

## Sweden

Exchange rate: US\$1.00 = 6.41 kronor.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1913.

**Current laws:** 1962 (national insurance); 1998 (pensions), implemented in 1999; 2000 (pensions); 2008 (sickness); and 2010 (social insurance), implemented in 2011.

**Type of program:** Notional defined contribution (NDC), social insurance, and mandatory individual account system.

Note: The social insurance old-age pension system covers employed and self-employed persons born before 1938 (contributions can no longer be made to this system). There is a gradual transition from the earnings-related social insurance system to the NDC and mandatory individual account system for persons born from 1938 to 1953.

#### Coverage

**Earnings-related pension (NDC):** All employed and self-employed persons born in 1954 or later. Special transition rules apply to those born from 1938 to 1953.

**Premium pension (mandatory individual account):** All employed and self-employed persons.

**Guarantee pension:** All residents of Sweden.

**Earnings-related disability pension (sickness compensation) (social insurance):** All employed and self-employed persons.

**Guarantee disability pension (sickness compensation):** All residents of Sweden.

#### Source of Funds

**Insured person:** 7% of assessable income (old age) plus an average of 0.031% of account value (2013) for NDC administrative fees, and an average of 0.42% of asset value (2013) for premium pension (mandatory individual account) fees; an additional cost for voluntary survivor benefits (premium pension (mandatory individual account)).

The minimum annual income used to calculate contributions is 18,781 kroner.

The maximum annual income used to calculate contributions is 459,183 kronor.

Of the combined insured person and employer contributions, 2.5% finances the premium pension.

**Self-employed person:** 17.21% of assessable income (old age) plus an average of 0.031% of account value (2013) for NDC administrative fees, and an average of 0.42% of asset value (2013) for individual account (premium pension) fees. 1.17% of assessable income (survivors). An additional cost for voluntary survivor benefits (premium pension (mandatory individual account)).

The minimum annual income used to calculate contributions is 18,781 kroner.

The maximum annual income used to calculate contributions is 459,183 kronor.

Of the total self-employed person's contributions paid for old age, 2.5% finances the premium pension.

**Employer:** 10.21% of payroll (old age); 4.35% of payroll (disability (sickness compensation)); 1.17% of payroll (survivors).

Of the combined insured person and employer contributions, 2.5% finances the premium pension.

**Government:** The total cost of the guarantee pensions. The government pays earnings-related contributions for central government civil servants.

#### Qualifying Conditions

**Earnings-related old-age pension (NDC):** The retirement age is flexible, beginning at age 61. The insured must have years with annual earnings of at least 18,781 kronor.

Pensions are payable abroad.

**Premium pension (mandatory individual account):** The retirement age is flexible, beginning at age 61. The insured must have years with annual earnings of at least 18,781 kronor.

Pensions are payable abroad.

**Guarantee pension:** Age 65, a resident of Sweden for at least three years, and receiving low or no income from earnings-related pensions.

Pensions are payable abroad only within the European Union and European Economic Area and, under certain conditions, in Canada.

**Earnings-related disability pension (sickness compensation) (social insurance):** Must have at least a 25% assessed loss of work capacity, and at least one year of income in Sweden within a given period.

The pension is payable abroad.

**Constant-attendance supplement:** Paid if the insured requires the constant attendance of others to perform daily functions.

**Guarantee disability pension (sickness compensation):** Must be covered when the disability began, have at least a 25% assessed loss of work capacity, and at least three years of coverage.

**Constant-attendance supplement:** Paid if the insured requires the constant attendance of others to perform daily functions.

The pension is based on residence and is payable abroad only within the European Union and European Economic Area, Switzerland, and, under certain conditions, in Canada.

**Spouse's pension (adjustment pension):** Paid to a surviving spouse, registered partner, or a person under certain circumstances who cohabited with the deceased. The survivor must be younger than age 65.

The adjustment pension is payable abroad.

