren).

In the event of a death that has been caused by a work injury, relatives need to submit an application to the Pension Authority, which assesses whether an entitlement to a funeral grant and compensation exists.

## Obligation to report a work injury

When an employee has sustained an injury, they must report this to their employer. The employer must then report the work injury on the Swedish Work Environment Authority's and the Social Insurance Office's joint website, [anmalarbetssskada.se](http://anmalarbetssskada.se). The employer certifies that the injured person is an employee. The injured person is also entitled to submit information that supplements the employer's report.

## The employee applies for the compensation

The employee applies for compensation for costs caused as a result of the work injury, as well as compensation in the case of lost work income (life annuity), at [forsakringskassan.se](http://forsakringskassan.se). The Social Insurance Office assesses whether there has been a work injury as well as the entitlement to compensation.

## Limitation

An insured person can receive life annuity going back six years from the time of the application.

## Covid-19

Covid-19 is an infectious disease that can cause work injury. There is a list of the infectious diseases that can be counted as work injuries. Covid-19 has been on this list since 25 April 2020, and also applies to injuries that occurred prior to 25 April.

In order for an infectious disease to be counted as a work injury, the regulation states that the employee must have contracted the infection:

- ▶ at a laboratory where people are working with the infectious agent
- ▶ through work at a medical facility, through work involving the treatment or care of a contagious person
- ▶ when looking after or handling infectious animals or materials.

Read more in the Ordinance (1977:284) respecting the employment accident insurance scheme and the State scheme for protection against personal injury.



# Work injury insurance (TFA) for both blue collar and white collar workers

All employees, managing directors and self-employed persons are covered by the collectively agreed Work injury insurance (TFA). The insurance can provide compensation if they sustain a work injury at work.

## How TFA works

Work injury insurance (TFA) applies to both blue collar and white collar workers. TFA can provide the employee with various forms of compensation in connection with a work injury:

- ▶ In the case of sick leave, compensation can be provided for the entire loss of income that arises due to an accident or occupational illness at work. The compensation applies from the first day of the sick leave period in the event of an approved work injury.
- ▶ For costs, e.g. compensation for healthcare, pharmaceuticals and physiotherapy.
- ▶ For pain and suffering.
- ▶ Compensation for permanent physical and psychological problems.
- ▶ When scars and other consequences affecting appearance have occurred in the event of an injury.
- ▶ Loss of a tooth.



The employee can receive compensation from TFA, even though they have not received any compensation from the Social Insurance Office.

If the employee dies as a result of the work injury, TFA can provide compensation for funeral costs and loss of support. It can also provide compensation for a personal injury to a close relative. This means that the close relative (such as the spouse, registered partner, cohabitant, child(ren) and parent(s)) can receive compensation for e.g. shock as a consequence of the death.

The employee can receive compensation from TFA, even though they have not received any compensation from the Social Insurance Office.

## When does TFA apply?

All employees are covered by TFA as from the first day of their employment, regardless of the extent of their working hours. In order to receive compensation through Work injury insurance (TFA), the injury must have been caused by one of the following:

- ▶ Accidents at work.
- ▶ Occupational illness that lasts at least 180 days.
- ▶ Travel accidents – accidents on the way to or from work when no vehicle with motor insurance is involved.
- ▶ Illness that is caused through infection.

## Day 1

All employees are covered by TFA as from the first day of their employment, regardless of the extent of their working hours.

The insurance also applies when a person on sick leave visits the workplace during their rehabilitation, as well as when an employee is working abroad. The TFA agreement has been amended at various times, and it is the date of the injury or the date on which an illness manifests itself that governs which insurance terms apply. When stationed outside Sweden, TFA also applies to injuries caused by environmental factors not normally occurring in Sweden.

### Application for compensation

The employee reports the work injury and seeks compensation at [afaforsakring.se](http://afaforsakring.se). The employer must confirm the employment. The employer and the employee can follow the case by logging into Afa Försäkring. For travel accidents where a vehicle that is obliged to have motor insurance is involved, compensation must be applied for from the vehicle's motor insurance. This insurance can cover loss of income that is not covered by the work injury life annuity.

### Compensation during period of acute illness

In the case of accidents that have occurred after 1 July 2013, compensation can be paid for the entire loss of income from day one, according to the regulations for work injury claims. For accidents that have occurred before this date, different rules apply.

For occupational illness, the employee can receive compensation for the entire loss of income from day one. The occupational illness must be approved by the Social Insurance Office or must be included in the ILO list (no. 121) and persist for 180 days. For occupational illnesses that manifested themselves before 1 January 2021, the cause must be demonstrated in order for compensation to be paid for loss of income during the period with sick pay and sickness benefit.

In the case of travel accidents, the employee receives no income compensation from TFA.

For accidents that lead to personal injury, they can receive compensation for medical and healthcare costs or costs relating to clothes, glasses, etc., damaged in connection with the accident. An excess of SEK 500 is deducted from this compensation for costs. The minimum amount that is paid out is SEK 100, which means that the cost must amount to at least SEK 600 in order for any compensation to be paid out. The excess relates to injuries that have occurred after 1 January 2021.

For travel accidents where a vehicle that is obliged to have motor insurance is involved, compensation must be applied for from the vehicle's motor insurance. In the case of other travel accidents that have occurred after 1 April 2012, compensation for costs relating to pain and suffering can be awarded under the regulations for work injury claims.

If the employee has been on sick leave for 30 days or more as a result of an accident, they can receive compensation for pain and suffering from the first day.

### Mesothelioma

In the case of cancer caused by exposure to asbestos, there is no longer any age limit for when the illness must have manifested itself. For insurance claims occurring before 1 January 2021, an age limit of 75 years applies. Since 2008, the cancer mesothelioma has been exempted from the requirement to demonstrate cause in order for compensation to be paid.

### Infection

According to the TFA terms, infection is classed as an occupational illness. In order to be classed as an infectious disease, the problem must persist for at least 180 days. The employee must have been infected in one of the following ways:

- ▶ at a laboratory where they are working with the infectious agent
- ▶ through work at a medical facility, or through other work involving the treatment or care of a contagious person
- ▶ when looking after or handling infectious animals or materials.



If an employee is affected by an accident that leads to personal injury, they can receive compensation for medical and healthcare costs. They can also receive compensation for e.g. prostheses and damaged glasses.



In the event of an accident in the workplace involving a vehicle that is obliged to have motor insurance, a report must be submitted to the motor insurance company in the first instance.



For infection in the event of an accident, such as a splinter in the finger, the rules regarding accidents at work apply.



### Compensation for lasting work incapacity

If the work injury entails permanent disability and therefore a reduced or no income, the person can receive compensation from TFA, provided compensation is not being paid from the Social Insurance Office or from another source. The compensation is paid either as a lump sum or an annuity. The lump sum is 40% tax-free and 60% taxable. The life annuity is taxable.



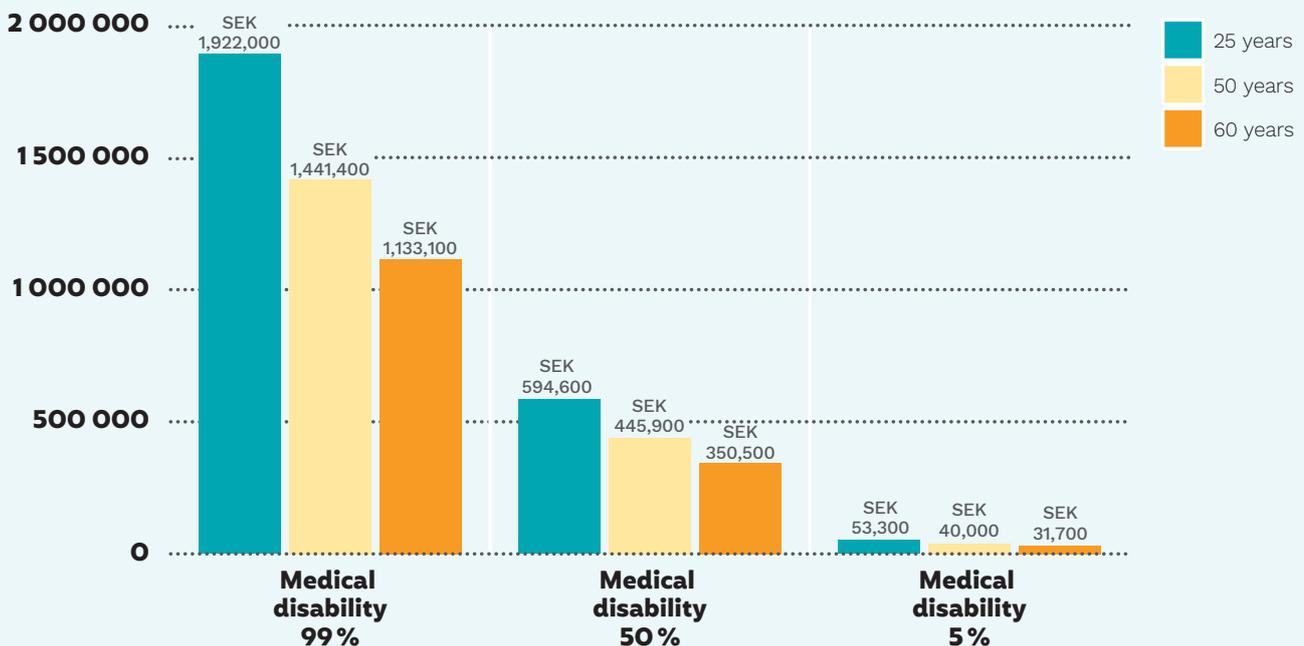
Survivors must be able to continue having the same standard of living if a close relative dies due to a work injury. For this reason, survivors can receive compensation for the income that is lost in the event of death.

### Compensation for disability

When a person has sustained a work injury, they can receive compensation for incapacity or other lasting harm. Incapacity is a change affecting appearance, such as a scar or a limp. It could also refer to an amputation, i.e. the loss of a body part. The term "other lasting harm" is used for physical and psychological suffering of a permanent nature that causes problems in day-to-day life. This includes the loss or impairment of vision, hearing, smell or taste. It can also refer to difficulties in moving about or pain in the case of certain movements.

This compensation is calculated under the rules of tort liability. The starting point is the medical degree of disability that is believed to be permanent, although age and whether or not the injured person has returned to work also affect the compensation. The examples in the diagram relate to injuries from 1 January 2002 where the injured person has not returned to work. If the injured person has returned to work, the amounts will be higher. To see the relevant amounts, see the tables at [trafikskadenamnden.se](http://trafikskadenamnden.se). The compensation is tax-exempt.

Compensation amount from TFA\*



\* The diagram relates to injuries from 1 January 2002 where the injured person has not returned to work.

## Compensation for special inconvenience

If the work injury clearly impacts the affected person in their day-to-day life, they can receive compensation for special inconvenience based on an individual assessment, in addition to the amount shown in the table on compensation amounts from TFA on page 56.

## Future extra expenses

If the injury entails extra future expenses, they can receive compensation from TFA either in the form of a life annuity or as a lump sum. This compensation is tax-exempt and will cover costs that the Social Insurance Office does not compensate.

## Compensation in the event of death

One basic concept is that survivors must be able to continue having the same standard of living if a close relative dies due to a work injury. For this reason, survivors can receive compensation for the income that is lost. Loss of support is co-ordinated with survivor's compensation from the general work injury insurance in the Social Insurance Code (SFB). Close relatives can also receive compensation for funeral costs from TFA, although this is co-ordinated with TGL. In the event of death due to work injury, the work injury insurance TFA can provide compensation to survivors, such as a funeral grant and for loss of support, which is not compensated from other sources. Survivors who were particularly close to the deceased may also be entitled to compensation for their own personal injury, such as for psychological suffering.

## Index-linking

The life annuity that the affected person receives via TFA is indexed under the Act on the Adjustment of Annuities Awarded in Tort (1973:213). Life annuities are recalculated at the end of each year.

## WAIVER OF PREMIUM INSURANCE (PBF)

When the employee makes an application for TFA from Afa Försäkring, waiver of premium is applied for automatically. This insurance is linked to the occupational pension included in the collective agreement. The insurance takes over the payment of premiums to the occupational pension the employer would have paid in if the employee had been at work and receiving salary. Read more about waiver of premium in the chapter on pensions on pages 92, 97 and 105.

## Working after the age of 65

TFA applies if an employees sustains a work injury, regardless of their age. The employer pays no premium from the month when the employee turns 65.

## Post-employment cover

An occupational illness that manifests itself after the termination of the employment and before the person turned 65 may be covered by post-employment cover. There is an exemptions for cancer caused by work with asbestos. In the event this illness manifests itself before 1 January 2021, the person must not have reached the age of 75. In the event the illness manifests itself after this date, there is no age limit.

## Limitation

Different limitation rules apply to different forms of compensation. Read more in the TFA terms.



# ILO Convention – list of occupational diseases

The ILO convention is a list of occupational diseases that has been drawn up by the International Labour Organization (ILO). Afa Försäkring can decide on TFA compensation relating to these illnesses or diagnoses without the Social Insurance Office having decided on the occupational disease.

TABLE 1

## List no. 121 of occupational diseases (revised in 1980).

OCCUPATIONAL DISEASES	WORK THAT INVOLVES EXPOSURE TO RISK*
1 Pneumoconioses caused by sclerogenic mineral dust (silicosis, anthraco-silicosis, asbestosis) and silicotuberculosis, provided that silicosis is an essential factor in causing the resultant incapacity or death.	All work where the employee is exposed to this risk.
2 Bronchiopulmonary disease caused by hard-metal dust.	--
3 Bronchiopulmonary disease caused by cotton dust (byssinosis), or flax, hemp or sisal dust.	--
4 Occupational asthma caused by sensitising agents or irritants both recognised in this regard and inherent in the work process.	--
5 Extrinsic allergic alveolitis and its sequelae caused by the inhalation of organic dusts, as prescribed by national legislation.	--
6 Diseases caused by beryllium or its toxic compounds.	--
7 Diseases caused by cadmium or its toxic compounds.	--
8 Diseases caused by phosphorous or its toxic compounds.	--
9 Diseases caused by chromium or its toxic compounds.	--
10 Diseases caused by manganese or its toxic compounds.	--
11 Diseases caused by arsenic or its toxic compounds.	--
12 Diseases caused by mercury or its toxic compounds.	--
13 Diseases caused by lead or its toxic compounds.	--
14 Diseases caused by fluorine or its toxic compounds.	--
15 Diseases caused by carbon disulphide.	--

OCCUPATIONAL DISEASES	WORK THAT INVOLVES EXPOSURE TO RISK*
16 Diseases caused by the toxic halogen derivatives of aliphatic or aromatic hydrocarbons.	--
17 Diseases caused by benzene or its toxic homologues.	--
18 Diseases caused by toxic nitro and amino derivatives of benzene or its homologues.	--
19 Diseases caused by nitroglycerine or other nitric acid esters.	--
20 Disease caused by alcohols, glycols or ketones.	--
21 Diseases caused by asphyxiants: carbon monoxide, hydrogen cyanide or its toxic compounds, hydrogen sulphide.	--
22 Hearing impairment caused by noise.	--
23 Diseases caused by vibration (disorders of muscles, tendons, bones, joints, peripheral blood vessels or peripheral nerves.)	--
24 Diseases caused by work in compressed air.	--
25 Diseases caused by ionising radiations.	All work involving exposure to the action of ionising radiations.
26 Dermatological diseases caused by physical, chemical or biological factors not included under other items.	All work that involves exposure to the risk concerned.
27 Primary skin cancer caused by tar, pitch, bitumen, mineral oil, anthracene, or the compounds, products or residues of these substances.	--
28 Lung cancer or mesotheliomas caused by asbestos.	--
29 Infectious or parasitic diseases contracted in an occupation where there is a particular risk of contamination.	A Health or laboratory work. B Veterinary work. C Work handling animals, animal carcasses, parts of such carcasses, or merchandise which may have been contaminated by animals, animal carcasses or parts of such carcasses. D Other work carrying a particular risk of contamination.

\* When this list is applied, consideration is given to the nature and extent of the exposure.

Sweden has decided that this list should be used, despite the fact that more recent lists exist.



## Checklist – Work injury

What should an employee who has sustained an injury at work do?

What does the employer need to do? This checklist covers a number of important issues that apply in the event of work injuries. The same applies to blue collar and white collar workers.



### EMPLOYER OF BLUE COLLAR AND WHITE COLLAR WORKERS

- ▶ Report the work injury at [anmalarbetsskada.se](http://anmalarbetsskada.se), in consultation with a safety representative and the affected person.
- ▶ The employee and the safety representative must have a copy of the report.
- ▶ Confirm the employment on Afa Försäkring's employer's pages when it has been notified that the employee has submitted a report.



## BLUE COLLAR AND WHITE COLLAR WORKERS

- ▶ Notify the work injury to the employer, and apply for compensation from Afa Försäkring by visiting [afaforsakring.se](https://afaforsakring.se).
  - ▶ If the accident has occurred with a vehicle that is obliged to have motor insurance, a report must be submitted to the vehicle's motor insurance company.
  - ▶ Apply for compensation for any costs for dental care, technical aids or costs for healthcare abroad that have arisen in connection with a work injury. Apply to the Social Insurance Office.
- 
- ▶ Follow the case by logging into My Pages at [afaforsakring.se](https://afaforsakring.se).
  - ▶ Wait for a decision from Afa Försäkring regarding any compensation for e.g. loss of income, additional costs or pain and suffering.
  - ▶ Read more about work injuries at [arbetsskadeguiden.se](https://arbetsskadeguiden.se). Work injury insurance (TFA) also applies after reaching the age of 65.



# Work shortage

# Public transitional study support and statutory unemployment insurance

As from 1 October 2022, a new set of regulations applies that provides an extended right to public transitional study support. Unemployment insurance is unchanged and is still divided into two parts – an income-related insurance and a basic insurance.

## PUBLIC TRANSITIONAL STUDY SUPPORT

The public transitional study support is managed by CSN and comprises a grant and a loan. The public transitional study support can be obtained at the earliest from the year in which the employee turns 27. The upper age limit differs for the grant and the loan. Read more on [csn.se](https://www.csn.se).

- ▶ The grant replaces 80% of income up to a ceiling of 4.5 income base amounts per year (in 2022, this corresponds to SEK 26,625 per month), giving a maximum grant of SEK 21,298 per month (2022).
- ▶ The maximum amount for the loan is SEK 12,514 per month (2022).

## CONDITIONS FOR PUBLIC TRANSITIONAL STUDY SUPPORT

- ▶ Topicality condition: have worked an average of at least 16 hours per week over a calendar month, for at least 12 out of the last 24 months.
- ▶ Qualification condition: have worked at least 16 hours per week over a calendar month, for at least 96 months (8 years) over the last 14 years.

## COMPENSATION FROM THE UNEMPLOYMENT INSURANCE FUND

There are 25 UIFs in Sweden, most of which have been established by the trade unions. It is normally the nature of the work or the business area that determines the UIF to which the employee is entitled to belong. The Swedish Unemployment Insurance Inspectorate (IAF) supervises the unemployment insurance funds. Among the 25 UIFs is the Alfa fund.

### READ MORE ABOUT THE LEGAL SITUATION AT

- ▶ Unemployment Insurance Act (1997:238) at [riksdagen.se](https://www.riksdagen.se)
- ▶ [sverigesakassor.se](https://www.sverigesakassor.se)
- ▶ [kammarkollegiet.se](https://www.kammarkollegiet.se)
- ▶ [csn.se](https://www.csn.se)

## Conditions

The topicality and qualification conditions must be satisfied in order to be entitled to public transitional study support.



