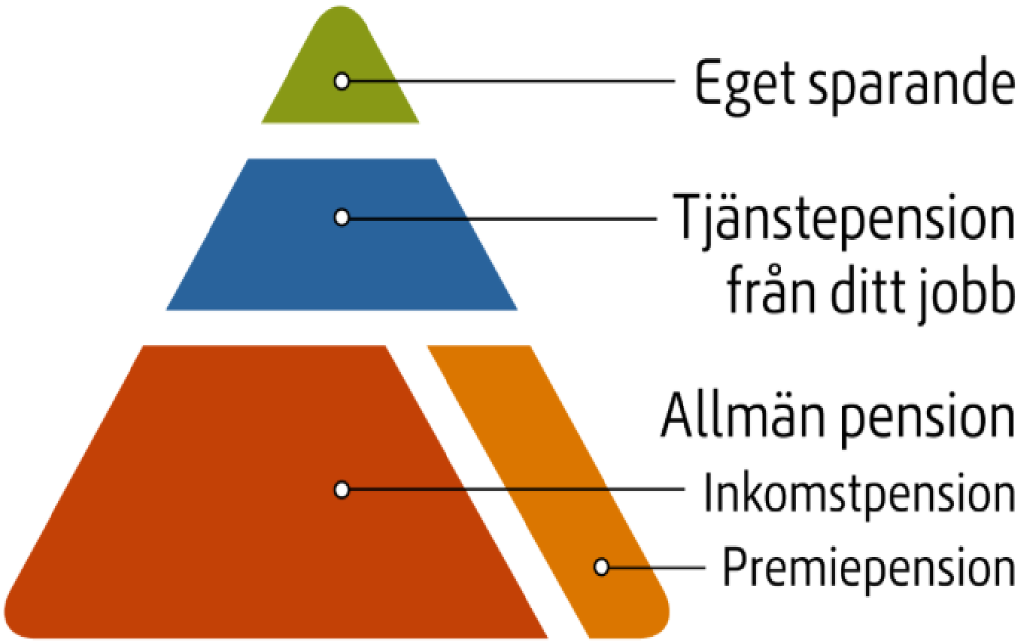
PENSIONS & INSURANCES IN SWEDEN

By STC Helping Hands

This document outlines the rules, regulations, and practices in Sweden as of date (November 2025). Pension, tax, and insurance systems are subject to change, and specific terms may vary by individual circumstances or employer agreements.

1. INTRODUCTION: THE SWEDISH PENSION & INSURANCE SYSTEM

Sweden's pension and insurance system is designed to provide financial security throughout life, whether you are working, raising a family, or retired. The system is often described as a "three-pillar model":



1. **Public Pension (Allmän Pension)** – The foundation, financed through taxes and social security contributions. It ensures that everyone who lives and works in Sweden receives a basic income in retirement.

2. **Occupational Pension (Tjänstepension)** – The second layer, negotiated through collective agreements or provided by employers. This usually forms a large share of your final pension, especially if you have been working for many years in Sweden.

3. **Private Pension Savings (Privat Sparande)** – The third layer, entirely voluntary and tailored to your own needs and goals. This is where individuals can take additional responsibility for their future income.

2. PUBLIC PENSION (ALLMÄN PENSION)

The foundation, financed through taxes and social security contributions. It ensures that everyone who lives and works in Sweden receives a basic income in retirement.

This is managed by the Swedish Pensions Agency (Pensionsmyndigheten). It is mandatory for everyone who works or lives in Sweden.

Public pension is the state pension that the Swedish Pensions Agency is responsible for. It consists of several different parts such as income pension, income pension supplement, premium pension and guarantee pension. You can also receive housing supplement and elderly support in addition to the public pension. You can also receive a survivor's pension if the deceased has earned towards public pension. There is also a part of the public pension that is not earned through income, the guarantee pension. The public pension is paid out for as long as you live. Most people also receive an occupational pension from their employer. In addition, you can also have your own savings for retirement.

- **Income Pension (Inkomstpension):** Based on all income from work reported in Sweden. 16% of your income is set aside for this. It's not saved in an account but creates "pension credits."

- **Premium Pension (Premiepension):** 2.5% of your income is invested in funds you choose in the PPM system. If you don't choose, it goes into the default fund, AP7 Såfa.

- **Guarantee Pension (Garantipension):** A means-tested top-up for those with little or no income pension. To receive the full amount, you must have lived in Sweden for at least 40 years.

- **Supplementary pension**: The supplementary pension is part of the national pension, and it replaces the ATP that was in the previous pension system.

  If you were born between 1938 and 1953, you will receive supplementary pension as part of your national pension. The later in the period you were born, the more of your national pension you will receive as income pension and premium pension and the smaller part as supplementary pension. To be entitled to supplementary pension, you must have three years of pension points.

  If you were born in 1937 or earlier, your public pension consists of a supplementary pension, and possibly an income pension supplement and a guarantee pension. You need at least three years of pension points to be entitled to a supplementary pension.