**Spouse's pension (widow's pension) (social insurance):**

Paid to women born in 1944 or earlier who were married to the deceased before January 1, 1990 and met the qualifying conditions at the date of death. Transitional rules apply to women born in 1945 or later and who were married to the deceased before January 1, 1990 until the date of the deceased's death, and met the qualifying conditions on December 31, 1989, and at the date of the deceased's death. The deceased must have had at least three years of income in Sweden within a given period. Widows younger than age 65 may receive an adjustment pension. Under certain circumstances, when the adjustment pension ceases a widow may receive a widow's pension.

The widow's pension is payable abroad.

**Survivor pension (NDC):** There is no survivor pension.

**Spouse's pension (premium pension):** Paid to the surviving spouse or partner if the insured elected coverage for this benefit.

The premium pension is payable abroad.

**Guarantee spouse's pension:** Paid if younger than age 65 and receiving low or no adjustment or widow's pension.

The deceased must have resided in Sweden for at least three years. A full benefit is paid with 40 years of residence. If the insured died before age 64, the difference between the deceased's age at the date of death and age 64 is counted towards years of residence.

The guarantee pension ceases on remarriage (on cohabiting under certain conditions) or when the survivor reaches age 65.

Payable abroad to those living in an EU country or Norway, Iceland, Liechtenstein, or Switzerland; and, under certain circumstances, in Canada.

**Orphan's pension (child pension) (social insurance):**

Paid to a surviving child up to age 18 (age 20 if a student).

The orphan's pension is payable abroad.

**Surviving children's allowance:** Paid to a surviving child up to age 18 (age 20 if a student) with a small or no orphan's pension.

Payable abroad to those living in an EU country or Norway, Iceland, Liechtenstein, or Switzerland.

### Old-Age Benefits

**Earnings-related old-age pension (NDC):** The pension is based on lifetime earnings and on an annual index of trends in average wages (lifetime earnings include any disability pension payments received), an annuity factor depending on average life expectancy at the time of retirement for the appropriate age cohort (based on the most recent five-year average of unisex life expectancy projections), and the expected increase of average wages in future years (1.6%).

**Benefit adjustment:** Benefits are adjusted annually according to changes in wages.

**Premium pension (mandatory individual account):** The insured may choose between single or joint life annuities based on the accumulated capital in the individual account. Annuities can be fixed or variable rate.

**Benefit adjustment:** Benefits are adjusted annually according to changes in wages.

**Guarantee pension:** 94,572 kronor a year is paid to a single pensioner (84,360 kronor if married) born in 1938 or later with at least 40 years of residence and no earnings-related pension. 96,854 kronor a year is paid to a single pensioner (86,287 kronor if married) born in 1937 or earlier. The pension is reduced by 2.5% for each year of residence less than 40. If the insured receives an earnings-related pension the guarantee pension is gradually reduced until no guarantee pension is paid if the earnings-related pension is higher than a certain amount.

**Benefit adjustment:** Benefits are adjusted annually according to changes in prices.

### Permanent Disability Benefits

**Earnings-related disability pension (sickness compensation) (social insurance):** 64% of the insured's assumed future annual income is paid.

Assumed future income is based on the average of the three best income years within a given period immediately before the year of the claim.

The maximum annual income used to calculate benefits is 333,000 kronor.

The maximum annual benefit is 213,600 kronor.

**Benefit adjustment:** Benefits are adjusted annually according to changes in prices.

**Guarantee disability pension (sickness compensation):** 106,560 kronor a year is paid if the insured person is assessed as totally disabled and has at least 40 years of residence and no earnings-related benefit. The pension is reduced by 2.5% for each year of residence less than 40.

If the insured receives an earnings-related pension, the guarantee disability pension is gradually reduced until no

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guarantee disability pension is paid if the earnings-related pension is higher than a certain amount.

A reduced pension is paid at 75%, 50%, or 25% of the full pension according to the assessed degree of disability.

Constant-attendance supplement: Up to 30,636 kronor a year is paid.

Benefit adjustment: Benefits are adjusted annually according to changes in prices.

### **Survivor Benefits**

**Spouse's pension (adjustment pension):** 55% of the deceased's accrued old-age pension rights (based on the amount and years of contributions) is paid. The adjustment pension is based on the NDC pension the deceased received or was entitled to receive.