In addition to managing income-based compensation, the Alfa fund manages and pays out basic compensation to those who are not affiliated to a UIF.

#### INCOME-BASED COMPENSATION

The employee is entitled to compensation based on income if the person

- ▶ has been a member of a UIF for at least twelve months
- ▶ has satisfied the work condition (see below).

Temporary change up to and including 31 December 2022:

Basic compensation  
**SEK 510/day**

#### BASIC COMPENSATION

Basic compensation is paid to an individual who has turned 20 and satisfies a work condition, although not a membership condition. The basic compensation that corresponds to full-time is max. SEK 365 per day and is paid by the UIF of which the person is a member. If they are not a member of a UIF, Alfa pays out the basic compensation.

#### Conditions for compensation from the UIF

In order to receive compensation from the unemployment insurance, the person must satisfy both the basic conditions and the work condition

#### BASIC CONDITIONS

To satisfy the basic conditions, the person must:

- ▶ be able to work at least three hours each working day, on average at least 17 hours a week
- ▶ be registered as a jobseeker with the Employment Service
- ▶ be at the labour market's disposal.

#### WORK CONDITIONS

In order to satisfy the work condition, a person must

- ▶ over the past twelve months, have worked at least six months and at least 80 hours/month
- ▶ alternatively, over the past twelve months, have worked 480 hours over a continuous period of six months, for at least 50 hours each month.

#### MEMBERSHIP CONDITIONS

To receive income-based compensation, the person must also satisfy a membership condition. The membership condition requires that they must have been a member of the UIF for at least twelve months.

#### TIME THAT CAN BE DISREGARDED

The time during which the work condition must be satisfied during the twelve-month period can be extended. This is known as time that can be disregarded. Work that took place longer than twelve months ago can therefore be included in the work condition. Examples of time that can be disregarded includes illness, time with parental benefit and completed full-time studies. The time that can be disregarded is limited to five years.

In order to receive basic compensation from the unemployment insurance, it is necessary to satisfy both the basic conditions and the work condition.

#### Temporarily changed work condition during the period

13 April 2020–1 January 2023:

- ▶ Over the past twelve months, have worked at least 60 hours/month for six months.
  - ▶ Alternatively, over the past twelve months, have worked at least 40 hours/month and 420 hours in total over a continuous period of six months.

### LENGTH OF TIME COMPENSATION IS PROVIDED

A person who is entitled to unemployment benefit can receive this for 300 compensation days. If they have a child who is below the age of 18 on day 300, they receive a further 150 days. The compensation period with unemployment benefit always begins with six qualifying days. After this, they receive compensation for max. five days/week. The compensation is a taxable income and is pensionable for general state pension.

### COMPENSATION LEVELS – INCOME-BASED COMPENSATION

A person who is a member of a UIF, and who satisfies the basic, work and membership conditions, can be entitled to income-based compensation. The size of the daily payment is dependent on the income the employee had before they lost their job. The UIF applies until the employee has reached the age of 65.

- ▶ For days 1–100, the compensation level is 80%, with a maximum daily payment of SEK 910.
- ▶ For days 101–200, the person receives 80% of their previous income, with a maximum daily payment of SEK 760.
- ▶ For days 201–300, the person receives 70% of their previous income, with a maximum daily payment of SEK 760.
- ▶ After day 300, the jobseeker is invited to participate in the work and development guarantee, where activity support is paid at 65% of the previously calculated daily payment.
- ▶ A person who has a child below the age of 18 on day 300 receives a further 150 days in their compensation period. The compensation level continues at 70% of their previous income. After this, the work and development guarantee applies with a compensation level of 65% of the previously calculated daily payment.
- ▶ For a person who is unemployed after day 450 or day 300 respectively, a new assessment is performed of whether they satisfy the conditions for a new period.

Adjustment pension and widow's pension do not reduce the daily payment. Private pension insurance that is not linked to gainful employment also does not entail any reduction in the daily payment.

### Has a pension and becomes unemployed

For a person who is receiving payments from their occupational pension or is drawing their general state pension early, the UIF deducts the pension amount from the compensation. This also applies if they are only drawing their premium pension.

# 300

A person who is entitled to unemployment benefit can receive this for 300 compensation days.

Temporary change up to and including 31 December 2022:

Days 1–100 max.

**SEK 1,200/day**

Days 101–200 max.

**SEK 1,000/day**

Days 201–300 max.

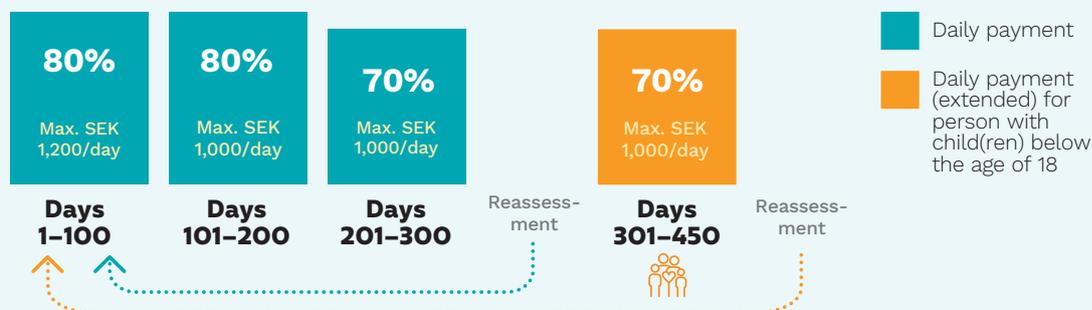
**SEK 1,000/day**

### Compensation levels – income-based compensation

(according to temporary change up to and including 31 December 2022)

#### Monthly salary 100%

Max. SEK 25,025/month





# Career readjustment insurance for blue collar workers

The career readjustment insurance should make the transition easier for both the blue collar worker and the employer. The insurance includes career readjustment support and financial compensation.

## From 1 October 2022

To be entitled to the short duration and supplementary study grant, the employee needs to satisfy both the topicality and the qualification conditions.

### New rules from 1 October 2022

The employee who is working in a company that is covered by a Main agreement, in addition to the public transitional study support they receive via CSN, can also receive the following from TSL:

- ▶ Additional collectively agreed study grant that supplements the grant portion of the public transitional study support up to 80 percent of income up to 5.5 income base amounts per year (in 2022, this corresponds to a monthly salary of SEK 32,542). If the employee has a higher income than this, the study support supplements to 65 percent of income up to a ceiling of 12 income base amounts per year (in 2022, this corresponds to a monthly salary of SEK 71,000).
- ▶ Short duration collectively agreed study grant that is paid for courses lasting up to four days. The training must be assessed as being able to strengthen their future position on the labour market. The level is 70 percent of the employee's work income up to a ceiling of 12 income base amounts per year (in 2022, this corresponds to a monthly salary of SEK 71,000).
- ▶ Purchased training or validation for the employee or person who has been made redundant. Under certain circumstances, TSL may pay the course fees.
- ▶ Supplementary UIF in the event of a dispute regarding termination applies to an employee who is covered by a main agreement. Read more on [tsl.se](https://www.tsl.se).

### Career readjustment support from TSL

The career readjustment support is handled by TSL. TSL offers the person who has been made redundant due to work shortage help to find a new job, start studying or start their own business. Employers with a collective agreement and blue collar workers in these companies are entitled to career readjustment support. Employers without a collective agreement, but that have entered into an agreement with Fora, are only covered by AGB.

#### CONDITIONS FOR CAREER READJUSTMENT SUPPORT

Blue collar workers who are made redundant from a permanent post due to work shortage can receive career readjustment support. The support can also be provided if they have been made redundant from part of their position due to work shortage. Career readjustment support can also be given to blue collar workers who end their employment without having been made redundant. In such cases, it needs to be clearly evident that the blue collar worker is leaving at the employer's initiative and due to a work shortage.

For the blue collar worker, the average working hours must have been at least 16 hours/week continuously for twelve months out of the last 24 months. If the blue collar worker has been employed by several employers that are affiliated to TSL, this time may be combined.

### Note:

Blue collar workers whose employment is terminated due to illness or the expiry of a fixed-term employment contract may also be covered by career readjustment support from 1 October.

If there is any dispute regarding the termination, the blue collar worker is not entitled to career readjustment support. The possibility of declaring the redundancy invalid or suing for damages is void one week after the application for support is received by the TSL. The career readjustment support applies at most until the month before the person turns 65.

The support is adapted to each individual. TSL begins by contacting the employee to go through the career readjustment assignment. Following information and mapping discussions, the employee who has been made redundant is allocated a job coach. The support can include support looking for a job, help regarding contacts with authorities and training initiatives. TSL provides feedback to the employer about the results. The initiative can commence during the period of notice.

#### APPLY FOR CAREER READJUSTMENT SUPPORT

The employer and the trade union apply for career readjustment support directly on TSL's website. TSL contacts the employer to discuss the conditions for the career readjustment work and in order to plan the information meetings for those who have been made redundant.

#### Severance pay (AGB)

A blue collar worker who is made redundant from a permanent post due to work shortage can receive Severance pay (AGB). This compensation is a lump sum and can be paid out regardless of whether or not they become unemployed. Blue collar workers who end their employment without having been made redundant can also receive AGB. However, it must be clear that they are leaving at the initiative of the employer and due to a work shortage. This is common in the event of severance pension.

In order to receive AGB, the blue collar worker must be at least 40 years of age on the final day of their employment, and the entitlement ceases the month before their 65th birthday. It is also necessary to have at least 50 months' employment over a five-year period at one or more employers who have AGB insurance. This refers to the period immediately preceding the time when the permanent employment ceased. The person does not need to be completely redundant. For those who have their working hours reduced due to work shortage, AGB is paid out in proportion to their loss of hours.

#### A blue collar worker is not entitled to AGB if they:

- ▶ have been granted entitlement to full sickness compensation before their employment is terminated
- ▶ have been reemployed or offered reemployment within the company or the Group within three months
- ▶ have declined an offer of employment with a new employer in the event of a business transfer. (In specific cases, the AGB Board may decide on exemptions.)

#### AGB is a lump sum paid by AFA Försäkring.

#### The lump sum in the case of full-time work in 2022 is as follows:

- ▶ SEK 37,885 for everyone between the ages of 40 and 49
- ▶ between SEK 39,450 and SEK 53,535 for those between the ages of 50 and 59 (the lump sum is raised by SEK 1,565 for each year of life)
- ▶ SEK 55,100 for everyone between the ages of 60 and 64.

Afa Försäkring must have received notification at the latest two years after the employment has ceased. The sum is taxable but not pensionable income. The UIF is not reduced because AGB is paid.

#### Working after the age of 65

In agreement area Confederation of Swedish Enterprise–LO, the career readjustment insurance applies to employees up to the age of 65.



As from 1 October, the employee can themselves apply for career readjustment support from [tsl.se](https://www.tsl.se) in the event of redundancy due to illness or the expiry of a fixed-term employment contract.



The LO members that have not signed up to the main agreement can instead sign up to the Collective agreement regarding career readjustment insurance for blue collar workers, where the conditions differ from the main agreement.

## AGB

Blue collar workers whose employment is terminated due to illness or the expiry of a fixed-term employment contract may also be entitled to AGB from 1 October.



# Career readjustment agreement for white collar workers

The career readjustment agreement should make matters easier for white collar workers, as well as supporting the employer who will be conducting the transition.



## 1 October 2022

New rules regarding an extended right to career readjustment and skills support apply for white collar workers.

### Career readjustment agreement and TRR

TRR conducts the operation in accordance with the career readjustment agreement. The career readjustment agreement contains three elements:

- ▶ Career readjustment support, which means that the employee is given a personal adviser who provides advice and guidance to help them find a new job, start studying or start their own company.
- ▶ Severance compensation (AGE), financial compensation to people over the age of 40 who have been employed for at least five years.
- ▶ TRR Study compensation relates to studies aimed at finding a new job.

### New rules from 1 October 2022

As from 1 October 2022, the employee, in addition to the public transitional study support they receive via CSN, can also receive the following from TRR:

- ▶ Additional collectively agreed study grant that supplements the grant portion of the public transitional study support up to 80% of income up to 5.5 income base amounts per year (in 2022, this corresponds to a monthly salary of SEK 32,542). If the employee has a higher income than this, the study support supplements to 65% of income up to a ceiling of 12 income base amounts per year (in 2022, this corresponds to a monthly salary of SEK 71,000).
- ▶ Short duration collectively agreed study grant that is paid for courses lasting up to four days. The training must be assessed as being able to strengthen their future position on the labour market. The level is 70% of the employee's work income up to a ceiling of 12 income base amounts per year (in 2022, this corresponds to a monthly salary of SEK 71,000).
- ▶ Purchased training or validation for the employee or person who has been made redundant. Under certain circumstances, TRR may pay the course fees.
- ▶ Supplementary UIF in the event of a dispute regarding termination. Read more on [trr.se](https://trr.se). To be entitled to the short duration and supplementary study grant, the employee needs to satisfy both the topicality and the qualification conditions.

## Career readjustment support

A person who is made redundant has the opportunity to have a personal adviser, who helps them to find a new job or to start their own company. The TRR adviser acts as a discussion partner, guide or sounding board.

For example, the adviser can help the person who is made redundant to conduct an inventory and strengthen their own skills. Another area involves helping the person to take their bearings in the outside world, among the various professions and training pathways, as well as to market themselves. As support and as a complement to the individual discussions, they can also take part in group activities that have been developed within TRR.

For a person who has been made redundant, it is also possible to obtain financial support for work experience, training or further training at a new employer. This career readjustment support is valid for a period of two years. Following an assessment, they may be able under certain circumstances to obtain extended career readjustment support.

# 2 years

This career readjustment support is valid for a period of two years.

### WHO CAN RECEIVE CAREER READJUSTMENT SUPPORT?

- ▶ A person who has been made redundant due to work shortage or, from 1 October 2022, an employee whose fixed-term employment contract has expired.
- ▶ A person who has been permanently employed for one year at the same company and who has had average weekly working hours of at least 16 hours.
- ▶ A person who has left their employment without having been made redundant, and it is clear that the employee is leaving at the employer's initiative and due to work shortage.
- ▶ A person who has been made redundant for personal reasons in connection with illness.

## Severance compensation (AGE)

A white collar worker who is made redundant may receive a supplementary financial compensation called Severance compensation (AGE). This means that the income-related compensation from the UIF – together with AGE – amounts to approximately 70% of the previous salary for the first 130 compensation days. The number of days the compensation is paid is dependent on the age of the white collar worker at the end of the period of notice. People between the ages of 45 and 59 receive AGE for a further 130 days up to 50% of their gross salary. People between the ages of 60 and 65 can receive a further 130 days with compensation of up to 50%. To receive AGE, the white collar worker must:

- ▶ have been made redundant due to work shortage or illness from a company affiliated to TRR
- ▶ have reached the age of 40 when the employment ceases
- ▶ have a monthly salary of at least SEK 35,800
- ▶ have been employed within the company continuously for at least five years, or have previously been made redundant from a TRR-affiliated company.

# AGE

From 1 October 2022, AGE is also possible for employees whose fixed-term employment contract has expired.



TRR Study compensation applies to white collar workers who are entitled to career readjustment support and have reached the age of 40 by the time of the start of studies.

### TRR Study compensation

TRR Study compensation applies to white collar workers who are entitled to career readjustment support and have reached the age of 40 by the time of the start of studies. The studies must be intended to increase the potential to find a new job. Together with a study grant from CSN, the compensation will provide a financial top-up up to 70% of the previous salary during semesters one and two. The compensation may be paid for a maximum of four semesters as well as up to 50% of the previous salary during semesters three and four.

TRR Study compensation also applies to white collar workers who are entitled to additional study support. The study support must have been used up in order for TRR Study compensation to be able to be paid out.

### TRR Matching

TRR has an ongoing programme to help those affected by work shortage to find new jobs. As a result, TRR has a large network and contact with many skilled jobseekers within most professions and areas of work. TRR Matching is a service that proposes candidates who match companies' wishes, quickly and free of charge. Want to know more? Visit [trr.se/matchning](http://trr.se/matchning).

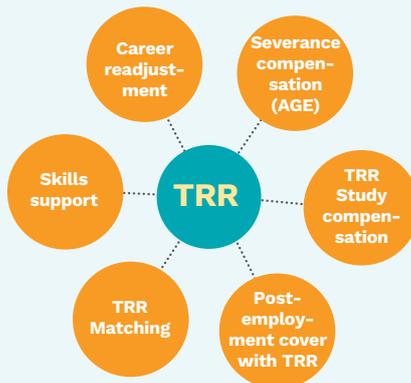
### Post-employment cover with TRR

It is important for the person who has been made redundant to apply to TRR, even if they have found a new job quickly. This is necessary in order for the post-employment cover to apply. If they are made redundant again due to work shortage within two years from the date of severance from their first employment, they can go back to TRR for assessment regarding continued AGE. For career readjustment support, post-employment cover is valid for five years.

### Working after the age of 65

The career readjustment agreement and TRR apply to the white collar worker until the age of 65. The employer pays no premium from the month when the employee turns 65.

### Support and compensation through TRR



# Checklist – Work shortage

This checklist covers a number of important elements that apply in the event of work shortage. Different elements apply to blue collar and white collar workers.



## EMPLOYER OF BLUE COLLAR WORKERS

- ▶ Conduct negotiations.
- ▶ Apply jointly with the local trade union for career readjustment support. Apply to TSL. Certain conditions relating to period of employment and age must be satisfied in order for the career readjustment support to be valid.
- ▶ Fill in your part of the form for Severance pay (AGB). Fill in a certificate of employment for UIF. This is a requirement if the person who has been made redundant wants this. More information can be found at [arbetsgivarintyg.nu](http://arbetsgivarintyg.nu).
- ▶ Change the company's preliminary payroll expense with Fora so that the correct amount is included on future invoices.



## BLUE COLLAR WORKERS

- ▶ The person who has been made redundant must register with the Employment Service on their first day of unemployment.
- ▶ A person who has been made redundant due to illness or the expiry of a fixed-term employment contract can apply for support from [tsl.se](http://tsl.se) themselves.
- ▶ The application for AGB must be submitted to Afa Försäkring. Certain conditions relating to age and period of employment must be satisfied.



## EMPLOYER OF WHITE COLLAR WORKERS

- ▶ Conduct negotiations.
- ▶ Notify the redundancy to TRR. The application for career readjustment support and any Severance compensation (AGE) must be made by both the employer and the person who has been made redundant. Certain conditions regarding age and period of employment must be satisfied in order for the insurance schemes to be valid.
- ▶ Deregister the person who has been made redundant at Collectum.
- ▶ Fill in a certificate of employment for UIF. This is a requirement if the person who has been made redundant wants this. More information can be found at [arbetsgivarintyg.nu](http://arbetsgivarintyg.nu).



## WHITE COLLAR WORKERS

- ▶ The person who has been made redundant must register with the Employment Service on their first day of unemployment.
- ▶ Apply for career readjustment support and possible Severance compensation (AGE) with TRR. Certain conditions regarding age and period of employment must be satisfied in order for the insurance schemes to be valid.



# Death,



## Statutory compensation to survivors

When a close relative dies, related parties can receive survivors' pension as a form of financial support. Survivors' pension is part of the state pension system, and comprises adjustment pension and guarantee pension, widow's pension and child pension.

