

# Sweden

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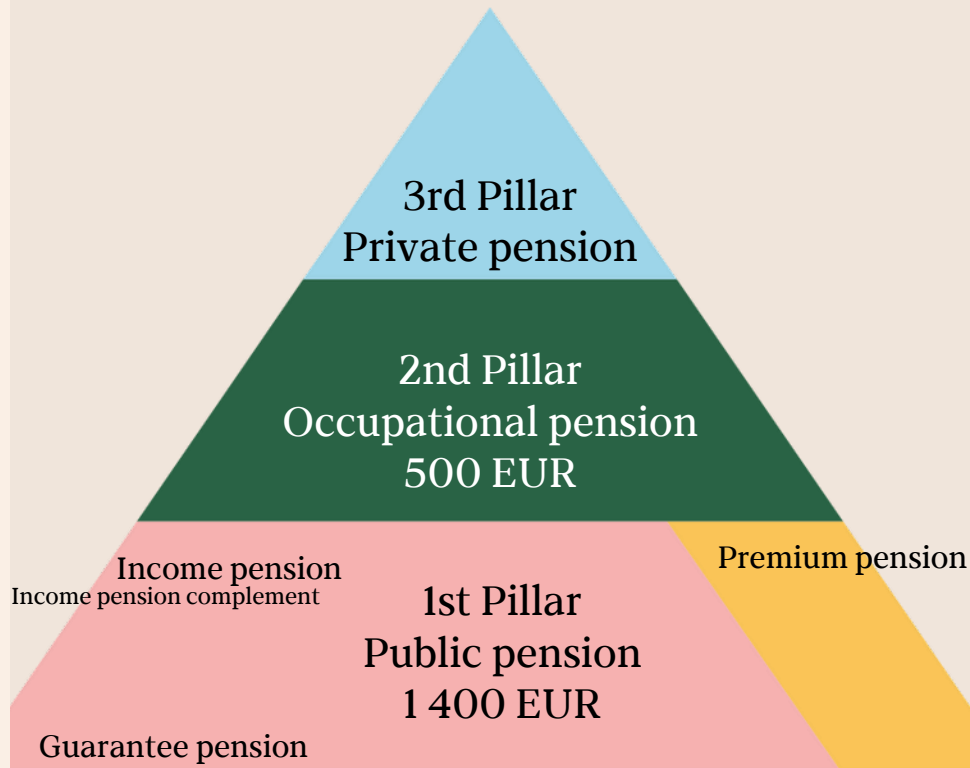
# Agenda

- Pension in Sweden
  - KPA Pension
- Consequences of the pandemic
- Perspective of pension reforms (1st and 2nd pillar)



# Pension in Sweden

- Average retirement age for Swedes is 65 years (2020)
- 9 out of 10 earns occupational pension
- There are no tax advantages left for private savings





# KPA Pension

Our focus is occupational pension and pension administration for the local government sector in Sweden.

- **2 000 employers**  
Municipalities, county councils and public corporations in Sweden
- **2 million individuals employed in the public sector**  
80 percent are women working primarily in healthcare and schools



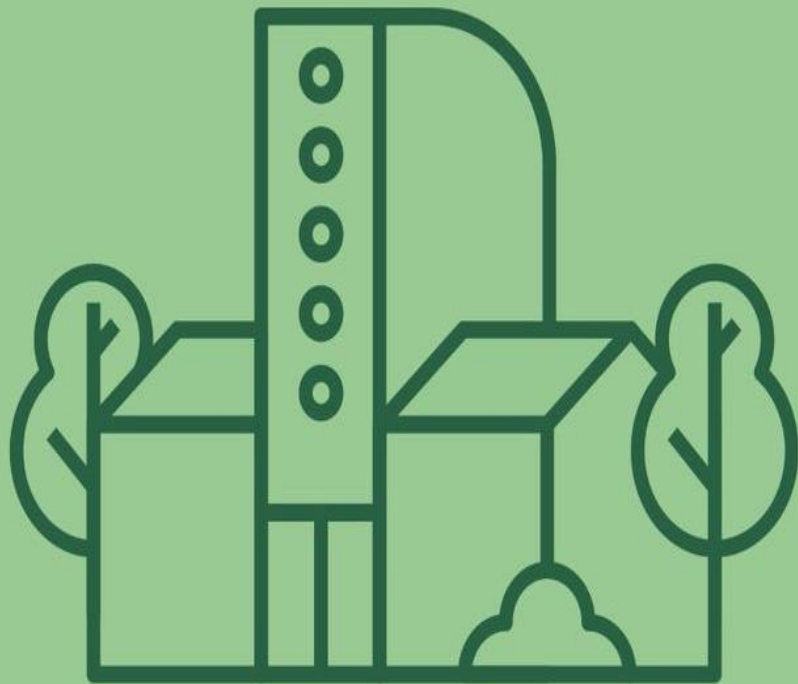


# Longer term consequences of the pandemic context



# Financial impacts on pension schemes

- Macro - Sweden
  - Compensated wages for short term laid off during the pandemic
  - Positive return on stock market
- Micro - KPA
  - Public sector in business during pandemic
  - Deceased, elderly pensioners with defined benefits and no survivors pension