The pension is paid for 12 months. If the surviving spouse has custody of a child younger than age 18, the pension is extended for 12 months; for a child or children younger than age 12, the pension continues until the youngest child reaches age 12.

Benefit adjustment: Benefits are adjusted annually according to changes in wages.

**Spouse's pension (widow's pension) (social insurance):** 90% of the base amount is paid to a widow younger than age 65 (100% with children under age 17 or if aged 50 or older at the date of the insured's death). The benefit is reduced by 6.7% a year for every year the widow is below age 50. 40% of the old-age pension the deceased received or was entitled to receive is paid to the widow; 35% if orphan's pension is paid. The spouse's pension is based on the social insurance earnings-related pension the deceased received or was entitled to receive.

The base amount is 44,400 kroner.

Benefit adjustment: Benefits are adjusted annually according to changes in wages.

**Survivor pension (NDC):** There is no survivor pension.

**Spouse's pension (premium pension):** If the insured dies after retiring, a benefit is paid as a life time annuity.

**Guarantee spouse's pension:** 94,572 kronor a year is paid to an eligible widow(er) if the deceased had at least 40 years of residence in Sweden. The pension is reduced by 2.5% for each year of residence less than 40. If the insured receives an earnings-related pension the guarantee pension is gradually reduced until no guarantee pension is paid if the earnings-related pension is higher than a certain amount.

Benefit adjustment: Benefits are adjusted annually according to changes in prices.

**Orphan's pension (child pension) (social insurance):**

35% of the deceased's accrued pension rights (based on the amount and years of contributions made) is paid for an orphan younger than age 12. The pension is increased by

25% for each additional orphan. When the youngest child reaches age 12, 30% is paid for an orphan up to age 18 (age 20 if a student); the pension is increased by 20% for each additional orphan. If there is more than one orphan the total amount is split equally.

All orphans' benefits combined must not exceed 100% of the deceased's pension (80% if an adult is receiving an adjustment pension or a widow's pension).

Benefit adjustment: Benefits are adjusted annually according to changes in wages.

**Surviving children's allowance:** 17,760 kronor a year is paid to a surviving child up to age 18 (age 20 if a student) who is not receiving any orphan's pension. If a child receives the orphan's pension, the surviving children's allowance is reduced by the amount of the orphan's pension received.

Benefit adjustment: Benefits are adjusted annually according to changes in prices.

### **Administrative Organization**

Swedish Pensions Agency (<http://www.pensionsmyndigheten.se>) administers the old-age and survivor's programs.

Self-employed persons and employers pay contributions with income tax.

Swedish Social Insurance Agency (<http://www.forsakringskassan.se>) administers and supervises the disability program.

Regional and local social insurance bodies administer the disability program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First laws:** 1891 (cash benefits) and 1931 (medical benefits).

**Current laws:** 1991 (sick pay) and 2010 (social insurance), implemented 2011.

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

#### **Coverage**

**Cash benefits:** Gainfully employed persons earning 10,600 kronor or more a year.

**Parental cash benefits (parental insurance):** All residents of Sweden.

**Medical benefits:** All residents of Sweden.

#### **Source of Funds**

##### **Insured person**

**Cash benefits:** None.

**Medical benefits:** None.

#### **Self-employed person**

**Cash benefits:** 4.44% of earnings (sickness) (contributions may vary) plus 2.6% (parents' benefits).

**Medical benefits:** None.

#### **Employer**

**Cash benefits:** 9.88% of payroll plus 2.6% (parents' benefits).

**Medical benefits:** None.

#### **Government**

**Cash benefits:** None.

**Medical benefits:** Regional county councils pay the total cost.

### **Qualifying Conditions**

**Cash sickness benefits:** Must have at least a 25% assessed loss of work capacity and annual income from employment exceeding 10,600 kronor; or the insured is involuntarily unemployed and registered with the employment service.

**Parental cash benefits (parental insurance):** Must be covered for cash sickness benefits above the guarantee level (depending on the insured's income) for at least 240 days before the expected date of birth.

**Pregnancy cash benefits (parental insurance):** Paid to a pregnant woman employed in a physically demanding or dangerous job whose employer is not able to transfer her to less demanding or dangerous work.