### Support to surviving adults

- ▶ Adjustment pension.
- ▶ Extended adjustment pension.
- ▶ Guarantee pension for adjustment pension.
- ▶ Widow's pension.

#### READ MORE ABOUT THE LEGAL SITUATION AT

- ▶ Social Insurance Code (2010:110) at [riksdagen.se](http://riksdagen.se)
- ▶ [pensionsmyndigheten.se](http://pensionsmyndigheten.se).

### ADJUSTMENT PENSION

If a spouse or cohabitant dies, it is possible for the survivor to receive an adjustment pension if they have not turned 65. In order to be entitled to adjustment pension, it is necessary for the survivor to have been married to or the registered partner of the person who has died, and for them to have lived together for at least five years or to have custody of children below the age of 18.

In order for cohabitants to be equated with spouses, they must have, have had or be expecting children together, or have previously been married.

### EXTENDED ADJUSTMENT PENSION

Survivors who have custody of children can receive extended adjustment pension. The basic payment period is twelve months, but can be both longer and shorter, depending on the ages of the children. Extended adjustment pension is paid until the youngest child reaches the age of twelve. If the child has turned twelve, the survivor receives twelve months of extended adjustment pension. If the child turns 18 before the twelve-month period, the survivor receives extended adjustment pension up to and including the month in which the child turns 18. The pension ceases when the survivor turns 65.

### COMPENSATION IN THE EVENT OF ADJUSTMENT PENSION

The adjustment pension is 55% of the estimated retirement pension of the deceased. The calculation is performed as though they had worked up to the age of 65. This applies to both adult and child survivors' pensions.



#### **GUARANTEE PENSION FOR ADJUSTMENT PENSION**

The guarantee pension is basic cover that acts as a top-up to the adjustment pension. If the adjustment pension is lower than SEK 8,573/month or SEK 102,879/year, guarantee pension can be paid out as a supplement to the adjustment pension.

#### **TRANSITIONAL RULES FOR WIDOW'S PENSION**

Women who married before 31 December 1989 may be entitled to widow's pension. A person born in 1945 or later receives adjustment pension in the first instance, although they may be granted widow's pension at the same time in certain circumstances and under certain conditions.

#### **Support to surviving children**

If a parent dies, the child is entitled to financial support:

- ▶ child pension
- ▶ survivor's support.



If one or both parents have died, the child can receive child pension and survivor's support.

#### **CHILD PENSION**

In the event of the death of one or both parents, the child can receive child pension and survivor's support. The pension is paid out until the child turns 18. If the child is attending compulsory or upper secondary school, the pension is extended up to and including the month of June in the year in which the child turns 20. If both parents have died, child pension is paid from each parent.

#### **COMPENSATION IN THE EVENT OF CHILD PENSION**

The size of the child pension depends on whether the person who has died had one or more children. In the case of multiple siblings, the total amount of the child pension is divided equally between the siblings, based on the following calculations:

- ▶ A child who has no siblings and is below the age of 12 receives 35% of the parent's future pension as child pension. If the child has turned 12, they receive 30%.
- ▶ If there are multiple children and the youngest sibling is below the age of 12, 35% in child pension is added. For the other siblings, 25% per child is added.
- ▶ If the youngest sibling has reached the age of 12, 30% in child pension is added. For the other siblings, 20% per child is paid.

The siblings' child pensions may jointly amount to a maximum of 100% of the deceased parent's future pension. If there is also an adult who is receiving adjustment pension or widow's pension, the child pensions may jointly amount to a maximum of 80%.

#### **SURVIVOR'S SUPPORT**

Survivor's support is basic financial cover for those children who have a deceased parent with a low estimated retirement pension. The compensation amounts to 40% of the price base amount, SEK 1,610/month. If both parents have died, survivor's support amounts to 80% of one price base amount.

# Compensation to survivors for blue collar workers

Blue collar workers can also select repayment cover or family cover, or both. The cover provides compensation to survivors in the event of the death of the blue collar worker.

If a newly employed blue collar worker opts to add these forms of cover during the selection period, which lasts three months, or in conjunction (within twelve months) with a family event, they do not need to fill out a health declaration.

## REPAYMENT COVER WITHIN SAF-LO COLLECTIVE PENSION

Blue collar workers can select repayment cover for their occupational pension. This means that the earned pension is paid to beneficiaries in the event of death. Repayment cover normally covers the value of the entire pension capital that has been earned. There is no charge, but the blue collar work may not share the inheritance gains from other pensions savers. The repayment cover persists even after payment of the occupational pension has begun, unless the recipient opts out. However, the blue collar worker may not select the cover if a pension has begun to be paid. When the blue collar worker takes out repayment cover, a health declaration may be required. Read more in the chapter on pensions on page 90.



Examples of family events include getting married, becoming a cohabitant or having children.

## FAMILY COVER WITHIN SAF-LO COLLECTIVE PENSION

Blue collar workers can supplement the occupational pension with family cover. In the event of death before the age of 65, the family cover is paid out according to the choices the blue collar worker has made, at 1, 2, 3 or 4 price base amounts/year for 5, 10, 15 or 20 years. At most, the family cover can be paid out until the blue collar worker would have turned 70. The premium for the family cover is determined one year at a time and reduces the premium for the retirement pension. It also takes the age of the blue collar worker into account. When the blue collar worker takes out family cover, a health declaration may be required. Read more in the chapter on pensions on page 91.

## Examples of premium/year for family cover

PREMIUM/YEAR FOR 1 PRICE BASE AMOUNT		
AGE	PAYMENT 5 YEARS	PAYMENT 20 YEARS
25 years	SEK 205	SEK 670
40 years	SEK 277	SEK 903
55 years	SEK 576	

## BENEFICIARIES

Repayment cover and family cover are paid to the surviving spouse, registered partner, cohabitant or child(ren). Blue collar workers can themselves select the order in which this is to apply by writing a specific beneficiary clause. Other beneficiaries who may be selected are a previous spouse or cohabitant, their child(ren), as well as stepchild(ren) and foster child(ren). No other beneficiaries may be selected.



# TGL Group life insurance

TGL Group life insurance is a life insurance scheme that is paid out with a lump sum in the event of the death of a blue collar worker. In certain cases, the insurance scheme also applies if the spouse or cohabitant of the blue collar worker dies.

## TGL

Applies to agreement  
area Confederation of  
Swedish Enterprise–LO

### When does TGL apply?

TGL applies from the day on which the blue collar worker starts working. The cover remains for as long as they are employed. If the working hours are less than eight hours/week, the cover only applies if the blue collar worker has carried out work on the same day. The following benefits are included in the insurance scheme for survivors:

- ▶ basic sum
- ▶ child supplement
- ▶ funeral grant.

### Types of compensation – basic sum, child supplement and funeral grant

Compensation is paid out in the form of basic sum, child supplement and funeral grant. Which forms of compensation, and the size of the amounts, depend on working hours, age and who the survivors are.

- ▶ At least 16 hours per week provides full compensation.
- ▶ At least 8 hours per week but not more than 16 hours per week gives half compensation.
- ▶ Less than 8 hours per week provides only the funeral grant.

### Basic sum

Basic sum = not more  
than six price base amounts

A basic sum of not more than six price base amounts is paid out to survivors who are beneficiaries. If there are no beneficiaries, no basic sum is paid out. The basic sum is paid out on the basis of the age of the deceased.

If the blue collar worker has children below the age of 17, the basic sum is not reduced even if the blue collar worker is between the ages of 55–65.



THE BLUE COLLAR WORKER AT THE TIME OF DEATH IS	FULL BASIC SUM	HALF BASIC SUM
Below 55 years of age	SEK 289,800	SEK 144,900
55 but not turned 56	SEK 265,650	SEK 132,825
56 but not turned 57	SEK 241,500	SEK 120,750
57 but not turned 58	SEK 217,350	SEK 108,675
58 but not turned 59	SEK 193,200	SEK 96,600
59 but not turned 60	SEK 169,050	SEK 84,525
60 but not turned 61	SEK 144,900	SEK 72,450
61 but not turned 62	SEK 120,750	SEK 60,375
62 but not turned 63	SEK 96,600	SEK 48,300
63 but not turned 64	SEK 72,450	SEK 36,225
64 or above	SEK 48,300	SEK 24,150

### Child supplement

Child supplement is paid out if the deceased leaves a child or children with a right of inheritance below the age of 21 years. If there is no spouse, registered partner or cohabitant, the amount can be paid to the deceased's siblings who have not yet turned 21. The precondition for this is that none of the siblings' parents are alive. Child supplement is paid out at 0.5–2 price base amounts for each child below the age of 21. See the table below.

AT THE TIME OF THE DEATH OF THE BLUE COLLAR WORKER, THE CHILD IS	FULL CHILD SUPPLEMENT	HALF CHILD SUPPLEMENT
Below 17 years of age	SEK 96,600	SEK 48,300
17–18 years	SEK 72,450	SEK 36,225
19–20 years	SEK 48,300	SEK 24,150

### Funeral grant

An estate receives a funeral grant at half the price base amount (SEK 24,150 in 2022) when this insurance cover exists.

### SPOUSE INSURANCE

If the blue collar worker's spouse, registered partner or cohabitant dies, the estate receives a funeral grant of 0.5 pba (SEK 24,150 in 2022). The condition for this is that the spouse, registered partner or cohabitant is not themselves covered by TGL or an equivalent insurance scheme.

The deceased must not have reached the age of 65, and the survivor must not have reached the age of 70, as well as being employed at least 16 hours/week at the time of the death. If there are children below the age of 17 living at home, a child supplement of 1 price base amount (SEK 48,300 in 2022) is paid out to each child.



Child supplement is paid out at 0.5–2 price base amounts for each child below the age of 21.

## 65 years

Agreement area  
Confederation of  
Swedish Enterprise–LO.



Remember! A beneficiary clause should be updated if changes occur in family circumstances, for example.

### **BENEFICIARIES, TGL**

Under the beneficiary clause, the beneficiaries of the basic sum are, in order of priority:

1. Spouse, registered partner.
2. A cohabitant who has, has had or is expecting a child with the insured, or a cohabitant to whom the insured was previously married or a registered partner.
3. Another partner/cohabitant.
4. Child(ren) or grandchild(ren) with a right of inheritance.

The cohabitation according to points 2 and 3 must have been permanent under quasi-marital or quasi-partnership conditions. Both must be unmarried. If they do not have children together, both must be at least 18 years of age. The cohabitation according to point 3 above must have lasted at least six months.

If children with a right of inheritance and another cohabitant are left, half the basic sum is paid to the cohabitant and half to the children. Another beneficiary, physical or legal person, must be notified in writing to Afa Försäkring through a special beneficiary clause.

### **TAXATION**

TGL amounts to survivors are free from income tax and inheritance tax.

### **Post-employment cover, TGL**

TGL normally continues to apply when the insurance-carrying employment period ends. If the blue collar worker has been employed for at least 180 days, the post-employment cover applies for 180 days (general period of post-employment cover). If the blue collar worker has not been employed for at least 180 days, the post-employment cover applies for the same number of days that the blue collar worker has been employed. In order to calculate the insurance-carrying employment period, the blue collar worker must include previous periods of employment with another employer covered by the TGL insurance.

If the blue collar worker is away from work as a result of illness, is on leave with retained employment benefits or is receiving full parental benefit during the general period of post-employment cover, they may retain the post-employment cover.

The cover also applies for longer than six months during periods with full rehabilitation compensation due to illness or an accident.

If the blue collar worker is a jobseeker or is receiving full parental benefit during the general period of post-employment cover, the post-employment cover is retained, although for a maximum of two years.

If the blue collar worker has left their employment due to illness or an accident, the insurance cover in TGL applies until the age of 65.

If the employment has ceased due to work shortage and the blue collar worker has taken early retirement, the employer has the potential to take out "TGL in the event of occupational pension" with Afa Försäkring via Fora, until the blue collar worker reaches the age of 65.

A blue collar worker who is covered by general post-employment cover in TGL is able to take out continuation insurance via Fora.

### **Working after the age of 65**

TGL applies for as long as the blue collar worker is not absent for more than 90 consecutive days. The employer pays no premium from the month when the employee turns 65.

# Compensation to survivors for white collar workers

If a white collar worker dies, financial compensation can be paid to beneficiaries. However, the white collar worker must have actively selected repayment cover. There is also supplementary family cover.

## ITP1 death

Within ITP1, white collar workers can select repayment cover or family cover – or both. This is paid to beneficiaries in the event of the person’s death. In order for a payment to be made, the white collar worker must have actively selected repayment cover and family cover. If a newly employed white collar worker chooses to add these forms of cover at a later date than when entering ITP, and not during the “selection period” (which lasts three months), the person needs to fill out a health declaration and receive approval. If the white collar worker adds these forms of cover in connection (within twelve months) with a family event, they can select repayment cover and family cover up to two price base amounts with a payment period of five years, or one price base amount per year for ten years, without filling out a health declaration. Examples of family events include getting married, becoming a cohabitant or having children.



In order for a payment to be made, the white collar worker must have actively selected repayment cover or family cover, or both.

## REPAYMENT COVER

White collar workers can select repayment cover for their retirement pension. This means that the earned pension is paid out monthly for five years if the person dies before the pension has begun to be paid, and otherwise for the remainder of the commenced payment. The repayment cover persists even after payment of the retirement pension has begun, unless the recipient opts out. The cover cannot be selected if the pension has begun to be paid. When the person takes out repayment cover, a health declaration may be required. Read more in the chapter on pensions on page 96.

## FAMILY COVER

The occupational pension can be supplemented with family cover. In the event the white collar worker dies before the age of 65, the family cover is paid out according to the choices they have made, at 1, 2, 3 or 4 price base amounts/year for 5, 10, 15 or 20 years. At most, the family cover can be paid out up to the time when the white collar worker would have turned 70. The premium is determined one year at a time and reduces the premium for the retirement pension. This takes the age of the white collar worker into account. When the white collar worker takes out family cover, a health declaration may be required. The family cover applies for as long as payments are being made into ITP 1, although at most until the person reaches the age of 65. Read more in the chapter on pensions on page 86.



#### EXAMPLE OF PREMIUM/MONTH FOR 1 PRICE BASE AMOUNT FOR FAMILY COVER

AGE	PAYMENT 5 YEARS	PAYMENT 20 YEARS
25 years	SEK 3	SEK 13
40 years	SEK 5	SEK 19
55 years	SEK 20	

#### BENEFICIARIES

Family cover and repayment cover are paid to the surviving spouse, registered partner, cohabitant or child(ren). The white collar worker can themselves select the order in which this is to apply by writing a specific beneficiary clause. Other beneficiaries may also be selected, such as a previous spouse or cohabitant, their child(ren), as well as stepchild(ren) and foster child(ren). No other beneficiaries may be selected.

#### ITP2 – death

For a person covered by ITP 2, the employer pays a supplementary retirement pension, ITPK. White collar workers can also select repayment cover or family cover, or both. This is paid to beneficiaries in the event of the person’s death. In order for a payment to be made, the white collar worker must have actively selected cover. If a newly employed white collar worker chooses to add these forms of cover at a later date than when entering ITP, and not during the “selection period” (which lasts three months), the person needs to fill out a health declaration and receive approval. If the white collar worker adds these forms of cover in connection (within 12 months) with a family event, such as getting married, becoming a cohabitant or having children, they can select repayment cover and family cover up to two price base amounts with a payment period of five years, or one price base amount per year for 10 years, without filling out a health declaration.

#### REPAYMENT COVER

White collar workers can select repayment cover for their retirement pension. This means that the earned pension is paid out monthly for five years if the white collar worker dies before the occupational pension has begun to be paid. Otherwise, for the remainder of the commenced payment. The repayment cover persists even after payment of the retirement pension has begun, unless the recipient opts out. The cover cannot be selected if the pension has begun to be paid. Read more in the chapter on pensions on page 104.



For ITPK, the white collar worker can select repayment cover and family cover. This is paid to beneficiaries in the event of the person’s death.

#### FAMILY COVER

The white collar worker can supplement retirement pension with family cover. When the white collar worker takes out family cover, a health declaration may be required. If the white collar worker dies, this is paid out according to the choices they have made, at 1, 2, 3 or 4 price base amounts/year for 5, 10, 15 or 20 years. At most, the family cover can be paid out up to the time when the deceased would have turned 70. The premium for family cover is dependent on the age of the white collar worker, and it reduces the premium for ITPK. The family cover applies for as long as payments are being made into ITPK, although at most until the person reaches the age of 65, and is taken out with Alecta. If the family cover has been selected before 1 April 2008, other rules apply. In this case, one or two raised price base amounts are paid to survivors for five years. Read more in the chapter on pensions on page 104.

## BENEFICIARIES

Family cover and repayment cover are paid to surviving spouses, registered partners, cohabitants or child(ren). The white collar worker can themselves select the order in which this is to apply by writing a specific beneficiary clause. Other beneficiaries who may be selected are a previous spouse or cohabitant, their child(ren), as well as stepchild(ren) and foster child(ren).

## FAMILY PENSION

In the event of the death of a white collar worker who has earned more than 7.5 income base amounts, and who has not abstained from Family pension (see below), their spouse and children below the age of 20 will receive ITP's family pension. If the couple had no children together, the marriage must have lasted at least five years if the wedding occurred after the white collar worker's 60th birthday. Spouses are also entitled to family pension after the white collar worker has passed retirement age. The amount for full family pension is based on a basic sum and the number of beneficiaries. In the event of divorce, the divorced spouse has no entitlement to family pension in the event of the death of the white collar worker. If a person wants, they can request that this individual remains as a beneficiary of part of the family pension. In this case, the request must be submitted to Alecta within one year from the ruling on the divorce.

## Size of family pension

SALARY PORTIONS WITHIN THE INCOME BASE AMOUNT INTERVAL	BASIC SUM
-7.5	0%
7.5-20	32.5%
20-30	16.25%

If a white collar worker dies, the surviving spouse is entitled to family pension and 100% of the basic sum, in those cases where there are no children below the age of 20. Spouse and one child are entitled to 130%. Spouse and two children are entitled to 150%, and a further 10% for each additional child. In such cases, the spouse receives 75% of the basic amount and the remaining amount is divided equally between the children. If there are only surviving children, the family pension is paid at 75% for one child, 110% for two children, 135% for three children and 150% for four children. For each further child, a further 10% is paid.

## ABSTENTION FROM FAMILY PENSION

A white collar worker can choose to abstain from future payments to family pension and instead have the premium transferred to ITPK. This abstention is permanent, even in the event the white collar worker changes employer. The white collar worker's previously earned family pension remains (known as paid-up policy) and is paid to beneficiaries in the event of death as above.



# TGL Group life insurance for white collar workers

TGL Group life insurance for white collar workers is a life insurance scheme. It is paid out with a lump sum in the event of the death of the white collar worker.

TGL can also be paid in the event of the death of the white collar worker's spouse or, in certain cases, cohabitant. TGL includes:

- ▶ basic sum
- ▶ child supplement.

The employer takes out TGL with one of the following insurance companies: Alecta, Bliwa, Folksam, Idun Liv Försäkring AB, Länsförsäkringar, Movestic, SEB Trygg Liv, SEB Pension och Försäkring AB or Skandia Liv.