2.1 Family Protection Aspect

Survivor's Pension (Efterlevandepension):

When a person with a pension and benefits from the Swedish Pensions Agency passes away, a payment is made for the entire month in which the death occurred. The payment then ceases. If you want your spouse/cohabitant to inherit your premium pension when you die, you can take out survivor's coverage. This can be taken out from the first time you apply for a public pension.

Do you have survivor benefits?

You can see if you have survivor's protection in the premium pension by logging in to https://www.pensionsmyndigheten.se/, My Pages and going to My pension benefits. Under Decision on general pension, it says Premium pension with survivor's protection if you have survivor's protection.

Facts about survivor protection

- You can take out survivor's protection in the premium pension when you apply for a public pension for the first time.
- Your own premium pension will be lower if you take out survivor's protection.
- If you take out survivor's protection in the premium pension, it means that if you die, your spouse/cohabitant will receive your premium pension for the rest of your life.
- You cannot change your mind if you have taken out survivor's coverage.
- If your spouse/cohabitant dies before you, you do not need to do anything; payments to you will continue as before.
- If you divorce or separate from your partner, you must notify us so that the premium pension can be recalculated and your payments increased.
- Your occupational pension may also be covered by death protection.

2.2 FAQs of Survivor's Pension (Efterlevandepension)

- **How to receive a survivor's pension if you live in Sweden**

  When the Swedish Pensions Agency receives information that someone living in Sweden has died, they investigate whether or not there are survivors who are entitled to a survivor's pension without you having to apply. In some cases, they will send you a letter to get additional information and then make a decision.

- **Survivor's pension if you live outside Sweden**

  If you are resident outside Sweden in an EU or EEA country (EEA is the EU countries plus Norway, Iceland and Liechtenstein), you must apply to the pension authority in the country where you reside. The pension authority in that country then sends an application to Sweden if the deceased person has previously lived and/or worked in Sweden.

- If you live outside the EEA or Switzerland, you must request it yourself by using an application form. Sweden has signed social security agreements with a number of countries outside the EEA, these agreements can affect which pension you receive and which country you should apply from. Contact customer service if you have questions regarding what applies to the country you live in.

2.3 FAQs of Survivor's Pension (Efterlevandepension)

Understanding the Orange Envelope – Your Annual Public Pension Statement in Sweden SE

If you live and work in Sweden, you automatically start earning towards the Swedish public pension (allmän pension). Each year, usually around March or April, you'll receive a letter from the Swedish Pensions Agency (Pensionsmyndigheten) — this is called the "orange envelope" (orange kuvertet).

- The orange envelope is your annual pension statement and it shows:
- How much you have earned so far toward your public pension.
- How your pension funds have grown over the past year.
- An estimate of your future pension, based on your income and contributions.
- A breakdown of the two main parts of your public pension:
    - Income pension (inkomstpension) – based on your salary and the taxes you pay.
    - Premium pension (premiepension) – the smaller part that you can invest in funds of your choice.

You can receive the envelope by post or view it digitally at www.pensionsmyndigheten.se using your BankID.

For expats, the orange envelope is a great way to understand how your work in Sweden is contributing to your long-term retirement savings. Even if you plan to move abroad later, the pension you earn in Sweden is still yours to keep and can be paid out when you retire, no matter where you live.

For more information on public pension refer below official link

https://www.pensionsmyndigheten.se/forsta-din-pension/sa-fungerar-pensionen/allman-pension

FAQs of Public Pension:

https://www.pensionsmyndigheten.se/vanliga-fragor-och-svar-om-pension/vanliga-fragor/fragor-och-svar-om-allman-pension

3. OCCUPATIONAL PENSION (TJÄNSTEPENSION)

The second layer, negotiated through collective agreements or provided by employers. This is a supplementary pension provided by most employers in Sweden, typically a result of collective agreements between trade unions and employer organizations. It is a vital part of the overall retirement provision and can provide a significant boost to the public pension. If you work for a municipality, region or government, there is always an occupational pension through the agreements. However, with private employers, it is not as obvious.

3.1 Why is occupational pension so important?

If you do not have an occupational pension, you will only receive a general pension from the state. This can mean a low pension. That is why it is important that you have an occupational pension. In addition, the occupational pension contains important financial protection if you become ill or die.

Keep in mind that the higher your salary or the younger you are, the greater part of your total pension will come from the occupational pension.

Find out how much is paid into your occupational pension each month. Or, what you lose if you don't have an occupational pension.

Here you can calculate your occupational pension, https://www.pensionsmyndigheten.se/forsta-din-pension/tjanstepension/rakna-ut-din-tjanstepension

3.2 ITP overview

ITP is the occupational pension plan for white-collar (salaried) employees in the private sector, typically covered by a collective agreement between the Confederation of Swedish Enterprise (Svenskt Näringsliv) and PTK (the council representing private-sector professionals).

It's an important complement to the public pension (allmän pension) and makes up a significant portion of total retirement income for most employees.

Two Main Variants of ITP

There are two main ITP plans, depending on your date of birth and the employer's collective agreement:

1. **ITP 1 – Defined Contribution Plan**
2. **ITP 2 – Defined Benefit Plan**

3.2.1 ITP 1 – Defined Contribution Plan

- Applies mainly to employees born in 1979 or later.
- Some employers also apply it to all employees regardless of age.

