



## Q&A - flexpension

### What is flexible pension?

The flexible pension scheme means two things: more money for your occupational pension and more time thanks to better possibilities to work fewer hours at the end of your working life, should you want to. These two benefits are independent of each other.

### Why is a flexible pension scheme necessary?

We live longer and longer, and while the working population is steadily decreasing (Statistics Sweden), your pension will need to last you through your whole time in retirement, which is currently an equation that does not add up. The national pension level is falling and we are neither willing or able to risk ending up a situation where people cannot live off their pensions. Part of the solution is to reinforce and add to your occupational pension through provisions for the flexible pension scheme.

We will likely need to retire later in life, and in order to create conditions to keep going and work longer the flexible pension scheme also provides a more flexible end to your working life through the option of reduced working hours. Applicable conditions and at what age it is possible to apply for reduced working hours differ slightly, so check your collective agreement, ask your employer or give us a call on 0770-870 870.

### Who has a flexible pension scheme?

At [www.unionen.se/rad-och-stod/flexpension](http://www.unionen.se/rad-och-stod/flexpension), you can find a list of agreements that currently entail a flexible pension scheme, which includes the majority of Unionen's agreements. If you are unsure of which collective agreement you have, you can ask your employer, check [www.unionen.se/rad-och-stod/om-kollektivavtal/sok-kollektivavtal](http://www.unionen.se/rad-och-stod/om-kollektivavtal/sok-kollektivavtal) or give us a call on 0770-870 870.

If there is no collective agreement in your workplace and you would like to find out more about what this means, call us or contact your regional office directly.

### How much money is involved?

As always when it comes to pension schemes, the end result depends on a number of factors that make it difficult to give an exact answer far in advance. However, we have made a number of example calculations of what a fully developed flexible pension scheme could result in based on a number of given conditions. These numbers are only examples based on a number of assumptions. Read more about which assumptions we made and how we arrived at the results at [www.flexpension.se](http://www.flexpension.se). The younger you are, the more money is involved.



You can find our example calculations at [www.flexpension.se](http://www.flexpension.se)

### **What applies specifically to me as a service sector employee?**

A specific stipulation in the agreement on flexible pensions in the service sector is that the employer can allow employees to decline the provisions for the flexible pension scheme. This is always the employee's choice, and such a declination may never be conditioned in terms of employment benefits.

The matter of whether or not salaried employees shall have the possibility of declining the scheme is a question that the employer shall provide information on in accordance with Section 19 of the Employment (Co-Determination in the Workplace) Act.

The provisions for the flexible pension scheme for employees at service sector enterprises is 0.2 % in 2017, and the goal is to gradually raise the provision level to 2 %.

### **When can I choose?**

If the company allows it, you can choose to decline the flexible pension scheme on one occasion per employment, under the following conditions:

- All currently employed salaried employees can decline the flexible pension scheme in a service sector enterprise by notifying their employer within the period 1 November 2017 to 28 February 2018.
- New employees can give notice of declining the flexible pension scheme in a service sector enterprise on the starting day at the earliest and two months thereafter at the latest.
- A person who turns 25 years old during their employment can give notice of declining the flexible pension scheme in a service sector enterprise for two months following their 25th birthday.
- When activities are transferred or a collective agreement is entered, salaried employees can give notice of declining the flexible pension scheme in a service sector enterprise no later than two months after the scheme has come into effect.

### **What do I get instead?**

If you choose to decline the provisions for the flexible pension scheme, you will instead get an increase of your fixed cash salary that is equivalent to the applicable flexible pension provision. So the salary increase depends both on the provision level and on your salary. In 2017 the provision level is 0.2 %, meaning that if you make SEK 35,000 you will get a salary increase of SEK 70/month before tax. You are not guaranteed future provisions, neither in the form of pension premiums nor salary, if you choose to decline the flexible pension scheme.



### **If I am close to retirement, how does this affect me?**

Since the flexible pension scheme is a reinforcement of your occupational pension, it gives you more money when you get to retirement, even if that happens soon. The possibility of working fewer hours is an option for salaried employees in the service sector from the age of 62 years, and we believe that this freedom of choice and flexibility at the end of your working life affect the conditions for a sustainable working life all the way to retirement.

### **I am a long way from retirement, why should I care about this?**

If you are young and fairly recently have started to receive provisions for your occupational pension, you are among those who will get the largest financial gains from the flexible pension scheme. When money is set aside and yields interest for a longer period of time, it gives you significantly more money once you retire. You can find our example calculations at [www.flexpension.se](http://www.flexpension.se)

In all likelihood, your work life will be longer than that of your parents, and the flexible pension scheme gives you a better chance of managing it. In addition to more money for your pension, the flexible pension scheme also increases your possibilities of deciding your own working time – how and when you will retire when the time comes.

### **I am not covered by ITP, how does this affect me?**

For those who have chosen to decline or are not covered by ITP, for example employees with a high earner pension scheme without ITP, the employer shall enter local or individual agreements regarding provisions for the flexible pension scheme.

### **What happens when I change my workplace?**

The money set aside for the flexible pension scheme is paid into the ITP system and will not go anywhere. Money that has already been paid in will go with you, regardless of how often you change jobs and where you work in the future. However, provisions for the flexible pension scheme are only made if your workplace has a collective agreement that includes this scheme.

If you are a new employee in a workplace where the employer has decided that it is possible to decline making provisions for the flexible pension scheme, you can decline it on the employment starting day at the earliest and two months thereafter at the latest. Declining the scheme may never be conditioned in relation to benefits of the employment or otherwise be generally required by the employer.

### **Am I guaranteed to reduce my working hours?**

The introduction of the flexible pension scheme means that you have the right to apply for reduced working hours from the age of 62. The condition is that this is possible with consideration to the requirements and needs of the operation, and that the reduction is made



for the purposes of retirement. If you and your employer are unable to reach an agreement, the union may request local and central negotiations.

The employer's decision to reject an application cannot be tried by a court if the employer has considered the application and motivated their assessment based on the requirements and needs of the operation.

### **What should I think about if I want to reduce my working hours?**

It is always important to remember that a lower salary can affect sickness and unemployment benefits, as sickness allowance/benefits, sick pay and ITP disability pension, as well as unemployment insurance and income insurance are all based on your income. A lower salary can also affect the provisions/earnings for the national pension, depending on income level.

If you have any other questions or concerns, contact the union representatives at your workplace, your regional office or give us a call on 0770-870 870