## When does TGL apply?

White collar workers who work at least eight hours/week are covered by TGL. The insurance can be taken out at the earliest in the first month after the white collar worker has turned 18. TGL ceases when the employment is terminated or when the white collar worker retires. It applies at most until the month before the white collar worker's 70th birthday.

## Compensation from TGL – basic sum and child supplement

Compensation from TGL is paid out with a lump sum, irrespective of whether the death occurs during working hours or not. If the white collar worker has worked at least 16 hours/week, the survivor(s) receives a full TGL amount. Half a TGL amount is paid if the white collar worker has worked at least 8 hours, but less than 16 hours/week.

### BASIC SUM

The basic sum is paid out on the basis of the age of the white collar worker.

THE WHITE COLLAR WORKER AT THE TIME OF DEATH IS	FULL BASIC SUM	HALF BASIC SUM
Below 55 years of age	SEK 289,800	SEK 144,900
55 but not turned 56	SEK 265,650	SEK 132,825
56 but not turned 57	SEK 241,500	SEK 120,750
57 but not turned 58	SEK 217,350	SEK 108,675
58 but not turned 59	SEK 193,200	SEK 96,600
59 but not turned 60	SEK 169,050	SEK 84,525
60 but not turned 61	SEK 144,900	SEK 72,450
61 but not turned 62	SEK 120,750	SEK 60,375
62 but not turned 63	SEK 96,600	SEK 48,300
63 but not turned 64	SEK 72,450	SEK 36,225
64 but not turned 70	SEK 48,300	SEK 24,150

**>8 hours/  
week**

White collar workers who work at least eight hours/week are covered by TGL



### CHILD SUPPLEMENT

If, at the time of their death, the white collar worker has children below the age of 17, the basic sum is not reduced regardless of the person's age at the time of their death. Child supplement is paid out at 0.5–2 price base amounts for children below the age of 20. See the table below

AT THE TIME OF THE DEATH OF THE WHITE COLLAR WORKER, THE CHILD IS	FULL CHILD SUPPLEMENT	HALF CHILD SUPPLEMENT
Below 17 years of age	SEK 96,600	SEK 48,300
17 or 18 years old	SEK 72,450	SEK 36,225
19 but not turned 20	SEK 48,300	SEK 24,150

If there are no beneficiaries, the estate can receive a funeral grant amounting to half the price base amount (SEK 24,150 in 2022). If the spouse, registered partner or cohabitant of the white collar worker dies, and they have children below the age of 17, the survivor receives a lump sum from the "spouse insurance". A cohabitant is covered by this if the couple have children together. A cohabitant who is the beneficiary of the basic sum is covered, even if the couple do not have children together. The condition for this is that the deceased was not covered by TGL. The amounts for 2022 are SEK 24,150 to the white collar worker and SEK 48,300 to each child below the age of 17.

### BENEFICIARIES

Under the beneficiary clause, the beneficiaries of the basic sum are, in order of priority:

- ▶ spouse or registered partner
- ▶ child(ren) or grandchild(ren)
- ▶ parents.

The white collar worker can select the order in which this is to apply by submitting a written beneficiary clause to Collectum. Collectum will return a copy as a receipt that the names have been registered. A white collar worker who is a cohabitant and who wants their cohabitant to be the beneficiary must always submit a clause. This applies even if the couple have children together.

Remember to submit a new beneficiary clause, for example if the family conditions change. Collectum maintains a register of beneficiaries, which is shared by the insurance companies that are insuring TGL for white collar workers.

### TAXATION

TGL amounts to survivors are free from income tax.

### Post-employment cover

TGL includes post-employment cover, which applies for three months after the employment has ceased.

If the white collar worker loses their job, applies for a new job or obtains a new job that does not have TGL insurance, the post-employment cover can be extended. The same applies if the white collar worker is on leave for studies and is entitled to a study grant or a study allowance. Post-employment cover applies for as long as the employment has lasted, although no longer than 24 months. After this period, the general post-employment cover applies for three months. If the white collar worker becomes ill during the period of post-employment cover, the cover is also extended for the same length of time. In the event of sickness compensation, the cover applies up to the age of 65.

### Working after the age of 65

The TGL insurance and premium payment apply at most until the month before the employee turns 70.

## 0.5–2 pba

Child supplement is paid out at 0.5–2 price base amounts for children below the age of 20.



If there are no beneficiaries, the estate can receive a funeral grant amounting to half the price base amount.



Remember! A beneficiary clause should be updated if changes occur in family circumstances, for example.



# Checklist – death

What should survivors consider in the event of the death of a relative? What does the employer need to do? This checklist covers the most important elements that need to be considered when a close relative has died. Different factors apply to blue collar and white collar workers. Survivors can find useful assistance at [etterlevandeguiden.se](http://etterlevandeguiden.se).



## EMPLOYER OF BLUE COLLAR WORKERS

- ▶ Employers can support survivors of an employee by notifying them that they can receive compensation from TGL Group life insurance in the event of the death of a close relative.
- ▶ The employer must confirm to Afa Försäkring that the deceased was an employee (using the form “Notification of death, TGL”).
- ▶ If the death is due to a work injury, the employer must submit a report to the Social Insurance Office and the Swedish Work Environment Authority on their joint website, [anmalarbetsskada.se](http://anmalarbetsskada.se).

## SURVIVORS OF BLUE COLLAR WORKERS

- ▶ Survivors must report the death to Afa Försäkring (using the form “Notification of death, TGL”).
- ▶ If the death is due to a work injury, the survivors can apply for compensation from Work injury insurance (TFA) with Afa Försäkring.
- ▶ The relative may be contacted by the insurance company with which the deceased had pension insurance schemes or survivors’ cover. This may relate to information about the deceased’s occupational pension or a request for a death certificate.



## EMPLOYER OF WHITE COLLAR WORKERS

- ▶ Employers can support survivors of an employee by notifying them that they can receive compensation from TGL Group life insurance.
- ▶ If the company has taken out TGL with an insurance company other than Alecta, the employer must contact the relevant insurance company.
- ▶ If the deceased worked outside Sweden on the company's behalf, the employer must report the death to Alecta.
- ▶ If the death is due to a work injury, the employer must submit a report to the Social Insurance Office and the Swedish Work Environment Authority on their joint website, [anmalarbetskada.se](http://anmalarbetskada.se).

## SURVIVORS OF WHITE COLLAR WORKERS

- ▶ The relative may be contacted by the insurance company with which the deceased had pension insurance schemes or survivors' cover. This may relate to information about the deceased's occupational pension or a request for a death certificate.
- ▶ If the death is due to a work injury, the survivors can apply for compensation from Work injury insurance (TFA) with Afa Försäkring.



# Pension

## Statutory pension

Everyone who has worked or been resident in Sweden is entitled to general state pension. The pension is based, with a few exceptions, on all incomes for which income tax is paid. The Pension Authority is responsible for the general state pension, which is paid for the rest of the person's life.

### Pensionable income (PGI) confers the right to pension

In the case of general state pension, the size of the pension is determined by the lifetime income. All taxable work income, as well as all compensation for social and unemployment insurance schemes, confer the right to pension.

In order to earn money towards pension rights, the total annual income must exceed 42.3% of the price base amount (SEK 20,431 in 2022). Pension rights are calculated from the first taxable krona earned, and there is no lower or upper age limit for starting to earn this.

The Swedish Tax Agency determines the size of the pensionable income (PGI). This decision is based on all the income declarations we have had over the years. In order to determine PGI, a deduction is made for the general pension contribution, which is 7% of the income. PGI can never be higher than 7.5 income base amounts (SEK 532,500/year or SEK 44,375/month for 2022). To obtain maximum PGI, a person's income – before deduction for the general pension contribution – must amount to 8.07 income base amounts (SEK 572,600 in 2022).

### Pension rights when an employee is not working

A person who has small children, is studying or is receiving sickness or activity compensation can receive compensation from the state. In this case, the state pays in pension contributions corresponding to a hypothetically calculated income. The hypothetically calculated income is known as the pensionable amount.

In order for the pension rights from the hypothetical income to be able to be included in the future pension, it is necessary to have at least five years of income before reaching the age of 70. This income must correspond to at least two income base amounts for the year in question.

### Contributions

One of the basic ideas of the pension system is that pensions should be financed by employers and employees. This financing takes place via the employer's contribution and the person's own pension contribution. The contributions go to income pension and premium pension.

#### READ MORE ABOUT THE LEGAL SITUATION AT

- ▶ Social Insurance Code (2010:110) at [riksdagen.se](http://riksdagen.se).
- ▶ [Pensionsmyndigheten.se](http://Pensionsmyndigheten.se).

# PGI=

Pensionable income



The guarantee pension constitutes basic cover for a person who has had low or no income during their life.

### Income pension

The contribution to income pension is 16% of pensionable income. The employee continues to earn the general state pension as long as they have a pensionable income. All pension rights that have been earned contribute jointly to the pension capital. The income pension follows the income trend and is indexed accordingly. If the pension system's liabilities should be greater than its assets, the decision is taken instead to use a balance index in order to guarantee there is sufficient money in the system.

### Premium pension

The contribution to premium pension is 2.5%. We choose for ourselves how the money is to be invested. If no choice is made, the money remains in the state preselection option, AP7 Såfa.

### Income pension supplement

The income pension supplement can be paid out as a supplement to general state pension, at the earliest from the age of 65. A person who has had a long working life in Sweden, but at a low salary, may be entitled to income pension supplement. The supplement is based primarily on the size of the income-based pension, although also on the number of years of pensionable income that have been earned in Sweden.

### Guarantee pension

The guarantee pension constitutes basic cover for a person who has had low or no income during their life. In order to be entitled to full guarantee pension, it is necessary for the person to have been resident in Sweden for 40 years between the ages of 16–64. The guarantee pension is paid out at the same time as the income-related general state pension, although at the earliest from the age of 65.

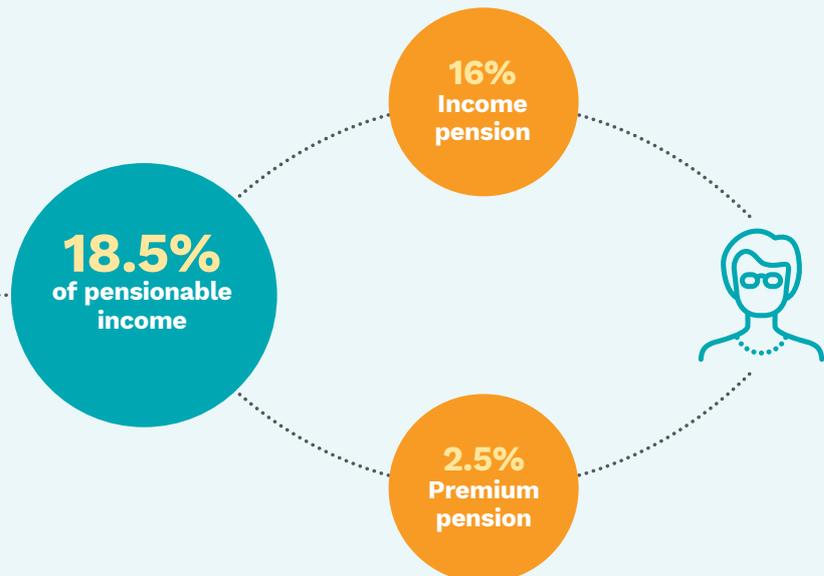
### Retirement age

A person who wishes to apply for income pension or premium pension, or both, should do so with the Pension Authority. The pension is lifelong and can be drawn as full, three-quarters, half or one-quarter. The earliest point at which general state pension can be drawn is currently at the age of 62. It is proposed that this age be raised to 63 years as from 2023. From 2023, it is also proposed that the age for receiving guarantee pension, income pension supplement and housing supplement should be raised from 65 to 66. From 2026, a guideline age will probably be introduced that will govern the earliest age at which general state pension can be drawn. The guideline age tracks the trend in the average lifespan.

## General state pension

Employer's contribution

Own pension contribution



# SAF-LO Collective pension for blue collar workers

A person who is covered by a collective agreement is entitled to occupational pension. This supplements the pension that the employee receives through the general state pension system.

## SAF-LO Collective Pension

For privately employed blue collar workers, the pension plan is called SAF-LO Collective pension, and it is managed by Fora. Fora distributes the premiums to the fund manager(s) the employee has chosen for their occupational pension. Within SAF-LO Collective pension, the employer starts paying in premiums from the month when the employee turns 23 and continues until they reach the age of 65.

### PENSIONABLE SALARY

Gross salary paid in cash (excluding reimbursement of expenses) during the year is pensionable and, along with the choices the employee has made, forms the basis for the size of the occupational pension. Want to find out more about the situation? Visit [fora.se](http://fora.se).

### PENSION PREMIUMS

The size of the premium for SAF-LO Collective pension is determined at a certain percentage of the pensionable yearly salary. The employer pays in the pension premium, which corresponds to 4.5% on portions of salary up to 7.5 income base amounts (SEK 532,500 in 2022). For salary portions above this amount, a total corresponding to 30% is paid. There is no ceiling for salaries.

### CHOICE OF OCCUPATIONAL PENSION

The blue collar worker can make the following choices for premiums to their pension:

1. Type of saving – choice between traditional insurance and unit-linked insurance.
2. Insurance company – who is to manage the premiums.
3. Repayment cover or family cover, or both.

It is possible to make new selections and change selections during an ongoing insurance period. The blue collar worker can manage their occupational pension themselves by logging in on “My Pages” at Fora.

### TYPE OF SAVING – TRADITIONAL INSURANCE OR UNIT-LINKED INSURANCE

In traditional pension insurance, it is the insurance company that manages and invests the pension capital. The employee is always guaranteed a certain pension payment in relation to premiums paid in. This guarantee may differ from one insurance company to another. If the company manages the money in such a way that a surplus is generated, the pension can be higher.

## SAF-LO Collective pension

Change regarding earnings year:

1 January 2023 from 22 years



Pension premiums for blue collar workers, Confederation of Swedish Enterprise–LO.



### TRADITIONAL INSURANCE AND UNIT-LINKED INSURANCE

There are two types of insurance: traditional insurance and unit-linked insurance. The difference between these relates to the extent to which the employee can themselves influence the management of the insurance premium. Another difference is that, with a traditional insurance scheme, the insurance company guarantees a minimum amount as regards the future pension.

A person who selects unit-linked insurance ends up in the selected company's default fund. If they want, the person can then proceed and select between the funds the company offers. The unit-linked insurance has no guaranteed pension payment, and may be higher or lower than that guaranteed in traditional insurance.

### ELIGIBLE INSURANCE COMPANIES

There are a limited number of eligible companies, and it is the parties on the labour market – the Confederation of Swedish Enterprise and LO – that determine which are eligible. The eligible companies are:

#### TRADITIONAL INSURANCE

Alecta

AMF

Folksam Liv

SPP Pension & Försäkring

#### UNIT-LINKED INSURANCE

AMF

Folksam LO Pension

Futur Pension

Handelsbanken Liv

Länsförsäkringar Fondliv

Movestic Liv & Pension

Nordea Liv & Pension

SEB Trygg Liv

SPP Pension & Försäkring

Swedbank Försäkring

If the employee does not make a selection, the funds are invested in AMF, in a traditional insurance scheme with no repayment cover or family cover. The employee can choose to add repayment cover or family cover, or both.

### REPAYMENT COVER

The employee can take out repayment cover for their occupational pension. This means that, when the employee dies, the pension capital is paid out as a monthly pension to their family (beneficiaries). The repayment cover does not cost anything, although deposits from inheritance gains and the return on these funds are lost. If the employee dies before the pension has started to be drawn, the pension capital is paid out to beneficiaries for a period of five years. If the employee dies after the pension has started to be drawn, the payments are transferred to beneficiaries during the agreed payment period, although at most for a total of 20 years.

If the employee selects repayment cover at a later date than the selection period or later than twelve months following a family event, an approved health assessment is required. The family events included are marriage, entering into cohabitation, the birth of a child or the adoption of a child. The repayment cover can be granted at a later date, despite the blue collar worker having suffered a serious illness. In this case, the repayment cover applies to premiums that are paid in after the selection of repayment cover. The fund manager that has been selected for the occupational pension is the insurance provider for the repayment cover.



The employee can take out repayment cover for their occupational pension. This means that, in the event of death, the pension capital is paid out as a monthly pension to their family (beneficiaries).

### FAMILY COVER

Family cover is a temporary survivors' cover. The cost for the insurance is taken from pension premiums that the employer pays into the occupational pension. The premium for the family cover varies depending on how many price base amounts are selected and the length of the payment period.

The length of the payment period for the family cover is 5, 10, 15 or 20 years (at most up to and including the month before the employee would have turned 70). It is possible to select 1, 2, 3 or 4 price base amounts. The selected amount is paid out monthly for the selected period. The family cover is terminated when there are no longer any payments into SAF-LO Collective pension that can pay for the cover. If the employee retires at the age of 65, the cover ceases automatically on 31 December in the year in which they turn 65.



Family cover is a temporary survivors' cover. The premium for the family cover varies depending on how many price base amounts are selected and the length of the payment period.

### BENEFICIARIES

The beneficiaries for repayment cover and family cover are spouses, registered partners or cohabitants in the first instance, and child(ren) in the second instance. It is possible to change this order or to allow a former spouse, former registered partner, former cohabitant or the child(ren) of one of these, stepchildren or foster children to become beneficiaries by submitting a new beneficiary clause.

### DRAWING FULL PENSION

SAF-LO Collective pension is normally paid out monthly as from the month in which the blue collar worker turns 65, and is paid for the rest of the person's life. It is possible to defer the drawing of this pension if the worker wants to have their pension paid after the age of 65. It is also possible to draw the occupational pension earlier, at the earliest from the age of 55, and to select a payment period of between 5 and 20 years or for the rest of the person's life. In the case of early drawing for a period of less than five years, drawing must take place at least until the age of 65 and be for retirement purposes.

It is important to bear in mind that it is not possible to alter the payment period once payments have begun.

### OPPORTUNITY TO DRAW THE PENSION IN PART (PARTIAL DRAWING)

The employee can draw the pension in part from the month after they have turned 55, and drawing must continue at least until the month they turn 65. In the case of partial drawing, it is necessary to reduce working hours to a corresponding degree. The pension's monthly amount must not be higher than the amount in kronor that is lost in work income with the reduced working hours. In addition to the initial drawing, it is possible to increase the drawing on two further occasions by reducing the working hours. The employee cannot change their mind and increase their working hours again once the payment of the partial drawing has begun. If the employee is receiving sickness benefit or sickness compensation from the Social Insurance Office, partial drawing can only take place for the portion that the employee is still working.

### WORKING AFTER THE AGE OF 65

If the employee continues working after their 65th birthday, the employer can choose to continue or stop the payment of pension premiums, once this has been notified to Fora. The waiver of premium insurance applies at most until the month before the employee turns 65.

# 65 years

SAF-LO Collective pension is normally paid out monthly as from the month in which the blue collar worker turns 65.



### **LIFETIME WORKING HOURS PENSION OR WORKING HOURS PENSION**

SAF-LO Collective pension offers a supplement in certain sectors, known as Lifetime working hours pension or Working hours pension. The employee selects whether the allocation is to be used for pension premiums (including blue collar workers below the age of 25), paid leave or cash compensation. If the allocation goes to pension premiums, the employer has to report to Fora. The same applies to individual agreements between employer and employee. Read more at [fora.se](http://fora.se) and in the relevant collective agreement

### **PART-TIME PENSION**

In most sectors, the parties are in agreement that the employer has to pay a premium for part-time pension with the intention of the employee being able to take early retirement. Within certain agreement areas, premiums for part-time pension must also be paid after the age of 65. Fora manages the allocation. Read more at [fora.se](http://fora.se) and in the relevant collective agreement.

