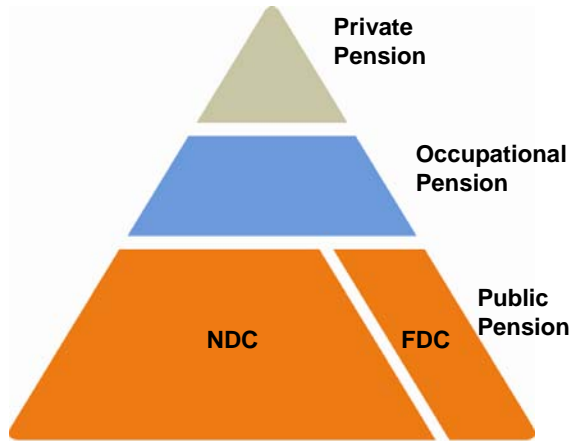


Pension Information in Sweden

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Pension schemes in Sweden



 Försäkringskassan

- Public pension – compulsory
- Occupational pension – mandatory if there is a collective agreement >90 %
- Private pension - about 50 %

The pension situation for most swedes: public + occupational pension

And for 50 % also a private pension

This means that to get a perfectly satisfactory information you need information on all these schemes

Swedish Pension reform

- Defined benefit → Defined contribution
- 15 best years → Lifetime income
- Price index → Wage index
- Unfunded → Partly funded



The new Swedish pension system came into force in 1999. The big change was of course the change from a DB system to a DC system. But you could also say that the reform implied a new way of thinking of pensions. Before the reform the pensions were considered as a social right where you were promised a certain replacement rate in relation to your wages before retirement. After the reform pensions are a result of your savings during your working life before retirement.

During these years there was the same development concerning the occupational systems. Most of them are now DC systems or hybrids with both DC and DB components.

This change also meant that there was a new situation for the information about pensions. In a DC system you do not know what the pension will be. And the connection to a wage index and that the system is partly funded also made the pension benefit dependent of the economic and financial development.



To meet the new need for information the orange envelope was introduced in 1999. It contains information about contributions paid, an account statement, a fund report for the funded part and a forecast of the future pension.

In these modern time you could think that this kind of information should be provided through internet. But I think that there are some advantages – at least in the start-up phase to use the paper form.

Special design – the orange color

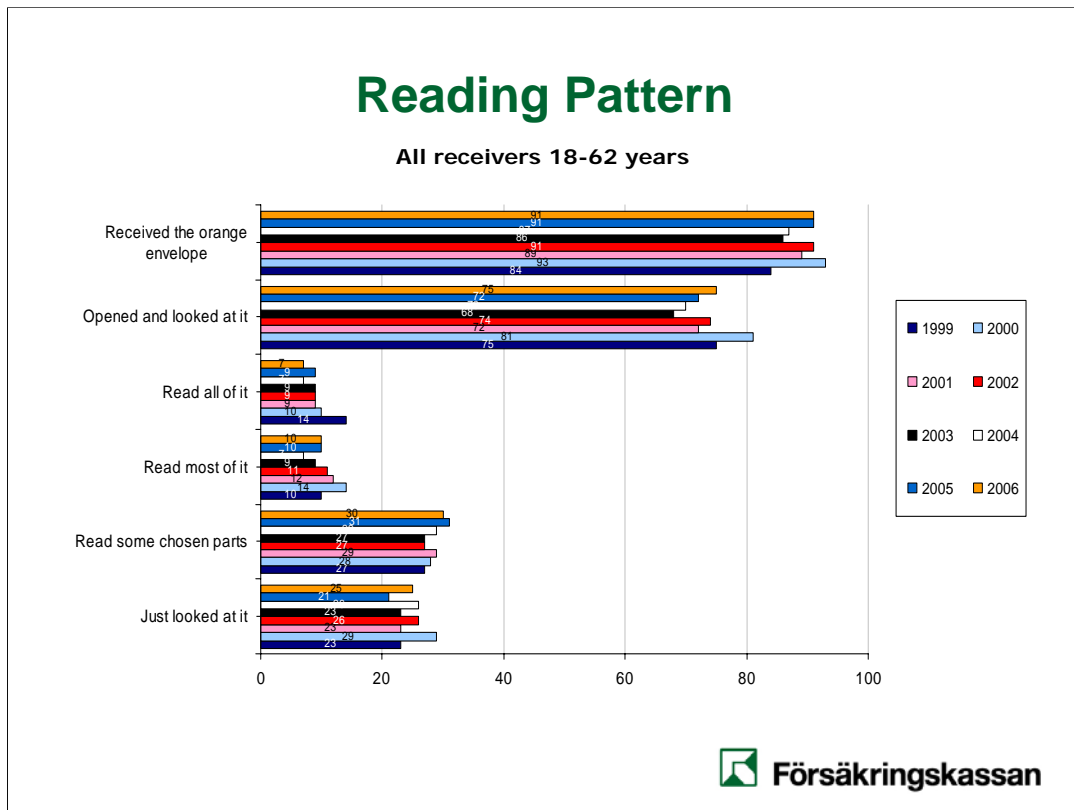
A big concentrated distribution once a year

It will get attention – media will write about it.

It has become a brand, a trademark for pensions.

Banks, insurance companies use it in their sales campaigns.