**Temporary parental cash benefit (parental insurance):** Paid for the absence of a parent from work to care for a sick child younger than age 12 (age 16 or 18 if seriously ill; age 21 if chronically ill or disabled).

### **Sickness and Maternity Benefits**

**Sickness benefit:** 80% of the insured's lost earnings is paid from day 15 through day 364 (or more if a serious disease) (employers pay 80% of the insured's earnings from day two through day 14); may be extended up to 550 days at 75% of the insured's lost earnings. Pensioners are limited to 180 days of the benefit after retirement.

The maximum annual income used to calculate benefits is 333,000 kronor.

The unemployed are paid from day 2 and receive 80% of earnings from their previous employment. Self-employed persons and other qualifying nonemployed persons receive 80% of lost earnings from day two through day 90 (depending on the waiting period chosen).

The maximum daily benefit is 708 kronor.

**Benefit adjustment:** Benefits are adjusted annually according to changes in prices.

**Parental cash benefit (parental insurance):** Around 80% of the insured's lost earnings is paid for up to 390 days plus 180 kronor a day for an additional 90 days. The total benefit duration for both parents combined is 480 days for each child and is paid from 60 days before the expected date of childbirth until the child reaches age 8 (age 12 for children born on or after January 1, 2014). When both parents care for the child, each parent receives at least 60 days of benefits that cannot be transferred to the other parent.

The maximum annual income used to calculate benefits is 444,000 kronor.

The maximum daily benefit for the 390-day period is 944 kronor.

**Benefit adjustment:** Benefits are adjusted annually according to changes in prices.

**Pregnancy cash benefit (parental insurance):** 80% of the insured's lost earnings is paid. For women in a physically demanding job, the benefit is paid for up to 50 days, beginning 60 days and no later than 11 days before the expected date of childbirth. For women in a dangerous job, the benefit is paid for the whole pregnancy up to 11 days before the expected date of childbirth.

The maximum annual income used to calculate benefits is 333,000 kronor.

**Benefit adjustment:** Benefits are adjusted annually according to changes in prices.

**Temporary parental cash benefit (parental insurance):** 80% of the insured's lost earnings is paid. The total benefit duration for both parents combined is 60 days for each child a year; may be extended for 60 days for each child. The father (or other parent) is entitled to 10 extra days of benefits in connection with the child's birth.

The maximum annual income used to calculate benefits is 333,000 kronor.

**Benefit adjustment:** Benefits are adjusted annually according to changes in prices.

### **Workers' Medical Benefits**

Benefits include free medical and dental care for children up to age 20, subsidies for basic and preventive dental care, a high-cost limit for prosthetic treatment, and free insulin.

**Cost sharing:** The insured pays from 100 kronor to 350 kronor for each doctor's visit, up to 1,100 kronor in a 12-month period; up to 100 kronor a day (reduced for low-income earners) for inpatient treatment in a public hospital (including in a maternity ward).

A percentage of transportation costs are reimbursed.

The insured pays the full cost of medicine up to 1,100 kronor in a 12-month period; thereafter, the partial cost of medicine up to 2,200 kronor a year.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured.

### **Administrative Organization**

**Cash benefits:** Swedish Social Insurance Agency (<http://www.forsakringskassan.se>) provides central administration and supervision.

Regional and local social insurance offices administer the program.

**Medical benefits:** The Health and Social Care Inspectorate (<http://www.ivo.se>) provides central supervision.

Regional county councils administer the program.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1901.

**Current laws:** 1976 (social insurance) and 1991 (sick pay).

**Type of program:** Social insurance system.

#### **Coverage**

All employed and self-employed persons.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** 0.3% of declared earnings.

**Employer:** 0.3% of payroll.

**Government:** None.

#### **Qualifying Conditions**

**Temporary disability benefits:** There is no minimum qualifying period.

**Permanent disability benefits:** There is no minimum qualifying period. The insured must have an annual income of at least 10,600 kronor.