### **WAIVER OF PREMIUM INSURANCE (PBF)**

Waiver of premium insurance (PBF) pays the premium into the occupational pension and, where applicable, family cover. The premium is paid if the employee is unable to work due to illness or accident and is receiving sickness benefit, rehabilitation compensation, activity or sickness compensation, or is on parental leave with parental benefit or pregnancy benefit. For parental leave with parental benefit, the premium is paid for a maximum of 13 months per birth or adoption and parent that is covered by the insurance.

Waiver of premium also applies to those who are insured and have life annuity in accordance with the Work Injury Insurance Act without simultaneously receiving sickness or activity compensation. The waiver of premium insurance applies if the employee was fit for work at least 25% at the time when the employment started. If the employee was experiencing work incapacity at the time when the employment started, and this incapacity persisted continuously, the waiver of premium only applies to additional work incapacity amounting to at least 25%. The waiver of premium is proportional to the degree of work incapacity. Waiver of premium insurance applies from the time when the employee turns 23 until the month before the employee turns 65.

A person who applies for Parental benefit supplement (FPT), Group sickness insurance (AGS) or Work injury insurance (TFA) from Afa Försäkring automatically registers for waiver of premium insurance. All insurance claims that can grant entitlement to waiver of premium must be reported. The employer must confirm the employment to Afa Försäkring. If the insured person has been employed for 90 days, there is post-employment cover for waiver of premium for 90 days in the event of illness or an accident. The premium is paid on a calculated loss of pensionable salary, which is determined on the basis of sickness benefit-qualifying income at the time when the person becomes ill. Salary portions above 7.5 price base amounts are also included. The premium is paid in the year after the earning year.

### **Collective agreement guarantee**

SAF-LO Collective pension includes a guarantee rule. If the employer has entered into a collective agreement, this means that the employee has insurance cover and is entitled to payments into their occupational pension, even if the employer has not taken out insurance or paid the premium. The guarantee fund makes payments into SAF-LO Collective pension, but the employee has to apply in person. The fund is managed by the Stiftelsen för Särskilda Pensionsmedel, which is administered by Fora.

# ITP plan for white collar workers

Employers that are covered by collective agreements take out the ITP plan with Collectum, which manages ITP and is the selection centre for employees. The ITP plan applies to employers that are members of an employers' association or that have entered into local collective agreements with trade unions for white collar workers.

## The ITP plan has two parts ITP1 och ITP 2

The ITP plan contains two parts: ITP 1 and ITP 2. The main rule is that employed white collar workers born in 1979 or later have defined-premium ITP 1, and those born in or prior to 1978 have defined-benefit ITP 2 and ITPK.

Employers that enter into collective agreements now can allow all employed white collar workers to be reported for ITP 1, regardless of their year of birth. However, a precondition for this is that the employer is not already covered by a valid collective agreement for ITP 2, nor has been covered in this manner over the past 18 months. The employer enters into the ITP plan by filling in Collectum's form "Application for pension agreement" and applying for ITP 1 for all white collar workers.

Another exemption is that a person born in 1978 or before, and who has a salary exceeding 10 income base amounts, may reach agreement with the employer regarding switching to ITP 1, rather than defined-benefit ITP 2.

## All white collar workers are covered

Employers that have collective agreements for white collar workers have an obligation to take out ITP through Collectum. All white collar workers – except for managing directors of limited companies and self-employed persons or spouses working in the company – are covered by ITP. The definition of self-employed persons is presented on page 18. The employer must report all white collar workers over the age of 18 to Collectum. Self-employed persons and managing directors may voluntarily affiliate to the employer's ITP plan. Owners of trading companies, general partners in limited partnerships or owners of companies that are not a legal entity cannot be affiliated to ITP. If particular reasons exists, the ITP Board may approve that another owner may also be regarded as self-employed and accordingly be exempted from the ITP plan. The Board can grant exemptions in other cases too.

## Abstention from ITP

At employers that had already taken out occupational pension before the collective agreement came into force, the employer may agree with the employee to retain this pension solution and abstain from ITP. In order to abstain from ITP, the employer must submit a written notification regarding abstention to Collectum within six months from the date on which the collective agreement was entered into. Only white collar workers that were employed before the collective agreement came into force may abstain.

For white collar workers who have actively abstained from ITP and have selected another pension plan, an agreement must be entered into regarding the additional premiums for part-time pension or flexible pension. The agreement must be reached between the employer and the employee or between the employer and the local trade union.

### DEFINED-PREMIUM AND DEFINED-BENEFIT PENSION

There are two ways of designing pensions: either as a defined-premium pension or a defined-benefit pension. A defined-premium pension means that the size of *the premium* is determined in advance. A defined-benefit pension means that the benefit – *the pension* – is determined in advance.



# Comparison between ITP1 and ITP2

	ITP 1	ITP 2
<b>Pension system</b>	Defined premiums.	Defined-benefit and defined-premium.
<b>Entry age/Scope</b>	Retirement pension 25–65 years old (disability pension 18 years old).	Retirement pension (and disability pension) cover all insured parties who have not yet turned 65, i.e. white collar workers born in 1978 or earlier.
<b>The size of the pension</b>	The premium is set and the size of the pension depends on the premiums paid in, which are calculated on the white collar worker's salary, the fund management and any charges applied by the company.	The premium is dependent on the benefits to be paid. ITP retirement pension is primarily dependent on the period of service and the final salary at the time of retirement. For ITPK, the premium is set and the size of the pension depends on the premiums paid in, which are calculated on the white collar worker's salary, the fund management and any charges applied by the company.
<b>Final payment</b>	There is no final payment.	There is a final payment, see page 100.
<b>Costs</b>	The costs incurred by the employer are known. The premium is based on the paid monthly salary. The premiums are presented on page 25.	The employer's cost varies as the majority of the premium is set individually. The premiums are presented on page 26.
<b>Pensionable salary</b>	Gross salary paid in cash including overtime, bonus and commission per month.  Reimbursement of expenses is not included.	Current permanent monthly salary x 12.2 plus any variable salary portions etc.  Overtime allowance and reimbursement of expenses are not included.
<b>Salary portions covered</b>	No upper salary limits.	Salary limit 30 iba (SEK 2,130,000/year).
<b>Compensation to survivors</b>	Within the framework of the pension premium, the white collar worker can opt to add cover for their family. The forms of cover that can be selected are repayment cover and family cover.	Family pension is paid out lifelong for the survivor, if the white collar worker has or has had salary in excess of 7.5 income base amounts. Not applicable to cohabitant of the insured or children over the age of 20. The premium for family pension can be transferred to ITPK. In ITPK, employees can select family cover and repayment cover.
<b>Waiver of premium insurance</b>	Waiver of premium for the employer in the event of: <ul style="list-style-type: none"> <li>▶ illness or accidents (takes effect after more than 14 days of illness)</li> <li>▶ parental leave with parental benefit (13 months)</li> <li>▶ temporary parental benefit – leave for child care.</li> </ul> <p>The waiver of premium is proportional to the degree of work incapacity.</p>	Waiver of premium for the employer in the event of: <ul style="list-style-type: none"> <li>▶ illness or accidents (takes effect after 90 consecutive days' illness or after 105 days over the last twelve months).</li> </ul> <p>The employer does not need to pay any premiums in the event of at least 25% sick leave.</p>

# ITP1 for white collar workers

ITP1 applies to white collar workers born in 1979 or later. The pension premium is paid from the month in which the white collar worker turns 25 and continues until they reach the age of 65.

## All gross salary is pensionable

Pensionable salary is the gross salary paid in cash (excluding reimbursement of expenses) for each calendar month. The employer must report paid gross salary to Collectum each month. Read more about pensionable salary and salary reporting at [collectum.se](https://collectum.se).

## The employer pays in the pension premium

The plan is a complete defined-premium scheme. The premium is 4.5% on salary portions up to 7.5 income base amounts (SEK 44,375/month in 2022) and 30% on portions above this. There is no ceiling for salaries. Over and above the defined-premium scheme, premiums will be added for the ITP disability pension and waiver of premium insurance.



ITP 1 is a complete defined-premium scheme.

## The ITPK choice

The white collar worker can make the following choices for premiums to their pension:

1. Type of saving – Traditional insurance or unit-linked insurance.
2. Insurance company – who is to manage the premiums.
3. Repayment cover or family cover, or both.

The choice can be changed during the insurance period. The white collar worker can manage their occupational pension themselves by logging in on “My Pages” at Collectum. To make a selection regarding ITP1, the employee must have turned 25.

## Type of saving – traditional insurance or unit-linked insurance

The white collar worker can choose between traditional insurance or unit-linked insurance. At least half the premiums must be invested in a traditional insurance scheme.

In traditional pension insurance, it is the insurance company that manages and invests the pension capital. The employee is guaranteed a certain pension payment in relation to premiums paid in. This guarantee may differ from one insurance company to another. If the company manages the money in such a way that a surplus is generated, the pension can be higher.

If a person chooses unit-linked insurance, they decide for themselves how the pension premium is to be managed. The eligible insurance companies have a number of funds to choose between. The unit-linked insurance has no guaranteed pension payment, and may be higher or lower than that guaranteed in traditional insurance.

## Eligible insurance companies

At the request of the parties on the labour market (the Confederation of Swedish Enterprise and PTK), Collectum carries out a procurement procedure to select the fund managers for occupational pension ITP. The white collar worker has the opportunity to select the fund manager and the type of saving. Earned capital can be moved, known as

### TRADITIONAL INSURANCE AND UNIT-LINKED INSURANCE

There are two different types of insurance: traditional insurance and unit-linked insurance. The difference between these relates to the extent to which the employee can themselves influence the management of the insurance premium. Another difference is that, with a traditional insurance scheme, the insurance company guarantees a minimum amount as regards the future pension.



the right to move, either within the company or to one of the other eligible companies. Collectum manages this movement. Visit [collectum.se](http://collectum.se) to learn which charges apply to moving.

Making a new selection, changing a selection or moving pension capital may only take place to those fund managers that the parties have selected as being eligible:

TRADITIONAL INSURANCE	UNIT-LINKED INSURANCE
Alecta	Futur Pension
AMF	Handelsbanken Liv
Folksam Liv	Movestic Liv & Pension
SPP Pension & Försäkring	SPP Pension & Försäkring
Skandia Liv	Swedbank Försäkring



The employee can take out repayment cover for their ITP1. In the event of the death of a white collar worker who has retirement pension with repayment cover, the earned pension is paid out to beneficiaries. A person who has repayment cover receives a lower retirement pension, but in return the pension capital goes to their family when they die.

When white collar workers do not actively select how the premiums are to be managed, they are invested in a traditional pension insurance scheme with Alecta, with no repayment cover or family cover.

### Repayment cover

The white collar worker can take out repayment cover for their ITP1. In the event of the death of a white collar worker who has retirement pension with repayment cover, the earned pension is paid out to beneficiaries. A person who has repayment cover receives a lower retirement pension, but in return the pension capital goes to their family when they die. Repayment cover is valid both during the period when the person is working and after their retirement. If the employee dies after the pension has started to be drawn, the payments are transferred to beneficiaries during the agreed payment period, although at most for a total of 20 years. The repayment cover remains valid until the recipient opts out.

### Family cover

Family cover is a temporary compensation for survivors, which is paid out to beneficiaries for 5, 10, 15 or 20 years (at most up to and including the month before the white collar worker would have turned 70). They can choose between receiving 1, 2, 3 or 4 price base amounts per year, which are paid out monthly over the period they have selected. The premium for the family cover reduces the premium for the retirement pension and varies depending on how many price base amounts are selected and the length of the payment period. The family cover is taken out with Collectum.

### ITP 1 – a defined-premium plan



## BENEFICIARIES

The beneficiaries for repayment cover and family cover are spouses, registered partners or cohabitants in the first instance, and child(ren) in the second instance. It is possible to change this order or to allow a former spouse, former registered partner, former cohabitant, the child(ren) of one of these or foster children to become the beneficiary by submitting a new beneficiary clause.

## Drawing the pension from ITP 1

The pension can be drawn at the earliest from the age of 55, and is paid out for a set number of years (at least five years and at most for the rest of the person's life). The white collar worker can choose to make partial drawings. In the case of full drawing before the age of 65, the white collar worker must stop working for retirement purposes. This means work less than eight hours per week before the age of 65. In addition, the white collar worker may not receive unemployment benefit or compensation from the Social Insurance Office due to illness. In the case of partial drawing before the age of 65, retirement purposes corresponding to the portion of the pension being drawn are required. If the white collar worker reduces their working hours by 20%, for example, dropping to 80%, the employee can draw a maximum of 20% of their occupational pension. Partial drawing can be conducted on a maximum of three occasions. Read more at [collectum.se](https://collectum.se).

Want to know more?

Read more at [collectum.se](https://collectum.se)

## Supplementary premiums

Employers and trade unions can reach local agreements regarding a higher pension allocation. This means that the employer pays more into the occupational pension than that stated in the central agreement. The same applies to individual agreements between employer and employee.

## Premiums according to industrial agreements

In most sectors, the parties are in agreement that the employer is to pay a premium for part-time pension or flexible pension. Collectum manages the allocation.

Within certain sectors, there is a supplement to ITP known as Lifetime working hours pension or Working hours pension. According to the collective agreement, the employee can themselves select whether the allocation is to be used for pension premiums, paid leave or cash compensation. More information about premiums according to industrial agreements can be found in the respective collective agreements.

## Waiver of premium insurance (PBF)

ITP1 includes waiver of pension insurance, which applies to both illness and parental leave (both in the event of a birth or adoption and for care of a sick child (VAB)). The waiver of premium is proportional to the degree of work incapacity. The insurance applies from the month when the employee turns 25 at most until the month before the employee turns 65.

The employee must be granted compensation from the Social Insurance Office in order for waiver of premium to apply. Waiver of premium takes place automatically as long as the employer reports salaries to Collectum (even if the salary is SEK 0). In the case of parental benefit, max. 13 months per birth or adoption.

## Working after the age of 65

Premium payments to the occupational pensions ITP 1 and ITP 2 end automatically in the month when the white collar worker turns 65. The employer and the employee may reach agreement that the company will continue to pay into the occupational pension, only ITP1. If an agreement is in place, the employer registers the white collar worker to Collectum again and continues to report the employee's gross salary. The way in which ITP disability pension applies when working after the age of 65 is described in the section "ITP disability pension".

## Waiver of premium insurance

The waiver of premium is proportional to the degree of work incapacity. For the employee, this means that they do not lose any payments into their occupational pension. For the employer, this means lower or no premium costs at all.



# ITP 2 for white collar workers

The retirement pension in ITP 2 comprises a defined-benefit portion and a defined-premium portion, called ITPK.



ITP 2 applies to white collar workers born in 1978 or earlier.

## Who is covered?

ITP 2 applies to white collar workers born in 1978 or earlier. The ITP plan applies both to permanently employed white collar workers and to those on probation, as from the first month of their employment. Substitutes, those on a work placement or some other temporary employment are entitled to ITP if their employment lasts for three consecutive calendar months. The employer then pays ITP from the first month of employment. For a person who is employed part-time, the average working time must amount to at least eight hours/week with the same employer. If the white collar worker has less than three years left to normal retirement age at 65 – and has not previously earned ITP 2 or any other equivalent pension – the white collar worker is not covered by the ITP 2 plan. The potential exists to register the employee with ITP1. The employer must always notify this to Collectum.

## What does it cost?

The premium for ITP 2 comprises retirement pension, ITPK, risk premium and compensating premium. For those who have a salary of more than 7.5 income base amounts, it also comprises a family pension premium. The ITP retirement and family pensions are defined-benefit pensions, which is why the premiums are calculated on an individual basis. The premiums are affected by the employee's salary, age and previously earned pension. Read more about the cost at [alecta.se](http://alecta.se).



ITP2 is calculated on the relevant yearly salary. This means that the retirement pension is calculated on the basis of the final salary the white collar worker was receiving immediately before retiring.

## Pensionable salary

ITP 2 is calculated on the relevant yearly salary. This means that the retirement pension is calculated on the basis of the salary the white collar worker was receiving immediately before retiring. There are some exceptions, see the upcoming sections "Salary cap" and "Salary reduction benefit". The pensionable salary may not exceed 30 income base amounts (SEK 2,130,000 in 2022).

The employer reports the white collar worker's salary to Collectum. This is generally done once a year, once new salaries have been determined. The benefits of the ITP plan are calculated on the basis of the salary reported to Collectum. The salary includes:

- ▶ 12.2 x permanent monthly salary.
- ▶ Commission, bonus, or similar (average for the variable salary portions paid out over the last three years); see below. The Confederation of Swedish Enterprise and PTK recommend that estimated variable salary portions that will be paid out during the first year are reported directly. After one year, variable salary portions that have been paid out during the first year are reported, and after two years the average of the variable salary portions paid out over the two years is reported. The reported salary must not be below any guaranteed income.
- ▶ The compensation paid out over the preceding year for regular shift work, unsocial hours, on-call and stand-by time
- ▶ The compensation paid out over the preceding year for travel time remuneration (not travel cost compensation).

- ▶ Holiday pay on variable salary portions in accordance with previous points.
- ▶ Fringe benefits in the form of entirely free board or lodging.

Any bonus that is comparable with a commission is to be included in the pensionable salary. This means that the bonus is a variable sum that is paid when targets have been achieved. The rules are to be clear in advance. Performance bonuses determined by the employer alone do not count as pensionable salary. Performance bonuses are a one-off payment or a gift, which are often used in the event of excellent work efforts and which are determined by the employer alone.

No other fringe benefits, overtime pay, per diem allowances, travel costs or severance pay are to be included in the reported salary.

Read more about pensionable salary and salary reporting at [collectum.se](https://collectum.se).

Want to know more?  
Read more at [collectum.se](https://collectum.se)

## Salary cap

If the employee receives a salary rise when there are less than five years left until retirement, and the rise exceeds a certain percentage rate compared to the preceding calendar year, this is known as a salary cap. The part of the salary rise that exceeds the percentage rate is not pensionable for ITP 2 retirement pension, family pension and ITPK. The preceding year's salary is compared with the salary rise for the year. It does not matter why the salary is being raised, e.g. due to a promotion or an increase in working hours.

The percentage rate for the salary cap is based on the change in the income base amount and the number of months remaining until retirement age at the time of the salary rise. The increase in the income base amount was 4.1% between 2021 and 2022. The increase is then calculated on the basis of the yearly salary that the employer has reported for the previous year, and is added to the pensionable salary that applies to the previous year.

## Example – salary cap

Lars receives a salary rise to SEK 360,000 from April 2022. There are 24 months left until he is due to retire. His reported yearly salary for 2021 was SEK 335,600 and the pensionable salary was SEK 333,200.

As he has 24 months remaining until retirement, his salary may be increased by a maximum of 4.3%, i.e. by  $4.3\% \times 335,600 = \text{SEK } 14,431$ . His pensionable salary for 2022 is consequently  $333,200 + 14,431 = \text{SEK } 347,631$ .