# Perspectives of pension reform



# State pension/First pillar

Income pension complement

Retirement age

Increase paid contribution

Equal pensions





# Income pension complement

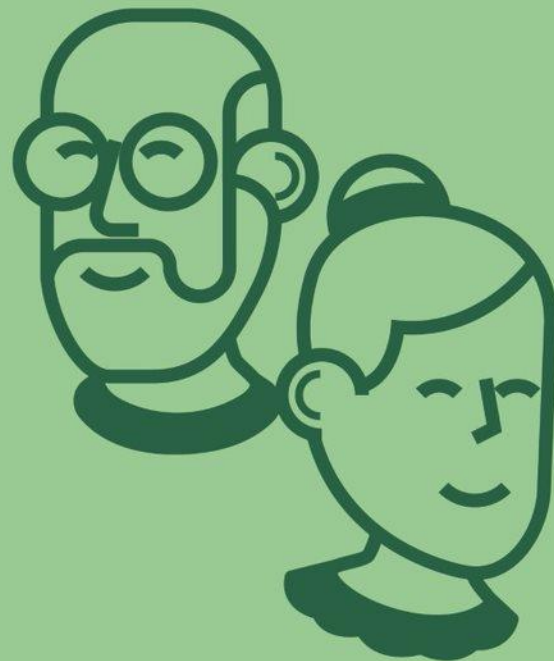
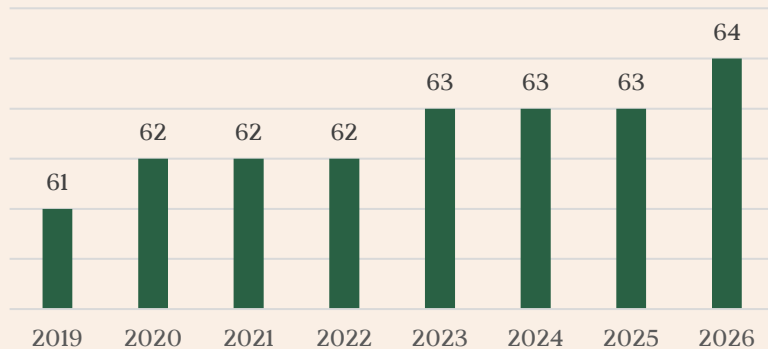
- A new benefit from September 2021
- The amount determines by the size of your income-based pension
- At most SEK 600 (app 60 Euro) per month





# Retirement age

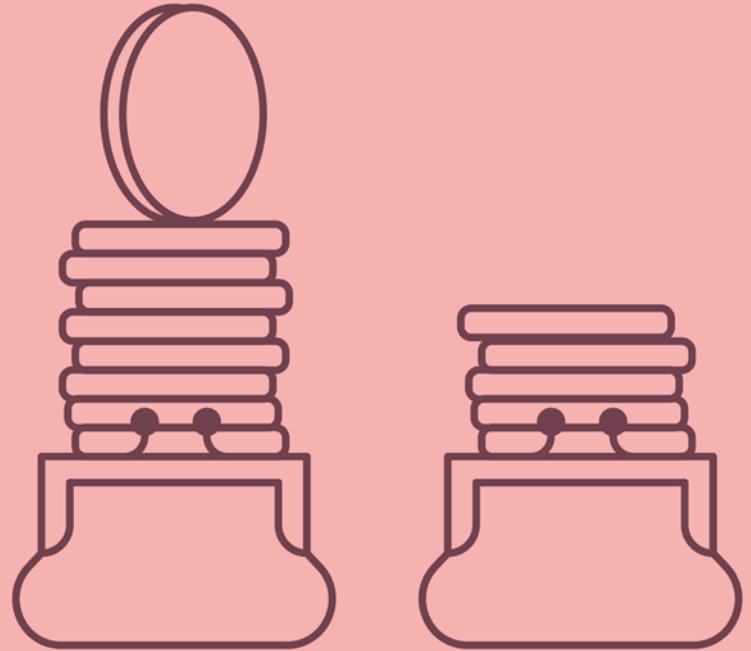
Lowest retirement age for public pension





# Increase paid contribution

- The levels of pensions are considered too low
- Discussion about increase in the contribution paid into the pension system
- Require consensus within The Pension Group





# Equal pensions

- Women's pension is 31 percent lower than men's
- The Swedish pension system is based on the life income principle
- Female-dominated occupations are often lower paid than male-dominated ones
- Women work more often part-time