#### **Temporary Disability Benefits**

80% of the insured's lost earnings is paid from day 15 through day 364 (more if a serious disease) (employers pay 80% of the insured's earnings from day two through day 14); may be extended up to 550 days at 75% of the insured's lost earnings. Pensioners are limited to 180 days of benefits after retirement.

The maximum annual income used to calculate benefits is 333,000 kronor.

Unemployed persons receive 80% of earnings from their previous employment from day two. Self-employed persons

receive 80% of lost earnings from days two to 90 (depending on the waiting period chosen).

The maximum daily benefit is 708 kronor.

Benefit adjustment: Benefits are adjusted annually according to changes in prices.

#### **Permanent Disability Benefits**

**Permanent disability benefit:** 100% of the insured's lost earnings is paid as an annuity for a total loss (100%) of earning capacity.

The maximum annual income used to calculate benefits is 333,000 kronor.

Partial disability: If the assessed degree of loss of earning capacity is 6.7% to 99%, the benefit paid is in proportion to the assessed degree of loss in earning capacity.

The payment of permanent disability benefits is coordinated with the payment of sickness compensation benefits (see Old Age, Disability, and Survivors).

Benefit adjustment: Benefits are adjusted annually according to changes in the combined wage and consumer price index.

#### **Workers' Medical Benefits**

Benefits include a high-cost limit for prosthetic treatment.

Cost sharing: The insured pays from 100 kronor to 350 kronor for each doctor's visit, up to 1,100 kronor in a 12-month period; up to 100 kronor a day (reduced for low-income earners) for inpatient treatment in a public hospital (including in a maternity ward).

A percentage of transportation costs are reimbursed.

The insured pays the full cost of medicine up to 1,100 kronor in a 12-month period; thereafter, patients pay the partial cost for medicine, up to 2,200 kronor a year.

#### **Survivor Benefits**

**Spouse's pension (adjustment annuity):** 45% of the permanent disability benefit the deceased received or was entitled to receive is paid; 20% if an orphan's pension is paid for the deceased's children.

The pension is paid for 12 months. If the survivor has custody of a child younger than age 18, the pension is extended for 12 months; for a child or children younger than age 12, the pension continues until the youngest child reaches age 12.

Eligible survivors include a widow(er) younger than age 65 who was married to or, under certain conditions, cohabited with the deceased for at least five years or was raising a child younger than age 18 at the date of the insured's death.

**Orphan's pension (child annuity):** 40% of the permanent disability benefit the deceased received or was entitled to receive is paid to one orphan younger than age 18 (age 20

if a student); the pension is increased by 20% for each additional orphan. The total pension amount depends on the number of eligible orphans. If there is more than one eligible orphan, the pension is split equally.

All survivor benefits combined must not exceed 100% of the pension that the deceased received or was entitled to receive based on a total loss of working capacity at the date of death.

**Funeral grant:** A lump sum of 30% of the base amount is paid to the widow(er).

The base amount is 44,400 kronor.

Benefit adjustment: Benefits are adjusted annually according to changes in wages.

### **Administrative Organization**

Swedish Social Insurance Agency (<http://www.forsakringskassan.se>) provides central administration and supervision.

Regional and local social insurance offices administer the program.

### **Unemployment**

#### **Regulatory Framework**

**First law:** 1934.

**Current law:** 1997, implemented in 1998.

**Type of program:** Social assistance and voluntary income-related insurance system.

#### **Coverage**

**Basic program:** Employed persons and persons seeking employment.

**Voluntary income-related program:** Employed and self-employed persons who are members of an unemployment insurance fund. Membership is open to employees in a specific occupation or industry.

#### **Source of Funds**

**Insured person:** None for the basic program; a membership fee for the voluntary program.

**Self-employed person:** 0.37% of earnings; a membership fee for the voluntary program.

**Employer:** 2.91% of payroll.

**Government:** Subsidizes the basic program; none for the voluntary program.

#### **Qualifying Conditions**

**Unemployment benefits (basic and voluntary):** Age 20 to 65 and ineligible for the income-related insurance

(voluntary program). Unemployed and registered as a job seeker at the public employment service; able and willing to accept a suitable job for at least three hours a day and an average of at least 17 hours a week.