How it works:

- Your employer contributes a **fixed percentage of your monthly salary** to your pension account.
- You decide how this money is invested (within approved pension companies).

Salary Level	Employer Contribution
Up to 7.5 income base amounts (IBA*)	4.5% of salary
Above 7.5 IBA (approx. SEK 52,125/month in 2025)	30% of salary

***IBA = inkomstbasbelopp**, a government index used for pension thresholds.

You choose:

- **Insurance company** (e.g., Alecta, AMF, SEB, etc.)
- **Investment form**: traditional insurance (guaranteed) or unit-linked (fund-based)

- **Survivor protection** (for your family, optional)
- **Repayment cover** (represents inheritance of your savings)

Your choices affect **risk, return, and family coverage.**

3.2.2 ITP 2 – Defined Benefit Plan

Applies mainly to employees **born in 1978 or earlier** (though some employers still have ITP 2 for everyone).

How it works:

- The pension amount is predetermined based on your final salary and years of service.
- The employer bears the investment risk.
- The plan is administered by Alecta.

Typical benefits:

- About 10% of your final salary up to 7.5 IBA
- About 65% of your final salary for the portion between 7.5 and 20 IBA
- About 32.5% of your final salary between 20 and 30 IBA

This means your pension is strongly linked to your salary level at retirement.

3.3 Other Components of ITP

In addition to the retirement pension, ITP includes:

1. **ITP Sickness Cover (ITP-sjukpension)**
    - Provides extra compensation if you're on long-term sick leave (in addition to Försäkringskassan).
2. **Family Protection (Familjeskydd)**
    - Optional — pays your family a monthly benefit if you pass away before retirement.
3. **Repayment Cover (Återbetalningsskydd)**
    - Optional — your saved pension capital goes to your beneficiaries if you die before drawing it.

3.4 When You Can Access It

- Normally from **age 65**, but you can start taking it **any time between 55 and 68** (sometimes even later).
- You can also **combine part-time work with partial pension**.

3.5 How To Track Your ITP

- Visit **minpension.se** — shows your total pension (public + occupational + private).
- Visit **avtalat.se** — to change your investment choices and see your ITP balance. (Note: Collectum.se now redirects here.)

3.6 Family Protection Aspect (Survivor's Protection)

Most occupational pension agreements include **survivor's protection** (efterlevandeskydd), which ensures that your spouse/registered partner/cohabitant and children receive financial support if you die before drawing your pension. Understanding this is crucial for protecting your family's future.

Within the various occupational pension agreements, there are different survivor protections. They provide financial protection for your survivors if you yourself die. Here we describe two types of survivor protection that you may have linked to your collectively agreed occupational pension: refund protection and family protection.

Good to think about

If you do not choose survivor's protection, you will receive a higher pension yourself, but your survivors will not receive compensation if you die.

For example, if you are single without children, if you live with someone who has a higher salary than you, or if you have adult children who can support themselves financially, it is often unnecessary to have survivor's protection.

You can choose to have both family protection and refund protection, or just one of them. You can also choose to have no protection at all for your survivors. It depends entirely on your specific situation.

Key Components:

1. **Group Life Insurance (TGL – Tjänstegrupplivförsäkring)**

- Provides a lump sum to your beneficiaries if you die while employed.
- The amount is often a multiple of your pensionable salary (e.g., 3–6 times annual income).

2. **Repayment Cover (Återbetalningsskydd) : - gives your family your earned occupational pension**

If you have repayment protection linked to your occupational pension, what you have earned towards your occupational pension will be paid out to your family if you die.

This means that the longer you have worked and earned your occupational pension, the larger the amount that will be paid to your family in the event of death. In some occupational pensions, you will receive repayment protection automatically, and in some you must actively contribute to it.

You don't have to pay anything for the refund protection, but it does involve an indirect cost because you miss out on something called inheritance gains. If you have refund protection, you won't get to share in the inheritance gains that are distributed when other policyholders who don't have refund protection die. This means that you will receive less money for your own occupational pension.

- Your saved pension capital is paid to your beneficiaries if you die.
- Without repayment cover, your saved pension stays in the collective system.

3. Family Cover (Familjeskydd)

Most contracts also include the option to take out family protection. This means that your family will receive an extra pension if you die before your 65th birthday. You choose how much money and for how long your family will receive the money.

The amounts you can choose from are 1 to 4 price base amounts (1 price base amount = SEK 58,800 in 2025), and the length of the payment period can be 5, 10, 15 or 20 years.
You pay a fee for family protection. It is based on your age and the levels you choose in terms of amount and payment period. The fee is deducted from the money your employer pays into your occupational pension.

If you work for the state, municipality or region, family protection is included in your occupational pension (in some cases it is called a survivor's pension) and is not something you can add or remove yourself.

If you are a privately employed salaried employee and belong to the ITP occupational pension agreement, or if you are a privately employed worker and belong to the SAF-LO collective pension agreement, you must actively add family protection if you need it.

- An optional add-on providing extra monthly payments to your family for a fixed period (e.g., 5–20 years).
- Slightly reduces your own future pension because part of your contributions fund the protection.