# Occupational pension/ Second pillar

IORP II

Pause of pension payments

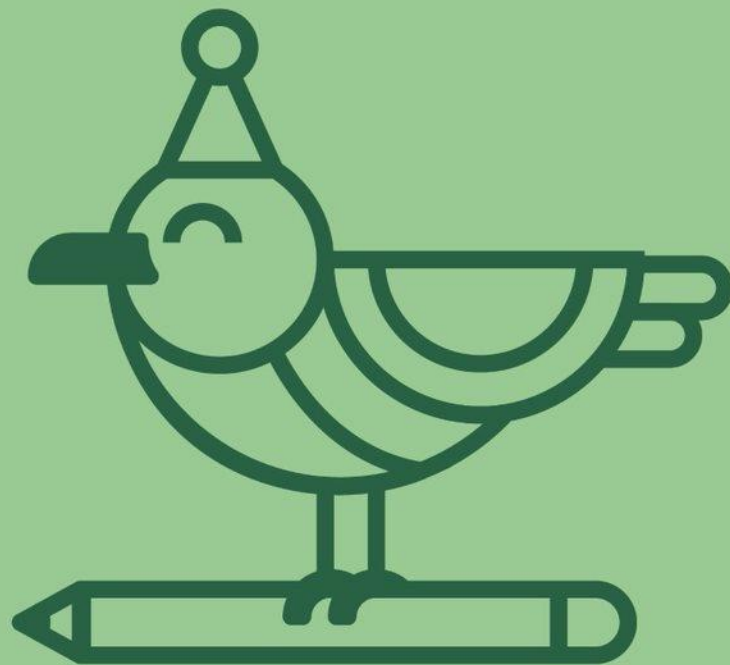
Growth and security





# The Swedish life insurance market

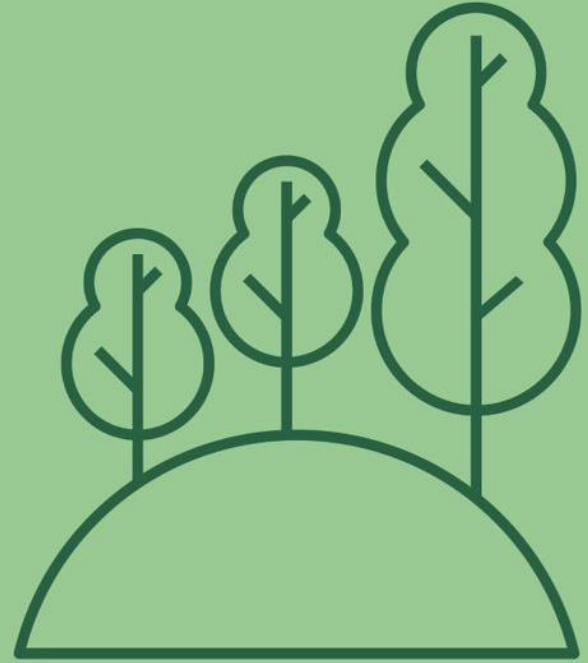
- Two different types of companies
  - Occupational pension companies (IORP II) (14 companies)
  - Solvency II regulated life insurance companies (8 companies)





# IORP II – Higher requirements in Sweden

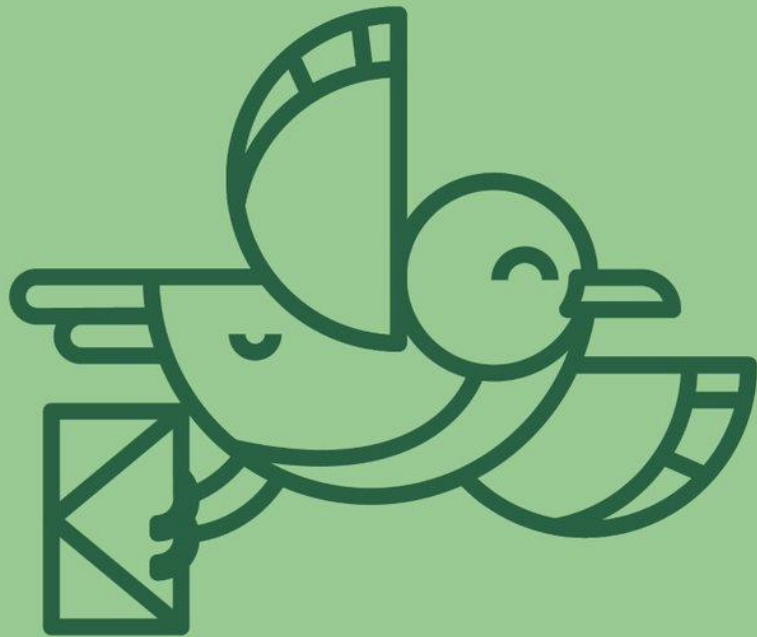
- A risk-based capital requirement
- Comply with the insurance distribution regulations (IDD)
- Rules on group supervision, corporate governance and risk management





# Pause of pension payments

- Possible to temporarily stop payments of the state pension
- No stop of occupational pension
- Actors want to see a change
- Corona crisis raises the issue further





# Growth and security

- Ability to innovate
- Accumulation of pension capital during working life
- Stability during retirement