The insured must have been employed for at least six months (at least 80 hours a month) or for at least 480 hours during a consecutive six-month period (at least 50 hours a month) in the last 12 months before unemployment. To receive the voluntary income-related benefit, the insured must have been a member of an unemployment fund for at least 12 months.

Unemployment benefits are suspended for one, five or 10 benefit days for not job seeking seriously; five, 10 or 45 benefit days for extending a period of unemployment; 20 or 45 benefit days if unemployment is due to voluntarily leaving or misconduct. The benefit may be terminated for repeated offences.

#### **Unemployment Benefits**

**Basic unemployment benefit:** 320 kronor a day is paid if the insured was working 40 hours a week before unemployment; the benefit is reduced in proportion to the number of hours less than 40 hours. The benefit is paid after a seven-day waiting period for up to 300 days for each benefit period. If the insured has at least one child younger than age 18, the benefit may be paid for an additional 150 days. The benefit is paid for five days a week.

Benefit adjustment: The government adjusts benefits on an ad hoc basis.

**Voluntary income-related benefit:** 80% of the insured's previous income is paid after a seven-day waiting period for the first 200 days; 70% for the next 100 days. If the insured has at least one child younger than age 18, the benefit may be paid for an additional 150 days. The benefit is paid for five days a week.

The maximum benefit is 680 kronor a day.

Benefit adjustment: The government adjusts benefits on an ad hoc basis.

#### **Administrative Organization**

Swedish Unemployment Insurance Board (<http://www.iaf.se>) supervises 28 unemployment insurance funds.

#### **Family Allowances**

##### **Regulatory Framework**

**First laws:** 1947 (child allowance) and 1964 (maintenance advance).

**Current laws:** 1947 (child allowance), 1993 (housing allowance), and 1996 (maintenance support).

**Type of program:** Universal system.

## Coverage

**Child allowance:** All residents of Sweden with one or more eligible children.

**Maintenance support:** Children living permanently with one parent.

## Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost. (The cost of maintenance support is partly covered by repayments made by parents liable for maintenance.)

## Qualifying Conditions

**Child allowance:** Paid to the end of the quarter in which the child reaches age 16 or until the child finishes primary education (no age limit for children with learning difficulties who are attending a special school).

**Maintenance support:** The child must be younger than age 18 (until June of the year in which the student reaches age 20), live permanently with only one of the parents, and the parent liable for child support does not pay any support or pays less than the maintenance support amount (1,273 kronor a month for each child). If the child alternates between residences, special maintenance support may be paid to compensate for different standards of living.

**Housing allowance:** Paid to low-income households (families and young childless persons over age 18 and under age 29) to subsidize housing costs.

**Child care allowance:** Paid to a parent for the care of a sick or disabled child who needs special care or supervision or to compensate for additional expenses incurred from the child's illness or disability.

**Adoption allowance:** Paid for the adoption of a foreign citizen and non-resident of Sweden under the age of 10. The adoption must take place through an authorized adoption agency.

## Family Allowance Benefits

**Child allowance:** 1,050 kronor a month is paid for each child.

Supplements are paid to families with two or more children (150 kronor for the second child; 454 kronor for the third child; 1,010 kronor for the fourth child; and 1,250 kronor for the fifth and subsequent children).

**Maintenance support:** 1,273 kronor a month is paid for each child. If the child has income above 48,000 kronor a year, the maintenance support is reduced by half the amount that exceeds 48,000 kronor. Top-up maintenance support is paid when the parent liable for child support pays less than 1,273 kronor a month.

**Housing allowance:** Paid according to the household's composition, income, and housing arrangement.

**Child care allowance:** 25%, 50%, 75% or 100% of the childcare allowance is paid. An additional supplement of up to 2,438 kronor a month may be paid.

The child care allowance is 8,833 kronor a month for each child.

**Adoption allowance:** A lump sum of 40,000 kronor is paid.

Benefit adjustment: The government adjusts benefits on an ad hoc basis.

## Administrative Organization

Swedish Social Insurance Agency (<http://www.forsakringskassan.se>) provides central administration and supervision.

Regional and local social insurance offices administer the program.