Flexibility and Impact

- You can typically add, change, or decline repayment cover and family cover.
- Some agreements (e.g., GTP – Joint Occupational Pension) include family cover automatically.
- These choices affect your pension size—more protection for your family slightly reduces your own pension.

Administration

- ITP (white-collar): Avtalat.se
- SAF-LO (blue-collar): Fora.se
- Review after major life events like marriage, divorce, or birth of a child.

State Support

- Sweden’s public pension system may also provide a state survivor’s pension to support close relatives, in addition to occupational pension benefits.

Consumer’s Association:

https://www.konsumenternas.se/sparande--pension/pension/efterlevandeskydd/

3.7 Checklist for Families– Occupational Pension and Survivor Protection

1. **Beneficiary Designation:** Ensure spouse/partner and children are correctly listed; update after major life events.
2. **Repayment Cover:** Decide if your pension capital should go to beneficiaries; check impact on your pension.
3. **Family Cover:** Consider additional monthly payments and review the amount and duration.
4. **Group Life Insurance (TGL):** Verify lump-sum coverage aligns with family financial needs.
5. **Review after Major Life Changes:** Marriage, divorce, childbirth, adoption, or serious illness may require updates.
6. **Provider Accounts:** Check occupational pension accounts regularly.
7. **Understand Impact:** Know that added protection slightly reduces your future pension.
8. **State Survivor’s Pension:** Ensure family is aware of additional state support.

3.8 FAQs – Occupational Pension & Survivor Protection

1. **What is the difference between TGL, repayment cover, and family cover?**
   - TGL: Lump sum to beneficiaries if you die while employed.
   - Repayment cover: Saved pension paid to beneficiaries.
   - Family cover: Extra monthly payments for a fixed period to your family.
2. **Who can be a beneficiary?**
   - Usually spouse/partner, cohabitant, and/or children; some agreements allow other relatives.
3. **Can I change my choices later?**

- Yes, most agreements allow adding, modifying, or declining options, but it affects your future pension.

4. **Does family cover reduce my pension?**
   - Yes, a small portion of your contributions funds the protection, slightly lowering your personal pension.
5. **Is survivor protection automatic?**
   - Some agreements include family cover automatically; others require you to opt in.
6. **How do I manage my survivor protection?**
   - ITP: Avtalat.se
   - SAF-LO: Fora.se
7. **Does Sweden's public pension provide additional support?**
   - Yes. State survivor pension may provide extra financial support to close relatives.
8. **When should I review my survivor protection?**
   - After major life events (marriage, divorce, childbirth, adoption, illness) and at least annually.

Note: Above information is sourced from original website https://www.avtalat.se for better explanation but recommended to always check the following link for up to date information

https://www.avtalat.se/forsakring/ersattning-vid-dodsfall/?utm_source=chatgpt.com

4. PRIVATE PENSION & INSURANCE (PRIVAT PENSION OCH FÖRSÄKRING)

4.1 Private Pension Savings (Privat Sparande)

The third layer, entirely voluntary and tailored to your own needs and goals. This is where individuals can take additional responsibility for their future income.

- You may need your own pension savings.
- If you want to retire early and still have an adequate pension.
- If you have worked part-time for long periods. Part-time work for many years can lead to a lower pension because you do not earn as much towards your pension.
- If you do not have an occupational pension through your employment.
- If you are self-employed and do not have an occupational pension.

This is where you fill the gaps to protect your family.

4.1.1 Private Retirement Savings (Privat pension)

Building Your Own Extra Security for the Future. The **private pension** is completely **voluntary** — you decide **if**, **how**, and **where** you want to save. It's meant to **supplement** your public and occupational pensions, giving you more financial comfort and flexibility when you retire.

You can choose from several ways to build your private pension:

- **Investment funds (fonder):** You can invest regularly in mutual funds with different risk levels — for example, stock funds for higher growth potential or bond funds for stability.
- **Stocks and ETFs**: If you are comfortable with investment risk, you can buy individual stocks or exchange-traded funds through a bank or investment platform.
- **Savings accounts**: A low-risk option where you regularly deposit money into a dedicated savings account for retirement.
- **Insurance-based savings**: Some banks or insurance companies offer pension savings accounts (pensionsförsäkring or ISK/Kapitalförsäkring) designed for long-term savings.

Why Private Pension Savings Matter

- **Flexibility**: You decide how much to save and when.
- **Control**: You choose where to invest and how much risk to take.
- **Supplementary income**: It helps ensure you have the lifestyle you want after retirement, especially if you moved to Sweden later in life and won't have many years of public pension contributions.
- **Portability**: Your private savings stay with you even if you change jobs or move abroad.

4.1.2 Life Insurance (Livförsäkring): – Protecting Your Family's Future

Life insurance is a private insurance policy that provides financial protection for your loved ones if you pass away. It pays out a tax-free lump sum (engångsbelopp) to your beneficiaries — usually your spouse, partner, or children.

For expats living in Sweden, this can be an essential safety net, especially if you:

- Have a **mortgage** or other loans,
- Have **family members who depend on your income**, or
- Want to ensure **financial security** for your family even if something unexpected happens.