NUMBER OF MONTHS REMAINING UNTIL RETIREMENT	MAXIMUM SALARY RISE THAT CAN BE PENSIONABLE	RISE IN % FOR 2022
59–49	1.20 x income base amount rise	4.9%
48–37	1.15 x income base amount rise	4.7%
36–25	1.10 x income base amount rise	4.5%
24–13	1.05 x income base amount rise	4.3%
12–1	1.00 x income base amount rise	4.1%

### Retroactive salary rises

ITP is affected by retroactive salary rises. As soon as the new salaries have been reported to Collectum, the adjusted ITP amounts apply retroactively from the time when the salary was altered. If the white collar worker has had their pension paid before the salary changes were complete, their pension will be adjusted retroactively. In one case, the ITP amount is not adjusted retroactively. This refers to when a person terminates their employment in a manner other than through retirement, before the new salaries have been completed.

### Salary reduction benefit

Under certain circumstances, ITP can be calculated in a special way if the salary has been reduced. This produces a “salary reduction benefit”. This means that ITP’s defined-benefit retirement pension and family pension will be higher than would have been the case if these had been calculated solely on the basis of the pensionable salary. The salary reduction benefit is reduced in the event of future salary rises.

The closer to retirement age and the larger the salary reduction, the larger the additional salary reduction benefit. However, the pension will be lower than it would have been if the salary reduction had not occurred.

### Size of the retirement pension, ITP 2

Defined-benefit ITP 2 is calculated as a percentage of the pensionable salary. Different percentage rates are used for different income ranges. ITP 2 supplements the general state pension, which is earned on salary up to 7.5 income base amounts. For this reason, benefits in ITP 2 vary and are dependent on income ranges.



Defined-benefit ITP 2 is calculated as a percentage of the pensionable salary.

SALARY IN INCOME BASE AMOUNTS	SALARY IN SEK, 2022	ITP - RETIREMENT PENSION
0–7.5	0–532,500	10%
7.5–20	532,500–1,420,000	65%
20–30	1,420,000–2,130,000	32.5%

The defined-benefit ITP 2 pension is reduced if the period of service is shorter than 360 months. The ITP 2 pension is normally paid out as an even pension amount for the rest of the person’s life. However, when it is due to start being paid out, the white collar worker can choose to draw the pension in another way.

### Final payment

A white collar worker, who leaves their job in order to retire no earlier than the month after their 62nd birthday, is entitled to receive pension as if they had earned retirement pension, ITPK and family pension until their 65th birthday. If the white collar worker chooses to draw a lifelong pension before the age of 65, the pension is only reduced because the calculated disbursement period is longer.



## Entering pension as a liability and pension fund

An employer can secure ITP's retirement pension through insurance with Alecta, entering the pension as a liability in the company's own books or an allocation to a pension fund. Entering the pension as a liability means that the pension savings remain in the company's business. A pension fund is a separate legal entity. If the employer decides on pension commitments for all or some of the employees, the company is entitled to allocate funds to the pension fund for future pension purposes. When making pension payments, the employer is entitled to use the fund for the pension expenses.

On entering the pension into the books as a liability and maintaining a pension fund, the employer must take out credit insurance and register the pension commitments with PRI Pensionsgaranti (Försäkringsbolaget PRI Pensionsgaranti, mutual). The advantage of the PRI model is that the company obtains long-term credit since the pension payments are deferred to the future. When the employees retire, Alecta disburses the pensions on behalf of PRI Pensionsgaranti and the company is charged for such payments.

## White collar workers with yearly salaries above 10 income base amounts, change of pension plan

According to the ITP plan, an employee who belongs to ITP 2 and has a pensionable salary exceeding 10 income base amounts can reach agreement with their employer to replace certain parts of ITP 2 above 7.5 income base amounts with an alternative ITP (known as a ten-fold earner solution). It is also possible to switch completely to ITP 1.

It is the employer that determines whether the employee is to be offered alternative ITP or moved to ITP 1, as well as the company or companies in which alternative ITP can be taken out. The agreement is valid thereafter for as long as the white collar worker is employed. If the employer and the employee are not in agreement, ITP 2 applies.

## Alternative ITP

An employee who belongs to ITP 2 and has a pensionable salary exceeding 10 income base amounts can reach agreement with their employer to replace certain parts of ITP 2 with an alternative ITP.



## Comparison between ITP 2, alternative ITP and ITP 1

	ITP 2	ALTERNATIVE ITP	ITP 1
<b>Pension system</b>	The size of the defined-benefit pension ITP 2 is known in advance and is based on the final salary at the age of 65, or at the earliest at the age of 62.	Alternative ITP is normally a defined-premium pension, i.e. the size of the pension is not known from the start, rather it depends on the size of the premiums, how the funds are invested and the insurance company's charges.	The retirement pension in ITP 1 is a defined-premium pension. At least 50% must be taken out as traditional insurance and a maximum of 50% may be taken out as unit-linked insurance.
<b>Gender neutrality</b>	In ITP 2, the premium is gender-neutral. Men and women receive the same monthly pension for the same paid premium.	In alternative ITP, consideration may be given to women's and men's different average lifespan. For the same saved pension capital, women then receive a lower monthly pension than men, as they tend to live longer on average. However, these conditions may vary between the different companies. Regulations from the EU may change this.	Gender neutrality applies in the case of ITP 1.
<b>Compensation to survivors</b>	In ITP 2, the distribution between retirement pension and family pension is determined in advance. However, the employee can choose for themselves to abstain from continued earning of ITP family pension, and instead use this premium to strengthen their ITPK pension. In addition, repayment cover or family cover, or both, can be selected.	In alternative ITP, the white collar worker is free to choose the distribution between retirement pension and family pension. The cohabitant of the insured and children over the age of 20 can be beneficiaries.	There is no family pension in ITP 1, although it is possible to add cover for the family by means of an ITP selection. The forms of cover that can be selected are repayment cover and family cover.
<b>Final payment</b>	In ITP 2, final payment of the pension premiums is made if the employee opts for early retirement after the age of 62. The premiums for defined-benefit retirement pension and family pension, as well as for ITPK, are then paid in through collective funds.	In alternative ITP, there is no such final payment, which negatively impacts on the size of the pension in the event of retirement between the ages of 62 and 65.	ITP 1 has no final payment.



	<b>ITP2</b>	<b>ALTERNATIVE ITP</b>	<b>ITP1</b>
<b>Waiver of premium</b>	In ITP 2, there is currently full waiver of premium for the employer in the event of illness. This means that the employee continues to earn defined-benefit retirement pension and family pension, as well as ITPK, during their sickness period, without the employer needing to pay the premiums. The white collar worker earns pension based on their salary prior to the sickness period, regardless of whether they are fully or partially ill. The actual income for a person who is partially ill does not affect their pension.	For alternative ITP, a separate waiver of premium insurance scheme has to be taken out against a premium. The waiver of premium for alternative ITP is normally proportional to the work incapacity, and applies in the case of illness.	The waiver of premium is proportional to the work incapacity, and applies in the case of both illness and parental leave.
<b>Collective agreement guarantee</b>	In ITP 2, the white collar worker is guaranteed to receive their full defined-benefit retirement pension and family pension, as well as ITPK, even if the employer has not managed the payment of the premiums.	For the alternative ITP, the guarantee applies retroactively for a maximum of twelve months.	In ITP 1, there is an equivalent guarantee to that included in ITP 2.
<b>Premium maximisation</b>	There is an upper limit for how much the defined-benefit retirement pension may cost – a maximum premium. If the premium is higher than the maximum permitted level, money from a special equalisation fund is contributed. All employers with ITP 2 contribute to the amount in the fund by paying an equalisation premium.	For alternative ITP, there is no premium maximisation.	ITP 1 has no premium maximisation.



# ITPK 2%

The ITPK premium is 2% of the pensionable salary.

## TRADITIONAL INSURANCE AND UNIT-LINKED INSURANCE

There are two different types of insurance: traditional insurance and unit-linked insurance. The difference between these relates to the extent to which the employee can themselves influence the management of the insurance premium. Another difference is that, with a traditional insurance scheme, the insurance company guarantees a minimum amount as regards the future pension.

## ITPK

For a person covered by ITP 2, the employer pays a supplementary retirement pension, ITPK. ITPK is a defined-premium pension, and the premium to ITPK corresponds to 2% of the pensionable salary up to 30 income base amounts (SEK 2,130,000 in 2022).

The white collar worker can make the following choices for premiums to their pension:

1. Type of saving – choice between traditional insurance and unit-linked insurance.
2. Insurance company – who is to manage the premiums.
3. Repayment cover or family cover, or both.

If employees have not made a selection, this choice can be made at a later date. It is possible for a person to change their mind and make a new selection during the insurance period. The ITPK selection is managed by Collectum, and the employee can manage their occupational pension themselves by logging in on “My Pages” at Collectum.

## TYPE OF SAVING

The white collar worker can choose between traditional insurance or unit-linked insurance. If a white collar worker does not make an active choice, the premiums are invested in a traditional pension insurance scheme with Alecta. The insurance has no repayment cover or family cover, and is the same as for non-choosers within ITP1.

## ELIGIBLE COMPANIES

Collectum has carried out a procurement procedure to select the insurance companies that a person may choose. Eligible companies are the same as for ITP1. The difference is that the white collar worker may only select one company for ITPK. The employee is entitled to move the earned pension capital to another eligible fund manager. See information about the eligible companies for ITP 1 on page 96.

## REPAYMENT COVER AND FAMILY COVER

In the event of the death of a white collar worker who has ITPK retirement pension with repayment cover, the earned pension is paid out to beneficiaries. If the employee dies after the pension has started to be drawn, the payments are transferred to beneficiaries during the agreed payment period, although at most for a total of 20 years. A person who has repayment cover receives a lower retirement pension, but in return the pension capital goes to the white collar worker’s family in the event of their death.

White collar workers can also supplement this with family cover. If the employee dies before the age of 65, this is paid out at 1, 2, 3 or 4 price base amounts/year for 5, 10, 15 or 20 years. At most, family cover can be paid out up to the time when the white collar worker would have turned 70. The premium for family cover is age-dependent and reduces the premium for the retirement pension. The family cover is taken out with Alecta and is the same as for ITP1. If the employee has selected family cover before 1 April 2008, 1 or 2 raised price base amounts may be paid out to survivors for five years. The premium for the family cover is not dependent on age.

## BENEFICIARIES

The beneficiaries for repayment cover and family cover are spouses, registered partners or cohabitants in the first instance, and child(ren) in the second instance. It is possible to change this order or to allow a former spouse, former registered partner, former cohabitant, the child(ren) of one of these or foster children to become the beneficiary by submitting a new beneficiary clause.

## Supplementary premiums

The employer may reach agreement with the employed white collar worker or with the local trade union regarding paying supplementary premiums to ITPK.

## Paid-up policy

If a white collar worker terminates their employment, they are entitled to convert their earned pension entitlement into a paid-up policy. This right to a paid-up policy applies to retirement and family pension, as well as ITPK.

## Waiver of premium insurance (PBF)

A waiver of premium insurance is included that applies in the event of illness. In order for waiver of premium to apply, the work incapacity must have lasted for more than 90 consecutive calendar days, or for more than a total of 105 days during the past twelve months. If the employee has become ill within three months from the termination of their employment, waiver of premium can apply through post-employment cover.

The waiver of premium insurance applies at most until the month before the employee turns 65. The employee must be granted compensation from the Social Insurance Office and the employer must report the illness to Collectum in order for the waiver of premium insurance to apply. As long as the waiver of premium applies, the entire ITP insurance is calculated on the salary the employee had immediately before the waiver of premium. The benefits are calculated using Alecta's pension supplement.



In order for the waiver of premium to apply, the work incapacity must have lasted for more than 90 consecutive calendar days, or for more than a total of 105 days during the past twelve months.

## Drawing the pension from ITP 2

The pension can be drawn at the earliest from the age of 55 and is paid out for at least five years, ITPK for at least 2 years, and at most for the rest of the person's life. The white collar worker can choose to make partial drawings. In the case of full drawing before the age of 65, the white collar worker must stop working for retirement purposes. This means work less than eight hours per week before the age of 65. In addition, the white collar worker may not receive unemployment benefit or compensation from the Social Insurance Office due to illness. In the case of partial drawing before the age of 65, retirement purposes corresponding to the portion of the pension being drawn are required. If the white collar worker reduces their working hours by 20%, for example, dropping to 80%, they can draw a maximum of 20% of their occupational pension. Partial drawing can be conducted on a maximum of three occasions. Read more at [alecta.se](http://alecta.se).

## Pension supplement

When the white collar worker receives payment from the defined-benefit ITP pension, this is recalculated with the pension supplement determined each year by Alecta's Board of Directors. This pension supplement must not correspond to more than the rise in the consumer price index. PRI companies and Alecta provide pension supplements of the same size.

## Premiums according to industrial agreements

The parties in most sectors have agreed on premiums for part-time pension or flexible pension as well as other additional pension allocations. Collectum administers the premiums for white collar workers who are covered by ITP. For white collar workers who have abstained from ITP, an agreement must be reached regarding the administration of the additional premiums. You can read more about premiums at [collectum.se](http://collectum.se) and in the relevant collective agreement.

## Working after the age of 65

Premium payments to the occupational pensions ITP 1 and ITP 2 end automatically in the month when the white collar worker turns 65. The employer and the employee may reach agreement that the company will continue to pay into the occupational pension, although only into ITP1. If an agreement is in place, the employer registers the white collar worker as a new employee to Collectum and reports the employee's gross salary. The way in which ITP disability pension applies when working after the age of 65 is described in the section "ITP disability pension".



# Checklist – Pensions

What does the person who is retiring need to do? What does the employer need to do? The checklist covers a number of important matters to bear in mind.



## EMPLOYER OF BLUE COLLAR WORKERS

- ▶ Notify the future pensioner that they need to apply to the Pension Authority to draw general state pension. If the employee retires at the age of 65, they do not need to contact the insurance companies in which the occupational pension is invested, as the companies will contact the employee.
- ▶ Update the preliminary payroll expenses at Fora when the employee leaves. The premiums on future invoices will then be correct.
- ▶ Submit the final report regarding the retired person's salary to Fora, in January of the following year.



## EMPLOYER OF WHITE COLLAR WORKERS

- ▶ Notify the future pensioner that they need to apply to the Pension Authority to draw general state pension. If the employee retires at the age of 65, they do not need to contact the insurance companies in which the occupational pension is invested, as the companies will contact the employee.
- ▶ The insurance schemes must be deregistered if the employee leaves before the age of 65.



## EMPLOYEE

- ▶ The employee continues to earn towards the general state pension as long as they have a pensionable income.
  - ▶ Apply to the Pension Authority. The general state pension can be drawn from age 62 at the earliest.
  - ▶ Contact the relevant insurance companies if retirement is to take place earlier or later than the age of 65. The occupational pension can be drawn from age 55 at the earliest.
  - ▶ The insurance company that the employee has selected usually contacts the insured person a few months before they turn 65. It is important to respond to the question regarding payment period and specify contact details. The payments are made automatically at the agreed retirement age, unless otherwise notified.
- 
- ▶ Visit [minpension.se](http://minpension.se), think about the type of saving during the payment period, the length of the payment period, and whether any selected repayment cover is to be retained.
  - ▶ It is possible to stop payments of the general state pension. However, it is not possible to stop or change the payment of the occupational pension if it has already started being paid.



**Different types of absence**



**Stationed outside Sweden,**



**Foreign citizens**

## Insurance cover for different types of absence during employment

In addition to absence in the event of illness and work injury, there are other types of absence during employment. Here, we describe how collectively agreed occupational pension and insurance apply to employees in the event of parental leave, service within the Swedish armed forces, studies and other leave of absence. Different factors apply to blue collar and white collar workers. See tables on pages 110–113.



## Blue collar workers

	PARENTAL LEAVE	NATIONAL SERVICE
<b>GROUP SICKNESS INSURANCE (AGS)</b>	The insurance cover applies in the event of full leave according to the Parental Leave Act.	See under studies.
<b>TGL GROUP LIFE INSURANCE</b>	The insurance cover applies in the event of full leave according to the Parental Leave Act.	The insurance cover does not apply in the event of national service. However, the state operates a group life insurance scheme that provides cover.
<b>WORK INJURY INSURANCE (TFA)</b>	The insurance cover only applies when at work.	The insurance cover only applies when at work. During national service, there is an entitlement to the state's personal injury protection.
<b>PARENTAL BENEFIT SUPPLEMENT (FPT)</b>	Absence of more than six consecutive months is not counted as the qualifying period unless the absence is due to illness, full leave with pay or full leave according to the Parental Leave Act.	If the employee is absent from work for more than six consecutive months, this is not counted as the qualifying period.
<b>CAREER READJUSTMENT SUPPORT AND SEVERANCE PAY (AGB)</b>	The insurance is valid if the blue collar worker still holds a position in the company.	The insurance is valid if the blue collar worker still holds a position in the company.
<b>SAF-LO COLLECTIVE PENSION</b>	If a blue collar worker is on parental leave with parental benefit, they are entitled to waiver of premium insurance. This means that the premiums are paid by the insurance for a maximum of 13 months per birth. The waiver of premium also applies during the period an employee is receiving pregnancy benefit.	Blue collar workers who are not receiving pay are not earning money into their occupational pension.

## STUDIES

In the event of a prolonged period of absence from work, the insurance can continue to apply for a certain time, known as the period of post-employment cover. Read more about the insurance's post-employment cover on page 44.

The insurance cover normally applies for six months plus the period of post-employment cover for a further 180 days.

The insurance cover only applies when at work.

If the employee is absent from work for more than six consecutive months, this is not counted as the qualifying period.

The insurance is valid if the blue collar worker still holds a position in the company.

Blue collar workers who are not receiving pay are not earning money into their occupational pension.

## OTHER LEAVE OF ABSENCE

The insurance-carrying employment period can continue to apply for six months. After this, the insurance applies with post-employment cover for a maximum of 720 days. Sick days with statutory sick pay, sickness benefit, disease carrier's benefit, work injury sickness benefit, activity or sickness compensation do not use up days with post-employment cover.

The insurance cover normally applies for six months plus a further 180 days, the period of post-employment cover. Work during the period of post-employment cover provides new cover for up to approximately one year.

The insurance cover only applies when at work.

If the blue collar worker is absent from work for more than 6 consecutive months, this is not counted as the qualifying period.

The insurance is valid if the blue collar worker still holds a position in the company.

Blue collar workers who are not receiving pay are not earning money into their occupational pension.



Here, we describe how collectively agreed occupational pension and insurance apply to employed blue collar workers in the event of parental leave, service within the Swedish armed forces, studies and other leave of absence.



## White collar worker

### PARENTAL LEAVE

### NATIONAL SERVICE

#### WORK INJURY INSURANCE (TFA)

The insurance cover only applies when at work.

The insurance cover only applies when at work. In the event of national service, there is an entitlement to the state's personal injury protection.

#### ITP1

Waiver of premium insurance (PBF) means that the premiums are met by the insurance. If the employee has a child (or in the event of adoption), PBF pays premiums in the event of parental leave with parental benefit at a minimum of 25%, for a maximum of 13 months. This also applies in the case of temporary parental benefit/leave for child care at a minimum of 25%.

The company has no obligation to maintain the ITP insurance for the employee.

#### ITP2

The period of parental benefit is pensionable for eleven months. The Confederation of Swedish Enterprise and PTK recommend that companies should continue to pay into ITP 2 for eleven months, although there is no obligation for companies to do so.

The company has no obligation to maintain the ITP insurance for the employee.

