

# The Swedish Pension System

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# Sweden

- **Elections September 2014**
- **New Government: Social Democrats and the Greens**
- **Minority Government**
- **New view of the social partners?**

# The State Pension

- **PAYG-system**
- **40 years of work**
- **A guaranteed minimum level**
- **Income ceiling**
- **Increasing average life expectancy**
- **Increased age of establishment on the labour market**
- **Concern about retirement age**

# The State Pension

- **The Premium Pension**
- **Invested in funds, individual choice**
- **Low risk premium**
- **Require extensive knowledge**
- **Governmental investigation**
- **Proposed restrictions**

# Occupational Pensions

- **Collective agreements are nationwide**
- **Occupational pensions are a supplement to state pension**
- **DB-plans, 30 years on labour market for full pension**
- **DC-plans, 40 years on labour market for full pension**
- **Combinations of DB- and DC-plans**
- **Transformation into DC-plans**
- **Private sector: Savers are obliged to choose life insurance with a guarantee for half of their contributions. Not only investment funds.**

# Occupational Pensions

## ➤ Current discussion

- Solvency II Directive, IORP II Directive
- Implications for Swedish institutions and managers of occupational pensions
- In Sweden occupational pensions are managed by insurance companies
- High solvency and capital requirements, strong consumer protection but low return and high costs.

# Private Savings

- **From 2015 tax deductible approx 200 Euros per year**
- **2014 approx 1 200 Euros per year**

# Women's Pensions

- **Women's salaries are on average 80 percent of men's salaries**
- **Part-time work**
- **Family commitments**
- **Differences in salary are accumulated and difference in pension becomes even greater.**
- **Women unable to support themselves after a long working-life**



# Women, white-collar workers

- **Mainly in public sector but also in private sector**
- **Women with higher education but low salaried**
- **Education does not pay**
- **Likely to receive lower pension**
- **Shorter working life due to training**