How Life Insurance Works

- You pay a monthly or annual premium to an insurance company.
- If you pass away during the insurance term, your family (the named beneficiaries) will receive a lump-sum payment.
- The money can be used for:
  - Paying off the mortgage or other debts
  - Covering living expenses and children's education
  - Maintaining your family's standard of living

The insurance amount (försäkringsbelopp) and the duration (försäkringstid) can be chosen based on your needs — for example, until your mortgage is paid off or until your children are financially independent.

Types of Life Insurance in Sweden

1. **Traditional Life Insurance (Livförsäkring):**
   A fixed-term policy that pays a set amount to your beneficiaries if you die during the policy period.
2. **Group Life Insurance (Tjänstegrupplivförsäkring – TGL):**
   Often provided through your employer as part of your occupational benefits. It offers a smaller payout but at a lower or no cost to you.
3. **Combined Life and Accident Insurance**:
   Some providers offer packages that also cover serious illness or disability.

Why It's Important for Expats

- As an expat, your family may not have access to Swedish social benefits if you pass away — or it may take time to claim them.
- A private life insurance policy ensures your family receives immediate financial support, even if they live outside Sweden.
- If you own a property in Sweden, having life insurance that covers at least your remaining mortgage amount is strongly recommended.

Major Life Insurance Providers in Sweden

You can buy life insurance from most banks and insurance companies, such as:

- **Folksam** – One of Sweden's largest and most popular insurers; offers customizable plans.
- **Länsförsäkringar** – Regional insurance groups with good local support and family packages.
- **Skandia** – Offers life insurance along with health and savings plans.
- **SEB Trygg Liv** – Associated with SEB Bank; integrates with your banking and investment services.
- **Handelsbanken Liv** – Focuses on simple, reliable coverage tied to your financial profile.
- If **Insurance** and **Trygg-Hansa** – Offer flexible policies, often including accident coverage.

Many employers also provide **basic life insurance coverage**, but the amount is usually limited — often **1 to 6 times your annual salary**, which may not be enough if you have a large mortgage or dependents abroad.

4.1.3 Income Protection Insurance (Försäkring vid sjukdom):

Safeguarding Your Income if You Can't Work. Provides a monthly income if you become too ill to work. The public sickness benefit (sjukpenning) has caps and time limits, making this vital.

When you live and work in Sweden, you're partly covered by the public social insurance system (Försäkringskassan). If you get sick and cannot work, you receive a public sickness benefit (sjukpenning).

However, this public benefit doesn't always cover your full salary — and it's capped at a certain income level. That's why many people, especially expats with higher salaries or dependents, choose to add Income Protection Insurance (inkomstförsäkring or sjukförsäkring).

How It Works

- If you become **seriously ill** or **injured** and can't work for an extended period, this insurance provides a **monthly payment** that replaces part of your lost income.
- The payments start **after a waiting period** (usually 1–3 months, depending on your plan) and continue **as long as you are unable to work**, up to a defined limit (for example, 1–5 years).
- The money can be used to cover everyday living expenses, rent or mortgage, and other financial commitments while you recover.

Why It's Important

Public sickness benefit (sjukpenning) from *Försäkringskassan* covers about **80% of your salary**, but only up to a **maximum income cap** (around 10 price base amounts, which is roughly 588,000 SEK per year in 2025).

If you earn more than that, the part of your salary above the cap is **not covered at all** — meaning your income drops sharply if you fall ill.

Income Protection Insurance fills that gap by:

- Topping up your monthly income beyond the public cap.
- Ensuring you can maintain your standard of living.
- Giving peace of mind if you're the main earner in your household.

Where to Get It

You can buy Income Protection Insurance from:

- **Insurance companies**: Folksam, Skandia, If, Trygg-Hansa, Länsförsäkringar, or SEB Trygg Liv.
- **Banks**: Most Swedish banks partner with these insurers.
- **Unions**: Many professional unions (fackförbund) offer income protection as part of membership — often with better conditions and lower cost. For example:
    - Unionen (for private-sector employees)
    - Akademikernas A-kassa (for university graduates)
    - Vision (for public-sector professionals)

Example

Let's say you earn **720,000 SEK per year** (~60,000 SEK per month).

- The public benefit might only cover up to **~46,000 SEK/month**, and only part of that for a limited period.
- With **Income Protection Insurance**, you could receive an **extra 10,000–15,000 SEK/month** so your total replacement income stays close to your normal salary.

4.1.4 Critical Illness Insurance (Allvarliga sjukdomsförsäkring):

Financial Support When You Need It Most.
Critical Illness Insurance is a private insurance policy that pays you a tax-free lump sum if you are diagnosed with a serious illness covered by the plan — such as cancer, heart attack, stroke, or multiple sclerosis.

Unlike regular health insurance, which covers medical treatments, this insurance gives you money directly, so you can use it however you need during recovery.

How It Works

- You pay a **monthly premium** to an insurance company.
- If you are diagnosed with a covered **critical illness**, the insurer pays a **one-time lump sum** (for example, 100,000 to 1,000,000 SEK).
- You can use the money freely — it's **not restricted** to **medical expenses**.