#### CAREER READJUSTMENT SUPPORT AND SEVERANCE COMPENSATION (AGE)

Being on leave of absence from work can be equated with worked time when it comes to qualifying periods in the career readjustment agreement.

Leave of absence can be equated with worked time when it comes to qualifying periods in the career readjustment agreement.

#### TGL GROUP LIFE INSURANCE

As long as the white collar worker is employed, Group life insurance applies. It also applies if the employee is on parental leave.

The insurance does not apply in the event of national service. However, the State maintains a group life insurance.

## STUDIES

The insurance cover only applies when at work.

The ITP plan includes no obligation to maintain the insurance during extended periods of study (one calendar month or more).

The ITP plan includes no obligation to maintain the insurance during extended periods of study (one calendar month or more).

Leave of absence can be equated with worked time when it comes to qualifying periods in the career readjustment agreement.

A white collar worker who has statutory leave for studies is not covered by AGL, and the company therefore deregisters the employee. If the white collar worker is entitled to receive a study grant or a study allowance during their study leave, TGL applies with an extended post-employment cover. The cover applies for the same number of months that the white collar worker has been employed, although not more than 24 months. There is also standard post-employment cover of three months.

## OTHER LEAVE OF ABSENCE

The insurance cover only applies when at work.

If the white collar worker is on leave of absence for an extended period, the company deregisters the white collar worker.

If the white collar worker is on leave of absence for an extended period, the company deregisters the white collar worker.

Leave of absence can be equated with worked time when it comes to qualifying periods in the career readjustment agreement.

Even if the white collar worker is on leave of absence, the insurance cover for TGL applies.



Here, we describe how collectively agreed occupational pension and insurance apply to employed white collar workers in the event of parental leave, service within the Swedish armed forces, studies and other leave of absence.



# Stationed outside Sweden

For a person working abroad, special principles apply regarding social security. All countries have their own insurance systems, although there is some coordination within the EU/EEA.

## READ MORE ABOUT THE LEGAL SITUATION AT

- ▶ [regeringen.se](http://regeringen.se)
- ▶ [forsakringskassan.se](http://forsakringskassan.se)
- ▶ [skatteverket.se](http://skatteverket.se)

## INSURANCE COVER WHEN STATIONED OUTSIDE SWEDEN

Each country decides on and has its own insurance systems, compensation rates and contributions. There are no common regulations for social insurance schemes.

## Statutory insurance schemes

Each country decides on and has its own insurance systems, compensation rates and contributions. There are no common regulations for social insurance schemes, although for individuals working within the EU/EEA, there is some co-ordination.

This exists so that a person working in different countries does not lose their earned benefits. In addition, Sweden has social insurance conventions with a number of countries outside the EU/EEA. These are known as convention countries, and the conventions regulate the countries' mutual obligations when it comes to the employee's social security.

The main rule is that the employee is insured in the country where they work. The people in the employee's family who are not working themselves are also insured in this country. This also applies to self-employed persons.

## EXAMPLES OF BENEFITS COVERED BY THE CO-ORDINATED SYSTEM

- ▶ Sickness benefit and parental benefit.
- ▶ Sickness compensation and rehabilitation measures.
- ▶ Retirement pension.
- ▶ Work injury compensation in the event of accidents at work and for occupational diseases.
- ▶ Compensation from the unemployment insurance fund in the case of unemployment.
- ▶ Benefits in the event of death.
- ▶ Family benefits and child allowance.

## FOR WORK WITHIN THE EU, THE FOLLOWING PRINCIPLES APPLY:

### The legislation principle

The legislation principle means that it is only possible to belong to one country's social insurance system. Social insurance charges are also only paid to this country. The main rule is that a person working in a Member State belongs to that country's social insurance system, even if they are living in another country.

### The principle of equal treatment

An EU/EEA citizen working in another EU/EEA country must be treated in the same way as that country's own citizens.



### The aggregation principle

When the qualifying period is to be calculated for various social benefits, all insurance periods in different EU/EEA countries are aggregated. This means that an employee can be entitled to the benefits earned even if they have not spent sufficient time in each particular country.

### The principle of exportability

Benefits such as pensions are paid out by the country where the employee has earned them. This also applies in the event of residence in another EU/EEA country.

### The principle of earning

A person who has earned pension in several countries is entitled to have their pension paid from each country. The size of the pension depends on the period of earning in the various countries.

### EU Regulation 883/2004

The co-ordination of social insurance systems within the EU is governed by EU Regulation 883/2004 (as from May 2010). Switzerland and the EEA countries Norway, Liechtenstein and Iceland also apply this regulation (as from 1 July 2012). The principal content in Regulation 883/2004 is:

- ▶ A person who is posted to another country to work remains in their home country's social insurance system for up to 24 months. The possibility of an exemption exists in the event of extended periods stationed outside Sweden.
- ▶ In the case of work in several member states, the work must amount to at least 25% in the country of residence in order to receive this country's social insurance.
- ▶ An individual who is employed in one Member State and at the same time is self-employed in another may only have social insurance in the country in which they receive their main income.

## Aid workers

Special rules apply for aid workers. For more information, see [forsakringskassan.se](https://forsakringskassan.se).





- ▶ When posted within the EU, the certificate regarding applicable legislation (A1/E101) applies. The employer and employee apply jointly for this from the Social Insurance Office (form 6220).

## 24 months

If the posted employee is to work abroad for more than 24 months, they are covered by the social insurance system in the country where they are working. If the intention is for the work to continue for 24 months or less, the social insurance system in the person's member state of origin applies.

If the intention is for the work to continue for 24 months or less, the social insurance system in the employee's member state of origin applies. If the posted employee is to work abroad for more than 24 months, they are covered by the social insurance system in the country where they are working from the first day. After 24 months, and if the posting period has been completed, a new period may not be granted until at least two months have elapsed from the final day of the completed period.

The posted employee may also remain covered by the social insurance system in the member state of origin for a longer period of posting. In such cases, an application for exemption must be submitted to the Social Insurance office, and this should be done at the time of posting. There is currently practice which states that the exemption is normally granted for five years.

### Convention countries

If the employee is posted to a country outside the EU/EEA, and with which Sweden has a social insurance convention, the employee remains within Sweden's social insurance system for the period specified by the convention. The table shows the convention period for each country. The employer and employee apply jointly for the convention certificate from the Social Insurance Office (form 6220).

12 MONTHS	24 MONTHS	36 MONTHS	60 MONTHS
Chile	Serbia	Israel	USA
Cape Verde	Bosnia/Herzegovina	Morocco	Canada
Turkey	India (with the potential to extend for a further 24 months).	South Korea	Québec
	Montenegro		
	Philippines		



For those blue collar workers who are working abroad, the collective insurance schemes will continue to apply under the collective agreements and the insurance contracts with Fora.

### Other countries

If an employee is posted to a country outside the EU/EEA, and with which Sweden does not have a social insurance convention, the employee remains within Sweden's social insurance system. However, this is only if the period of the posting does not exceed twelve months. If the period is longer than twelve months, the employee will no longer have any Swedish social insurance.

### Remote working

The primary rule is that an employee who is working remotely in another country must have social insurance in the country in which they are working. Remote working is not viewed as a posting, and an overseas posting certificate can therefore not be obtained from the Social Insurance Office. This means that the employee cannot remain in the Swedish social insurance system.

### Collectively agreed insurance for blue collar workers

For those working abroad, the collective insurance schemes will continue to apply under the collective agreements and the insurance contracts with Fora. This applies both to business trips and longer-lasting assignments abroad.

Compensation for loss of Swedish sickness benefit, as well as general state and survivors' pension, can be provided through the collective insurance schemes.

If the employee loses their Swedish sickness benefit, the employer must pay a supplementary premium to AGS in order for this insurance to compensate for the loss.

If the person loses general state and survivors' pension, the employer must pay supplementary premiums for general state and survivors' pension contributions on the employee's salary up to 7.5 income base amounts to SAF-LO Collective Pension. Supplementary premiums are covered by the same provisions that apply to the regular occupational pension. For a person working in an EU/EEA member state or in another country with which Sweden has entered into a social insurance convention, the compensation does not apply to the loss of general retirement and survivors' pension.

### **MEDICAL EXPENSES INSURANCE**

For agreement area Confederation of Swedish Enterprise–LO, there is a recommendation from the Confederation that employers who have employees who are working abroad should take out special medical expenses insurance for them.

The medical expenses insurance (LFU) can provide the employee with compensation for

- ▶ reasonable costs connected with medical and hospital care, travel costs, transport home and the return journey
- ▶ emergency dental care
- ▶ maternity care and childbirth.

If the company and the blue collar worker have reached agreement that the employee's family will accompany the person during their service abroad, these individuals can also be covered by the medical expenses insurance. Here, family refers to the employee's spouse, cohabitant and child(ren).

### **WHEN DOES THE INSURANCE COVER APPLY?**

Swedish work injury insurance or unemployment insurance must cover the blue collar worker immediately before the start of the service abroad in order for the collective insurance schemes to apply. Another valid qualification requirement is that the person has had another period of service abroad that is covered by the agreement on social security. Service abroad relates to both business trips and longer-lasting assignments abroad. The following must also be satisfied:

- ▶ The position must be with a Swedish employer.
- ▶ The service abroad must be at the request of a Swedish employer.

### **EXCEPTIONS**

It may sometimes be less favourable to retain the Swedish collective insurance schemes during service abroad. For this reason, the employer and the blue collar worker can reach agreement that the employee is to be exempted. Exemptions can be made in the following two cases:

- ▶ The service abroad is intended to last, or has lasted, for more than six years.
- ▶ The blue collar worker is doubly employed and is employed by both a Swedish and a foreign company. The blue collar worker has an agreement on social benefits with the foreign company.

### **REMOTE WORKING**

The collective insurance schemes apply when an employee is working remotely in another country. Work injury insurance (TFA) applies in this case for a limited period of time, normally two to three weeks. Problems can arise with the collective insurance schemes, however, as in most cases it is necessary for the employee to have Swedish sickness-benefit qualifying income. This, in turn, requires Swedish social insurance.



White collar workers who are working abroad are covered, according to the agreement on social security, by the Swedish collective insurance schemes ITP, TGL and TFA, as well as the Career readjustment agreement.

## Collectively agreed insurance for white collar workers

Those who are working abroad – or at the request of the employer – are covered, according to the agreement on social security, by the Swedish collective insurance schemes ITP, TGL and TFA, as well as the Career readjustment agreement. Service abroad relates to both business trips and longer-lasting assignments abroad.

If the employee is no longer covered by the Swedish social insurance system, the employer must provide additional insurance cover via the ITP plan. These special provisions are known as ITP Abroad and apply to ITP when stationed outside Sweden. Whether or not the employer needs to supplement the insurance cover is dependent on the country in question and the length of time.

The employer does not need to notify Collectum if the service abroad is within the EU/EEA area or Switzerland and amounts to a maximum of 24 months. If the posting is for longer than 24 months and the employee leaves the Swedish social insurance system, this must be notified. If the employee is to work outside of the EU/EEA area or Switzerland, for at least twelve months, the employer must notify this to Collectum.

Sweden has social insurance conventions with a number of countries. The various conventions regulate the length of time the employee will be covered by Swedish social insurance. For the employer, it is sufficient to specify the country where the employee will be working when submitting the notification to Collectum, and the insurance cover will then be adapted via ITP to the relevant convention.

### CONTENT OF ITP ABROAD

ITP Abroad consists of two parts:

- ▶ Disability pension when stationed outside Sweden.
- ▶ Compensation abroad.

In the event of illness, a person working abroad is entitled to Disability pension when stationed outside Sweden. The compensation replaces and is equivalent to the Social Insurance Office's sickness benefit/sickness compensation.

The qualifying period is 90 days. It is therefore best if the employer – in the agreement with the employee regarding service abroad – regulates what form the compensation will take for the period of illness up until day 90.

The employer can take out Compensation abroad as compensation for the loss of Swedish general retirement pension and adjustment pension. However, this only applies when stationed in countries outside the EU/EEA area or Switzerland, and not for individuals working in convention countries. The size of the compensation is determined by the age of the employee. The employer selects whether the premium is to be charged via Collectum or in some other way.

### WHEN DOES THE INSURANCE COVER APPLY?

Swedish work injury insurance or unemployment insurance must have covered the white collar worker immediately before the start of the service abroad in order for the collective insurance schemes to apply. Another valid background to the collective insurance is that the person has had another period of service abroad that is covered by the agreement on social security. Service abroad relates to both business trips and longer-lasting assignments abroad. The following must also be satisfied:

- ▶ The position must be with a Swedish employer.
- ▶ The service abroad must be at the request of a Swedish employer.



Service **abroad** relates to both business trips and longer-lasting assignments abroad.

## EXCEPTIONS

It may sometimes be less favourable to retain the Swedish collective insurance schemes during service abroad. For this reason, the employer and the white collar worker can reach agreement that the employee is to be exempted. Exemptions can be made in the following two cases:

- ▶ The service abroad is intended to last, or has lasted, for more than six years.
- ▶ The white collar worker is doubly employed and is employed by both a Swedish and a foreign company, and there is an agreement on social benefits with the foreign company.

## MEDICAL EXPENSES INSURANCE

The employer must ensure that the white collar worker is covered by special terms for medical expenses. The employer can choose between taking out medical expense insurance (LFU) or taking out guarantee insurance and assuming responsibility itself for equivalent benefits.

For LFU, the employer can choose between the following insurance companies: Aetna International, AIG, Allianz Worldwide Care, Bupa Global, Chubb, Cigna, Europeiska ERV, Gouda and If, SI Insurance (Europe), SA. According to the agreement on social security for a white collar worker stationed outside Sweden, an employer may, in certain cases, themselves be wholly or partially liable for corresponding compensation instead of taking out LFU. In such cases, the employer must take out credit insurance as a guarantee for the commitment. For more information, contact the LFU Board. The medical expenses insurance can provide the employee with compensation for

- ▶ reasonable costs connected with medical and hospital care, travel costs, transport home and the return journey
- ▶ emergency dental care
- ▶ maternity care and childbirth.

If the employer and the white collar worker have reached agreement that the employee's family will accompany the person during their service abroad, these individuals will also be covered by the medical expenses insurance. Here, family refers to the employee's spouse, cohabitant and child(ren). There are special business travel insurance policies for shorter trips that are adapted to the agreement between the Confederation of Swedish Enterprise and PTK. Business travel insurance is often included in the company insurance. The insurance companies can provide information about medical expenses insurance.

## SICKNESS BENEFIT GUARANTEE

There are occasions when a white collar worker cannot receive sickness benefit or equivalent when stationed outside Sweden, or when the person who is ill may receive sickness compensation that is less than Swedish sickness benefit. In such cases, the employer must pay compensation that corresponds to Swedish sickness benefit. This does not apply if the white collar worker is receiving compensation from ITP or TFA, although this provision is probably less significant as the company will normally pay sick pay. However, there is no collective obligation to pay sick pay abroad.

## REMOTE WORKING

The collective insurance schemes apply when an employee is working remotely in another country. Work injury insurance (TFA) applies in this case for a limited period of time, normally two to three weeks. Problems can arise with the collective insurance schemes, however, as in most cases it is necessary for the employee to have Swedish sickness-benefit qualifying income. This, in turn, requires Swedish social insurance.



# Checklist – stationed outside Sweden

What does the employer need to do? This checklist covers a number of important elements that apply in the event of being stationed outside Sweden. Different conditions apply to blue collar and white collar workers.



## EMPLOYER OF BLUE COLLAR WORKERS

- ▶ Plan the period stationed outside Sweden together with the employee. The social insurance in Sweden applies if the period of work within the EU/EEA does not exceed two years. For other countries, the maximum period is normally one year. The collective insurance schemes normally continue to apply. However, bear in mind that the length of time and the country can affect the decision.
  - ▶ Notify the Social Insurance Office if the employee is going to be working in a country within the EU/EEA for a maximum period of two years. Submit the notification together with the employee and request an overseas posting certificate (form 6220).
  - ▶ Contact the Social Insurance Office for information about forms if the employee is going to be working in a country outside the EU/EEA.
- ▶ Notify Fora if the employee is leaving the Swedish social insurance system. The employee will be compensated for the loss of Swedish sickness benefit and for the general retirement and survivors' pension through the collective insurance schemes.
  - ▶ Within the Confederation of Swedish Enterprise–LO, the Confederation recommends that employers should take out special medical expense insurance for blue collar workers stationed outside Sweden (LFU).



## EMPLOYER OF WHITE COLLAR WORKERS

- ▶ Plan the period stationed outside Sweden together with the employee. The social insurance in Sweden applies if the period of work within the EU/EEA does not exceed two years. For other countries, the maximum period is normally one year. The collective insurance schemes normally continue to apply. However, bear in mind that the length of time and the country can affect the decision.
- ▶ Notify the Social Insurance Office if the employee is going to be working in a country within the EU/EEA for a maximum period of two years. Submit the notification together with the employee and request an overseas posting certificate (form 6220).
- ▶ Contact the Social Insurance Office for information about forms if the employee is going to be working in a country outside the EU/EEA.
- ▶ Notify Collectum if the employee is leaving the Swedish social insurance system. The employee will be compensated for the loss of Swedish sickness benefit and for the general retirement and survivors' pension through the ITP plan.
- ▶ Take out Medical expenses insurance for employees stationed outside Sweden (LFU) with one of the following insurance companies: Aetna International, AIG, Allianz Worldwide Care, Bupa Global, Chubb, Cigna, Europeiska ERV, Gouda, If and SI Insurance (Europe), SA. According to the agreement on social security for a white collar worker stationed outside Sweden, an employer may, in certain cases, themselves be wholly or partially liable for corresponding compensation instead of taking out LFU. In such cases, the employer must take out credit insurance as a guarantee for the commitment. For more information, contact the LFU Board.



# Foreign citizens

A foreign citizen who has both a work permit and a residence permit in Sweden usually has the same insurance cover as a Swedish citizen, both statutory and according to collective agreements. The Swedish social insurance system applies in principle to everyone who lives or works in Sweden, regardless of their citizenship. This insurance is mandatory.

## READ MORE AT

- ▶ [forsakringskassan.se](https://forsakringskassan.se)
- ▶ [skatteverket.se](https://skatteverket.se)
- ▶ [pensionsmyndigheten.se](https://pensionsmyndigheten.se)

International regulations, EU regulations, agreements, as well as the Social Insurance Code (SFB), govern whether and how a person is insured in Sweden. The Regulation on the co-ordination of social security systems (EC) 883/2004 or (EEC) no. 1408/71 (older version) and agreements exist to determine which country's legislation is to be applied. A person cannot be covered by two countries' legislation at the same time. If the person is covered by another country's legislation, the benefits they can receive through the Swedish legislation are limited.

Read more about the applicable situation on the websites listed in the fact box.

## Residence-based benefits

Benefits that are residence-based cover various types of basic grants and should guarantee that the person moving here can enjoy a reasonable standard of living. The following can apply when the person is living in Sweden.

### RESIDENCE-BASED BENEFITS

- ▶ Healthcare, rehabilitation and special grant.
- ▶ Subsidised dental care for adults.
- ▶ Compensation according to the cross-border healthcare regulation.
- ▶ Sickness and activity compensation in the form of guarantee compensation.
- ▶ The parental benefit's guarantee level, child allowance and extended child allowance.
- ▶ Grants in the case of overseas adoption under certain conditions.
- ▶ Maintenance support and survivor's pension.
- ▶ Housing grant and housing supplement.
- ▶ Guarantee pension.
- ▶ Elderly care support and pension supplement for long-term care of a child who is ill or has a disability.
- ▶ Assistance compensation, disability compensation, care grant and car support for individuals with disabilities.

A person who is registered in Sweden is considered to be resident here, but there is no guarantee that they will receive compensation. The Social Insurance Office will always conduct its own, independent assessment.

A person who has applied for a residence permit is entitled to benefits at the earliest from the date on which the residence permit came into force. If the person receives the permit retroactively, they can receive benefits at most for the previous three months. Citizenship may be of significance in respect of when a person can have access to the benefits.

### **Work-based benefits**

The employee may be entitled to work-based benefits if they are working or have worked in Sweden. It is important to bear in mind that the person may be insured for work-based benefits in Sweden without being entitled to the residence-based benefits.

#### **WORK-BASED BENEFITS**

- ▶ Pregnancy benefit.
- ▶ Parental benefit at basic and sickness benefit level and temporary parental benefit.
- ▶ Sickness benefit and work injury compensation.
- ▶ Rehabilitation and rehabilitation compensation, as well as grants for work aids.
- ▶ Income-related sickness compensation and activity compensation.
- ▶ Related person benefit, survivor's cover, career readjustment.
- ▶ Supplementary pension (formerly ATP), income pension and premium pension, child pension.

### **Collective insurance schemes**

Foreign blue collar and white collar workers who are working for a Swedish employer with a collective agreement receive the same pensions and insurance schemes through their work as their Swedish colleagues. This applies regardless of whether or not the employee is covered by the Swedish social insurance system.

#### **APPLICATION FOR EXEMPTION FROM THE COLLECTIVE AGREEMENT'S PROVISIONS REGARDING COLLECTIVE INSURANCE FOR FOREIGN CITIZENS**

There is no general option to be exempted from SAF-LO Collective pension and ITP for foreign citizens who have occupational pension insurance in their country of origin. Within ITP, however, it is possible to apply for a temporary exemption. This may be relevant for a person who is going to work in a subsidiary in Sweden for a few years, and who has already arranged their occupational pension in their country of origin. The application regarding exemption from ITP must be submitted to the ITP Board. Exemptions can be made a maximum of three times for three years at a time.

#### **APPLICATION FOR EXEMPTION FROM THE COLLECTIVE AGREEMENT'S PROVISIONS REGARDING COLLECTIVE INSURANCE FOR FOREIGN COMPANIES WITH TEMPORARY BUSINESS IN SWEDEN**

Companies that are domiciled within the EU/EEA and that intend to conduct business in Sweden for a period of less than twelve months can enter into a collective agreement between the Confederation of Swedish Enterprise and LO or PTK. By entering into a collective agreement, the company undertakes to take out insurance from the time of the collective agreement with Fora for blue collar workers and with Collectum for white collar workers. All the insurance schemes must be taken out, with certain exceptions:



- ▶ Group life insurance and Work injury insurance are always taken out.
- ▶ Career readjustment insurance for blue collar workers and Career readjustment agreements for white collar workers are not taken out.
- ▶ Group sickness insurance for blue collar workers and ITP disability pension for white collar workers are not taken out if the employer can demonstrate that the employee is covered by the social insurance system in another EU/EEA member state.
- ▶ If the contributions to the supplementary retirement pension in the country of origin are still being paid, blue collar workers may be exempted from the SAF-LO Collective Pension and white collar workers may be exempted from the ITP plan.

These exemptions must be applied for via Fora for blue collar workers and via Collectum for white collar workers.

Companies domiciled outside the EU/EEA that have temporary business in Sweden undertake to take out the insurance schemes through collective agreements. These companies can also apply for exemptions as above following a special assessment by the Insurance Board at Fora or the ITP Board at Collectum.

#### **PAYMENT OF COLLECTIVELY AGREED PENSION**

The insurance company that manages the pension contacts the employee a few months before they turn 65. The person receives occupational pension in relation to their income and the length of time they have earned it. A person who leaves Sweden and moves back to their country of origin retains the entitlement to the pension that was earned when they were covered by the collective agreement.

In Sweden, it is not possible to draw occupational pension before the pension, as is the case in certain other countries. This money cannot be paid out until the employee has reached the age of at least 55 and retires.

The employee must notify their address if they leave Sweden. The relevant company needs this in order to pay out the pension amounts. A person who wishes to retire earlier than the age of 65 must contact the relevant company directly. The earliest age at which pension can be drawn is 55. Insurance companies may request to see a life certificate in the case of payments to persons resident overseas.

#### **HOW ARE THE INSURANCE SCHEMES FINANCED?**

The employer is responsible for paying the premiums into the collective insurance schemes.

#### **Want to know more?**

Read the chapter  
The insurance system.







# Reassessments

# Appealing decisions relating to statutory insurance

There are times when it feels that incorrect insurance decisions have been reached. It is possible to appeal a decision, and this is done in various steps and through various bodies.

## **Social Insurance Office and Pension Authority**

People may sometimes feel they have been given an incorrect decision. It is possible to have a decision regarding general insurance and pensions reviewed by contacting the Social Insurance Office or the Pension Authority. The decision includes information about the length of time a person who wants to appeal has to request a review, and how the request should be submitted.

## **Administrative Court**

If the Social Insurance Office or the Pension Authority do not change their decision following the reassessment, it is possible to appeal to the Administrative Court. This must be done within two months. The Administrative Court makes a ruling in the matter, after which the decision is sent to the person who made the appeal.

## **Administrative Court of Appeal**

If the ruling of the Administrative Court is not accepted, it is possible to appeal the matter to the Administrative Court of Appeal. Leave to appeal is required in order to do this. The Administrative Court of Appeal determines whether there are grounds to change the ruling of the Administrative Court, or whether it can provide guidance in other similar cases, and decides on leave to appeal. The ruling is always sent to the various parties.

## **Supreme Administrative Court**

A decision by the Administrative Court of Appeal can ultimately be appealed to the Supreme Administrative Court. The appeal must be submitted to the Supreme Administrative Court within two months. If the Supreme Administrative Court grants leave to appeal, it will make a ruling that cannot be appealed.

## **Swedish Tax Agency**

The appeal is made to the Swedish Tax Agency if it relates to the pensionable income, employer's contributions or general pension contributions. If the decision is not changed, it is possible to appeal in the following order: Administrative Court, Administrative Court of Appeal and Supreme Administrative Court.



# Appealing decisions relating to collective insurance schemes

A person who is dissatisfied with a decision may appeal. There are different bodies they can turn to, depending on whether the person is dissatisfied with how the matter has been formally handled or the decision itself.



When Afa Försäkring reaches a final decision regarding claims adjustment, it is always accompanied by an appeal referral. This is a set of instructions regarding what a person who is dissatisfied with the decision should do to request a reassessment.

## **Dissatisfied with decision relating to collective insurance schemes**

### **COMPLAINTS MANAGER AT AFA FÖRSÄKRING**

In the event of dissatisfaction with the formal handling of the matter, for example that it has taken a long time, it has been difficult to make contact with administration officers or the person is dissatisfied regarding the way they have been treated, contact should be made with the complaints manager at Afa Försäkring. The complaints manager will get back to them as soon as possible. If no response can be provided within 14 days, written notification must be sent containing information about when a response can be provided.

## **Dissatisfied with claims adjustment**

### **COLLECTIVE INSURANCE SCHEMES**

- ▶ Group sickness insurance (AGS), Parental benefit supplement (FPT), Group life insurance (TGL) and Severance pay (AGB) within agreement area Confederation of Swedish Enterprise–LO.
- ▶ Work injury insurance (TFA), a joint product between the Confederation of Swedish Enterprise–LO–PTK.

All the above insurance schemes are managed by Afa Försäkring, and reassessments will be dealt with consistently and within the same bodies. When Afa Försäkring reaches the final claims adjustment decision in a case, and it is sent to the relevant party, an appeal referral is always included. This contains information about what a person who is dissatisfied with the decision should do to request a reassessment.

### **CLAIMS DEPARTMENT WITHIN AFA FÖRSÄKRING**

In the event of dissatisfaction with a decision, the relevant claims department must be contacted in the first instance to request a new assessment. The contact details can be found in the letter containing the decision that has been sent from Afa Försäkring.

### **REVIEW DEPARTMENT AT AFA FÖRSÄKRING**

The Review department handles complaints about decisions. Such complaints mean that a request is made for the review of a final decision on an insurance matter. The request for a review can be made after

- ▶ a final decision on a sub-issue during the course of the insurance matter
- ▶ a final decision on a TFA matter or a final decision on an AGS matter.

The Review department carries out a new, independent assessment of the issues and is entitled to reach decisions that change the decisions of the claims department, wholly or in part. Requests for reassessment can be submitted free of charge and must be in writing. The insured person must specify what is to be reassessed and how the decision should be changed. The reasons for this must also be stated.

For a reassessment of TFA matters, the request has to be submitted within six months from the date when the final decision was made.

#### **THE PENSION BOARD FOR SAF-LO COLLECTIVE PENSION**

In the event of a request for the review of a decision relating to provisions for SAF-LO Collective pension, the employee must contact the Pension Board.

The Pension Board is a joint committee comprising representatives from the Confederation of Swedish Enterprise and LO. The Board is responsible for interpreting the agreement regarding SAF-LO Collective Pension. The Board has its office in Fora's premises.

#### **ARBITRATION BOARD FOR LABOUR MARKET INSURANCE SCHEMES**

If the person is still dissatisfied following the decision of the review department, they can request assessment by the Arbitration Board for labour market insurance schemes. The Arbitration Board is made up of members appointed by the parties on the labour market. A request for assessment must be in writing and must contain

- ▶ which decision is to be assessed, how the decision is to be changed as well as the reasons for this
- ▶ a copy of the decision from the Review department.

 **Address for requesting assessment:**  
Skiljenämnden för  
Arbetsmarknadsförsäkringar,  
101 56 Stockholm

#### **Important information about costs**

The rules are different for having a matter assessed within the Arbitration Board for labour market issues, and depend on when the claims is registered.

- ▶ For claim applications that have been submitted to Afa Försäkring on 1 May 2007 or later, the application fee is 4% of the price base amount (SEK 1,932 in 2022).
- ▶ Matters sent before this date are free of charge.

The fee is refunded if the Arbitration Board supports the complainant, wholly or partially.

#### **JUDICIAL PROCEEDINGS**

An alternative to contacting the Arbitration Board is to opt to turn to the courts. The district court can set out what needs to be attached to a petition. If the employee loses in court, the main rule is that the employee will be liable for both their own and Afa Försäkring's costs.

#### **INTERPRETING THE ITP PLAN AND THE TGL AGREEMENT FOR WHITE COLLAR WORKERS**

Issues or disputes relating to the interpretation and application of the ITP plan and the TGL agreement are reviewed by the ITP Board and the TGL Board.

The ITP Board, the TGL Board and the Pensions Arbitration Board are formed by the parties on the labour market, the Confederation of Swedish Enterprise and PTK, and consist mainly of members who are independent of Collectum. The decisions of the Boards can be reviewed by the Pensions Arbitration Board.

#### **COLLECTUM**

If a dispute should arise between a private individual or employer and Collectum, it is possible to have this reviewed in general court. As Collectum is registered in Stockholm, the Stockholm District Court should be contacted. Collectum has liability insurance with



If Skadeförsäkring. If a private individual or employer wishes to bring a claim against Collectum, they should contact Collectum in the first instance. After this, the private individual or employer should contact If Skadeförsäkring. Any claim should be brought against Collectum or If Skadeförsäkring as soon as possible, and at the very latest within ten years after the matter occurred.

### **ITP 1 and ITP 2**

If a person feels that the ITP insurance is not correct, due to the employer having submitted incorrect information to Collectum, they must ask the employer to amend the information. If the employee is not granted this option, they can contact the TGL Board.

In the event of dissatisfaction with a decision from Alecta, the employee should ask Alecta for a reassessment in the first instance. If no correction is made, the employee can contact the ITP Board that is managed by Collectum, if the matter relates to the interpretation or application of the ITP agreement. If the matter relates to Alecta's handling of the matter, however, the employee should contact Alecta's Insurance Board.

### **ITP1 retirement pension or ITPK**

In the event of dissatisfaction with a decision that relates to ITP1 retirement pension or ITPK, the employee should in the first instance request to have the matter reassessed at the insurance company that reached the decision. If no correction is made, the employee can contact the ITP Board.

### **TGL Group life insurance**

If a survivor considers that they have not been granted entitlement to compensation from TGL, they should in the first instance request to have the matter reassessed by the insurance company. After this, they can contact the TGL Board, an advisory board comprising representatives from the Confederation of Swedish Enterprise and PTK. The TGL Board is managed by Collectum.

### **The Pensions Arbitration Board**

If the employee wishes to appeal a decision by the boards, this will be assessed by the Pensions Arbitration Board, a joint board that is tasked with reviewing decisions by the ITP Board and the TGL Board.

The cost for having a matter reviewed by the Pensions Arbitration Board is SEK 5,000 as an administrative fee. In its ruling, the Pensions Arbitration Board determines who is to pay the costs that arise for the arbitration board, any evidence and representatives, etc.

### **Guarantee enquiries, ITP and TGL**

An employer may be obliged to take out ITP and TGL insurance schemes through the collective agreement. If the employer fail to do so, despite everything, the employees are still covered. The employer must rectify the mistake in the first instance, by taking out the insurance schemes retroactively. If this does not happen, or if the employer has stopped trading, the employee can contact the TGL Board.

### **Work injury insurance (TFA)**

You can read about the situation regarding reassessing TFA matters on pages 128–129.





# Other information,

# Explanations and names

## Insurance benefits, laws, etc.

<b>AGB</b>	Severance pay
<b>AGE</b>	Severance compensation
<b>AGS</b>	Group sickness insurance
<b>ATP</b>	National supplementary pension, now called supplementary pension
<b>FPT</b>	Parental benefit supplement
<b>ITP</b>	Collectively agreed occupational pension for white collar workers
<b>ITPK</b>	Occupational supplementary pension to ITP
<b>LFU</b>	Medical expenses insurance for employees stationed outside Sweden
<b>SFB</b>	Social Insurance Code
<b>SGI</b>	Sickness-benefit qualifying income
<b>STP</b>	Special supplementary pension (up to and incl. 1995)
<b>TFA</b>	Work Injury Insurance
<b>TGL</b>	Group life insurance

## Insurance companies, organisations, etc.

<b>Afa Försäkring</b>	Occupational pension company for collectively agreed insurance within the private sector, local authorities and regions
<b>Alecta</b>	Occupational pension company that focuses on the collectively agreed occupational pension ITP
<b>AMF</b>	Occupational pension company that focuses on collectively agreed occupational pensions
<b>Collectum</b>	Administration company for collective insurance schemes (Confederation of Swedish Enterprise–PTK)
<b>Confederation of Swedish Enterprise</b>	Association with 60,000 member companies within 50 sector and employer organisations
<b>CSN</b>	CSN Authority responsible for the official statistics in respect of study support.
<b>Fora</b>	Administration company for collective insurance schemes (Confederation of Swedish Enterprise–LO)
<b>ILO</b>	International Labour Organisation, a UN body
<b>LO</b>	Association of 14 trade unions with approximately 1.5 million blue collar workers
<b>PRI</b>	Pension Registration Institute
<b>PTK</b>	Trade union social partner for 25 trade unions with 950,000 privately employed white collar workers
<b>The Legal, Financial and Administrative Services Agency</b>	Government authority that is under the authority of the Ministry of Finance
<b>The Pension Authority</b>	Manages and disburses the general state pension
<b>TRR</b>	Career readjustment organisation TRR (Confederation of Swedish Enterprise–PTK)
<b>TSL</b>	Trygghetsfonden TSL (Confederation of Swedish Enterprise–LO)



# Index

<b>A</b>	
Activity compensation.....	39, 41, 52, 87, 92, 122, 123
Adjustment pension.....	73, 74, 118
Alternative ITP.....	101, 102, 103
<b>B</b>	
Base amounts.....	20
Beneficiary clause.....	83, 91
Bonus.....	99
<b>C</b>	
Career readjustment agreement.....	124
Career readjustment insurance.....	66, 110, 124
Career readjustment support.....	66, 67, 69, 70, 71
Child pension.....	14, 73, 74
Collective agreement.....	9, 10, 12, 19, 35, 37, 66, 89, 93, 97, 116, 118, 122, 123, 124
Continuation insurance.....	78
Co-ordination.....	114, 122
<b>D</b>	
Disability pension.....	46, 94, 95, 118, 124
<b>E</b>	
Employer's contributions.....	21, 23
<b>F</b>	
Family cover.....	17, 75, 79, 80, 89, 90, 92, 94, 95, 96, 102, 104
Family pension.....	17, 81, 94, 102
Flexible pension.....	93, 97
Funeral grant.....	52, 114
<b>G</b>	
General state pension.....	65, 87
Group sickness insurance (AGS).....	11, 15, 43, 45, 92, 110
Guarantee pension.....	20, 73, 74, 88
<b>I</b>	
Industrial agreements.....	24, 25, 26, 97, 105
ITPK.....	17, 21, 81, 94, 98, 99, 100, 102, 103, 104, 105, 130
<b>L</b>	
Lifetime working hours pension.....	97
<b>M</b>	
Medical expenses insurance.....	117, 119, 120, 121
<b>P</b>	
Paid-up policy.....	105
Pain and suffering.....	54, 61
Parental insurance.....	14, 23, 31
Part-time pension.....	92, 93, 97
Pensionable income.....	20
Pension rights.....	20, 87
Post-employment cover.....	46, 70, 83
Pregnancy benefit.....	34, 36, 92, 110
Premium pension.....	65, 87, 88, 123

**Q**

Qualifying deduction..... 39, 40

**R**

Rehabilitation chain..... 42

Rehabilitation compensation..... 123

Repayment cover..... 17, 75, 79, 80, 90, 94, 96, 102, 104

Retirement pension..... 16, 17, 23, 94, 114

**S**

SAF-LO Collective Pension.... 15, 16, 21, 48, 89, 91, 110, 123, 124

Salary cap..... 99

Self-employed person..... 14, 18, 19, 23, 51, 93

Severance compensation (AGE)..... 68, 69, 71

Severance pay..... 99

Severance pay (AGB)..... 67, 71

Sickness-benefit qualifying income..... 41, 43, 44

Sickness compensation..... 14, 39, 41, 52, 67, 83, 118, 119, 123

Special payroll tax..... 21, 23, 24, 25, 27

Spouse insurance..... 77, 78

Stationed outside Sweden..... 108, 114

Supplementary pension..... 123

Survivor support to children..... 74

**T**

 TGL Group life insurance..... 10, 12, 15, 16, 17, 76, 82, 84, 85,  
110, 112, 130

Travel time remuneration..... 98

**U**

Unemployment insurance..... 14, 63

**V**

Waiver of premium..... 92, 103

Widow's pension..... 65, 73, 74

Work injury insurance..... 14, 23, 51

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## This is Avtalat

Everyone should understand and appreciate their work-based pension and insurance, even if it is not required. It is with this aim that the Confederation of Swedish Enterprise, LO and PTK have established Avtalat. We are there for almost three million employers and employees with collective agreements in the private sector. By offering combined information and guidance, [avtalat.se](https://avtalat.se) covers all aspects relating to collectively agreed occupational pension and insurance.

[avtalat.se](https://avtalat.se)