Typical uses include:

- Covering **living costs** while you cannot work.
- Paying for **private healthcare** or **rehabilitation**.
- Making **home adjustments** if your condition affects mobility.
- Supporting your **family financially** during treatment.

What Illnesses Are Covered?

The list depends on the insurer, but most policies include major, life-altering conditions such as:

- Cancer (excluding certain early-stage cases)
- Heart attack (hjärtinfarkt)
- Stroke (stroke/hjärnblödning)
- Major organ transplant
- Multiple sclerosis (MS)
- Kidney failure
- Severe burns or paralysis

Some insurers also cover **serious operations** or **life-threatening conditions** specific to certain organs.

Why It's Important for Expats

For expats in Sweden, Critical Illness Insurance can be a vital financial safety net, because:

- The **public healthcare system** covers medical treatment, but not your **lost income** or **extra living costs**.
- You might not have **family support** or extended sick leave coverage if you're new in Sweden.
- The payout gives you **financial flexibility** to focus on recovery — especially helpful if your partner or children depend on your income.

If you come from a country where family or employer support is stronger, it's important to know that in Sweden, **you are largely responsible** for arranging extra protection beyond public benefits.

Where You Can Get It

You can purchase Critical Illness Insurance from most major Swedish insurance companies, often as an **add-on** to life or health insurance:

- **Folksam** – Offers flexible coverage levels with child add-ons.
- **Skandia** – Provides combined life and critical illness packages.
- **Trygg-Hansa** and **If Insurance** – Offer broad coverage for common critical illnesses.
- **Länsförsäkringar** – Regional insurers with strong customer support.
- **SEB Trygg Liv** and **Handelsbanken Liv** – Often sold with other financial protection products.

Some **employers** include limited coverage as part of their **occupational benefits** (tjänsteförsäkring), but it's usually basic.

Example

Imagine you are 45 years old, working in Sweden, earning 600,000 SEK per year.
If you are diagnosed with **cancer** and cannot work for a long time:

- The **public system** covers your medical treatment.
- **Försäkringskassan** provides partial income support.
- But your income may drop, and you may face new costs.
  With **Critical Illness Insurance**, you could receive a **lump sum of 500,000 SEK**, giving you the freedom to focus on recovery without financial stress.

5. FAQS – PENSION & INSURANCE FOR FAMILY PROTECTION

Q1: As a parent, what is the single most important thing I should do to protect my family?

A: Secure adequate Life Insurance (Livförsäkring). The occupational pension survivor's insurance is good, but it might not be enough to cover a mortgage, living expenses, and future costs for your children.

A private life insurance policy ensures your family can stay in their home and maintain their standard of living.

Q2: What happens to my partner and children if I die? What payments will they get?

A: They will receive benefits from several sources:

- **Public Pension:** Barnpension for each child until age 18/20.
- **Occupational Pension:** A lump-sum payment from the survivor's insurance in your tjänstepension plan.
- **Private Life Insurance:** The full, tax-free sum from your private policy.
- **Possible Widow's Pension:** A temporary income from the public system if they qualify.

Q3: I'm staying home with our children/have a low income. Am I building a pension?

A: Yes, but it might be limited.

- You earn pension credits for periods you receive parental benefit (föräldrapenning), sickness benefit, or unemployment benefit.
- You may be building a small income pension based on any part-time work.
- You are likely building a **Guarantee Pension** entitlement.
- **Crucial Point:** If you are not working, you are **not** building an occupational pension (tjänstepension). This is a major gap. A working spouse can often contribute to a private retirement account (IPS) for the stay-at-home parent.

Q4: We are cohabiting (sambo), not married. Are we protected?

A: This is a very high-risk area. Swedish law heavily favors married couples and registered partners.

- **Public Pension**: Sambos are not eligible for the temporary widow's pension from the state.
- **Occupational Pension**: Many modern ITP plans include sambos, but you MUST check your specific policy. Older plans may exclude them.
- **Private Life Insurance**: This is your safety net. You can (and must) name your sambo as the beneficiary (förmånstagare) explicitly in the policy.
- **Will** (Testamente): Essential for sambos to ensure you inherit each other's assets.

Q5: How can I check what my current pension and insurance look like?

A: Every year, the Swedish Pensions Agency sends a "Orange Envelope" (Orange kuvert) to everyone aged 16+. It details your accumulated public pension. Review it carefully.

For your occupational and private insurance, you need to:

- Log in to the website of your pension provider (e.g., Alecta, AMF, Collectum, etc.).
- Contact your union (fackförbund) for details on your collective agreement.
- Review your private insurance policies.

Q6: What is "Bruttomax" and why does it matter?

A: The **Income Tax Ceiling** (Bruttomax) is the maximum income from which you pay public pension contributions. For income above this ceiling (updated annually, ~53,600 SEK/month in 2025), you do not pay the 18.5% pension contribution. This means your public pension has an effective cap. High-income earners must rely more heavily on their occupational and private pensions.

Q7: What insurance should we have as a family?

A: Minimum family protection package includes:

- **Life Insurance** (Livförsäkring): Enough to cover the mortgage + several years of living expenses for each parent.
- **Home Insurance** (Hemförsäkring): **Legally required** if you own your home. It includes family liability protection (ansvarsförsäkring).
- **Income Protection Insurance** (Sjukförsäkring): To replace your income if you are sick or injured long-term.
- **(Optional) Critical Illness Insurance**: For added financial security during a health crisis.

For more information on private savings please refer to the below official link

https://www.pensionsmyndigheten.se/forsta-din-pension/sa-fungerar-pensionen/eget-sparande-till-din-pension

6. HOME INSURANCE (HEMFÖRSÄKRING)

In Sweden, **home insurance (hemförsäkring)** is one of the **most essential and widely used insurances**. Almost everyone has it — whether they rent, own an apartment (bostadsrätt), or a house (villa).

What It Covers

Standard home insurance usually includes:

- **Personal property (lösöre):** Protection for your belongings (furniture, electronics, clothes, etc.) against theft, fire, water damage, or vandalism.
- **Liability coverage (ansvarsskydd):** Covers damages or injuries you accidentally cause to others or their property.

- **Legal protection (rättsskydd):** Helps cover legal costs in case of a dispute, such as a rental or employment disagreement.
- **Travel insurance (reseskydd):** Covers illness, accidents, or lost luggage for trips abroad (usually for the first 45 days).
- **Crisis support (krisskydd):** Access to counselling if you experience a traumatic event like burglary or fire.

Types of Home Insurance

- Renters (hyresrätt): Basic home insurance for tenants, protecting belongings and liability.
- Condo owners (bostadsrätt): Includes coverage for both your belongings and parts of the apartment you're responsible for (e.g., floors, walls).
- Homeowners (villa or hus): Includes building insurance (villaförsäkring) for structural damage, roof leaks, or storms.

Why It's Important for Expats

- **Landlords often require it** before signing a lease.
- It protects you from high costs if accidents or damages happen.
- The **travel protection** section is especially useful for international residents.

Major Home Insurance Providers

Folksam, Länsförsäkringar, Trygg-Hansa, If, Skandia, and ICA Försäkring all offer English-friendly home insurance policies.

7. CAR INSURANCE (BILFÖRSÄKRING)

If you own a car in Sweden, **car insurance is mandatory by law**. You must have at least basic insurance from the day your car is registered in your name.

Levels of Car Insurance

There are three main levels of coverage:

- **Traffic Insurance (Trafikförsäkring) – Mandatory**
  - Covers injury to people and damage to other vehicles or property if you cause an accident.
  - Does not cover damage to your own car.
  - You can't legally drive or park your car on public roads without it.
- **Partial Insurance (Halvförsäkring) –** Optional but common

  Includes traffic insurance plus coverage for:

  - Fire and theft

    - Glass/window damage
    - Engine and electronic damage
    - Roadside assistance
    - Legal protection

- **Full Insurance (Helförsäkring) –** Comprehensive
    - Includes all of the above plus damage to your own car, even if you caused the accident (collision insurance).
    - Often required if your car is leased or financed.

Additional Options

- **Rental car coverage (hyrbilsförsäkring)** – if your car is being repaired.
- **Driver accident insurance (förarolycksfall)** – covers injuries to the driver.
- **Roadside assistance (väghjälp)** – 24/7 breakdown support.

Why It's Important for Expats

- You can't register a vehicle without proof of insurance.
- Foreign driver's licenses are accepted for a limited period, but your insurance must always be valid in Sweden.

Major Providers

If, Folksam, Länsförsäkringar, Trygg-Hansa, ICA Försäkring, and Gjensidige are popular choices. Most have online tools to get quotes in English.

8. ACTIONABLE CHECKLIST FOR EXPATS & FAMILIES

In Sweden Essential Financial, pension & Insurance Checklist for Expats in Sweden

1. Public Pension (Allmän pension)

- Read your "Orange Envelope" (Orange kuvertet) each year — understand how much you've earned in your public pension.
- Log in to www.pensionsmyndigheten.se using BankID to see your full pension forecast.
- Review your "efterlevandeskydd" (survivor's protection) option – decide if you want your pension to be partly paid to your spouse or partner after your death.
  Keep in mind: choosing efterlevandeskydd gives your family financial protection, but it slightly reduces your own pension amount.
- If you've worked in multiple countries, check with Pensionsmyndigheten how your Swedish pension interacts with your home country's pension system.

2. Occupational Pension (Tjänstepension)

- Confirm with your employer or HR department who your occupational pension provider is (e.g., Alecta, AMF, Skandia, Collectum, SEB).
- Log in to your pension provider's website and review your Försäkringsinfo to check:
  - ✓ If your plan includes Tjänstegrupplivförsäkring (TGL) – life insurance through your job.
  - ✓ If it includes sickness/disability cover.
  - ✓ If you have återbetalningsskydd (repayment protection) or efterlevandeskydd (survivor's protection).

Understanding These Two Terms:

- Återbetalningsskydd:
  - Means your saved pension capital will be paid to your beneficiaries (partner, children) if you die before retirement or while receiving pension.
  - It gives family protection but slightly reduces your potential pension payout (since you don't share risk with others in the fund).
- Efterlevandeskydd:
  - Provides an ongoing monthly payment to your spouse or registered partner if you die after retirement.
  - Reduces your monthly pension amount slightly, but ensures income continuity for your family.
    - ➢ Log in to www.minpension.se to see a full overview of all your pensions and check if these protections are activated.
    - ➢ Reassess these options if your family situation changes (e.g., marriage, divorce, or children).

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3. Life Insurance (Livförsäkring)

- Calculate your insurance needs – mortgage + debts + 5–10 years of living costs.
- Compare offers from Folksam, Skandia, If, Trygg-Hansa, Länsförsäkringar, SEB, Handelsbanken.
- Ensure beneficiaries (förmånstagare) are correctly listed, especially if your partner or children live abroad.
- If you are sambo (cohabiting but unmarried):
  - Make a will (testamente) – your partner doesn't automatically inherit.
  - Review your policies and confirm your partner is named as beneficiary.

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4. Income Protection Insurance (Inkomstförsäkring / Sjukförsäkring)

- Check your union membership (fackförbund) — many include income protection automatically (e.g., Unionen, Vision, Akademikernas A-kassa).
- If you're not a member of a union, consider buying private coverage to supplement public sickness benefit (sjukpenning).
- Make sure the coverage amount matches your net monthly salary and financial commitments.

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5. Critical Illness Insurance (Allvarliga sjukdomsförsäkring)

- Consider a policy that provides a lump-sum payout if diagnosed with cancer, stroke, heart attack, or other serious illness.
- Choose an insurer that offers flexible coverage — Folksam, Skandia, Trygg-Hansa, and If are good starting points.
- Use the payout to cover lost income, treatment costs, or family support during recovery.

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6. Family & Legal Protection

- Register your family situation correctly with Skatteverket — marital status and dependents affect benefits and taxation.
- If you are not married, create a cohabitation agreement (samboavtal) and will (testamente) to define property and inheritance rights.
- Ensure all insurance beneficiaries are up to date (especially if you moved from another country or changed banks/insurers).
- If you have children, check if you need child protection insurance (barnförsäkring) — available from Folksam, Länsförsäkringar, or Trygg-Hansa.

🏦 7. Private Pension & Investments

- Set up an Investment Savings Account (ISK) or Capital Insurance (Kapitalförsäkring) for long-term savings — available at Avanza, Nordnet, SEB, or Handelsbanken.
- Automate monthly savings (even small amounts) to build an additional private pension.
- Check tax rules if you plan to move abroad later — your private pension remains yours, but tax treatment may change.

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8. Property & Liability Protection

- Make sure you have home insurance (hemförsäkring) — it's essential for tenants and homeowners.

- If you own property, ensure mortgage life insurance covers the remaining debt if something happens to you.
- Include personal liability insurance (ansvarsförsäkring) — it protects you if you accidentally damage someone else's property.

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9. Review & Update Regularly

- Review all your insurance and pension documents once a year or after major life changes (new job, marriage, birth, or move).
- Keep digital copies of all policies, wills, and important papers in one place.
  Contact your union, employer, or a certified financial advisor (certifierad finansiell rådgivare) for professional guidance.

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10. If You Plan to Leave Sweden

- Contact Pensionsmyndigheten to confirm how your pension will be paid abroad.
- Notify Försäkringskassan and your insurance providers of your move.
- Check if your private and occupational insurance remain valid outside Sweden.

9. IMPORTANT RESOURCES

Public Pension & Government Services

- Pensionsmyndigheten (The Swedish Pensions Agency) – official source for all public pension information, forecasts, and pension options.
  www.pensionsmyndigheten.se
- Försäkringskassan (Swedish Social Insurance Agency) – for sickness benefits, parental leave, and general social insurance coverage. www.forsakringskassan.se
- Skatteverket (Swedish Tax Agency) – for registration, personal identity number (*personnummer*), and tax matters.

  www.skatteverket.se

Unions & Occupational Pension Providers

- Unionen – the largest private-sector union, includes income protection insurance.
  www.unionen.se
- Vision – for public sector and administrative professionals.
  www.vision.se
- Akademikernas A-kassa (AEA) – for university graduates and professionals.
  www.aea.se

- Collectum – manages occupational pensions (ITP) for private white-collar employees. www.collectum.se
- Alecta – major occupational pension provider (ITP plans). www.alecta.se
- AMF Pension – pension provider focusing on low-fee occupational pensions. www.amf.se
- SPP Pension & Försäkring – private and occupational pension plans. www.spp.se

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Major Insurance Companies

- Folksam – offers life, health, child, home, and pension insurance. www.folksam.se
- Länsförsäkringar – regional insurance companies offering all types of personal and home coverage. www.lansforsakringar.se
- Trygg-Hansa – known for health, home, and accident insurance. www.trygghansa.se
- Skandia – provides life, health, and pension insurance. www.skandia.se
- If Insurance – one of the largest Nordic insurers with strong English support. www.if.se
- SEB Trygg Liv – part of SEB Bank; offers investment and life insurance. www.seb.se
- Handelsbanken Liv – pension and life insurance solutions via Handelsbanken. www.handelsbanken.se

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Pension Overview & Comparison Tools

- MinPension.se – a free, government-backed website showing your total pension (public + occupational + private). www.minpension.se (*available in English*)