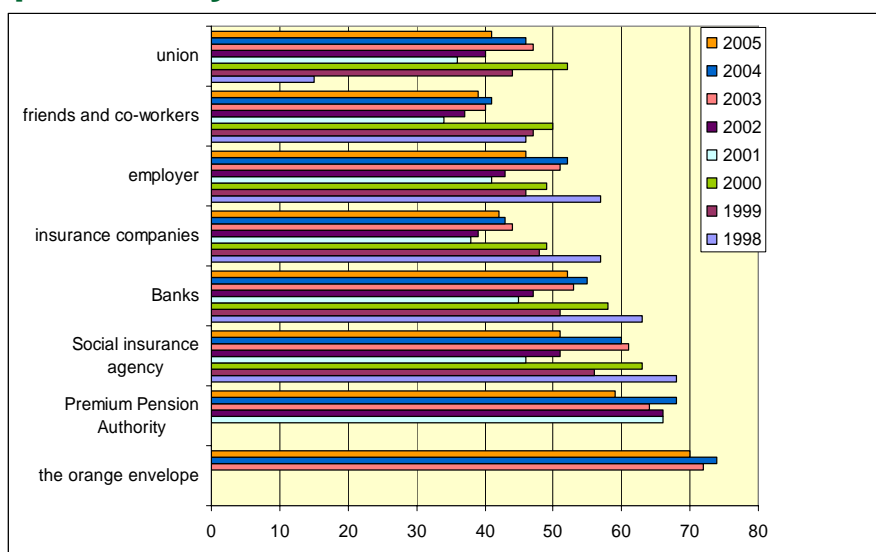
In media the orange envelope is used to illustrate that this is about pensions



A survey is made every year when the envelope is sent out.

What you can see is that at least about 50 % read at least some chosen parts.

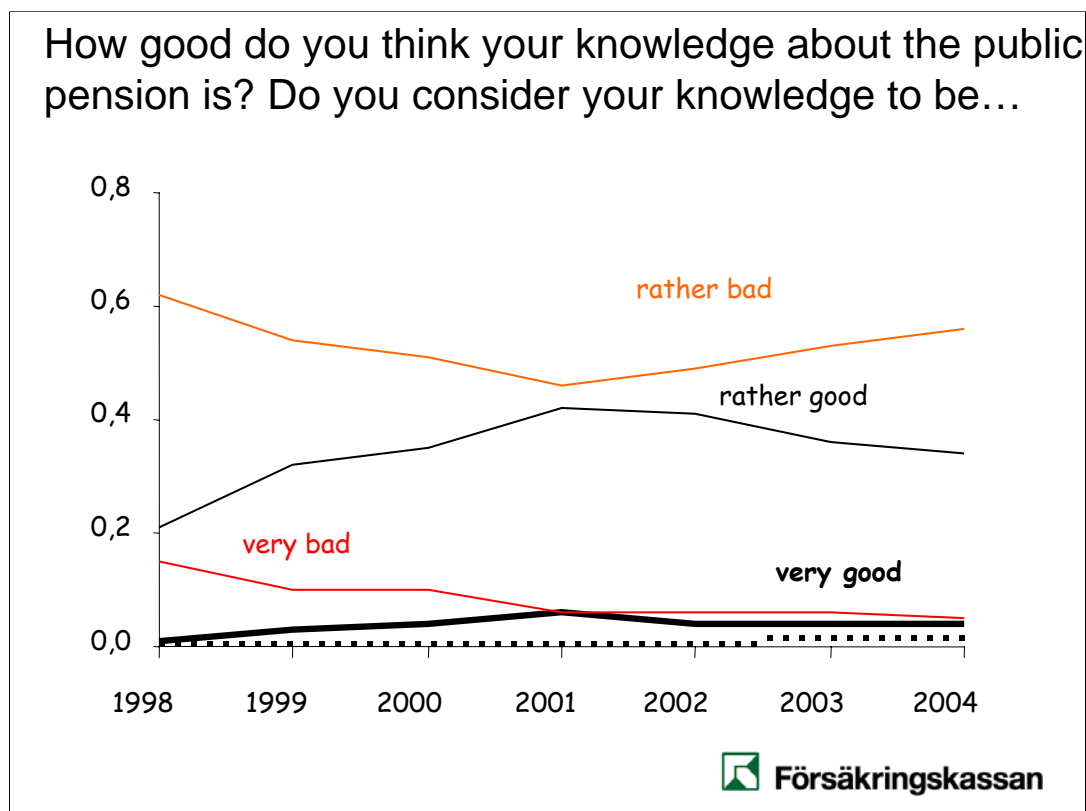
How much do you trust information of the pension system from different actors?



 Försäkringskassan

That the public trust us and believe in our information is also shown in these figures. The orange envelope has become a **reliable messenger** of pension information.

But even if we think we have a good product we will **continue to develop** it, in the frames of the structure it has. We have during the last years tried to reduce the text volume without reducing the information contents. Since 2002 the number of words in the orange letter has been reduced by half. The reason is that in our evaluations we have learnt that if there is too much text people will not read it. They want the figures – and, if necessary – just a short explanation.



As you can see the knowledge about the pension system is not too good. And the development is not very positive either. But we should realize that it is self-assessed knowledge and not absolute knowledge we talk about.

When the system was new maybe just a little knowledge was good enough to be assessed as rather good. But after some years maybe a little more knowledge is needed to be assessed as rather good.

So the absolute knowledge may have increased, but we have no figures showing it.

Information Problems

- Complex products
- Long time horizon
- Low interest
- Financial illiteracy
- Many providers – many messages
- Difficult to get the whole picture



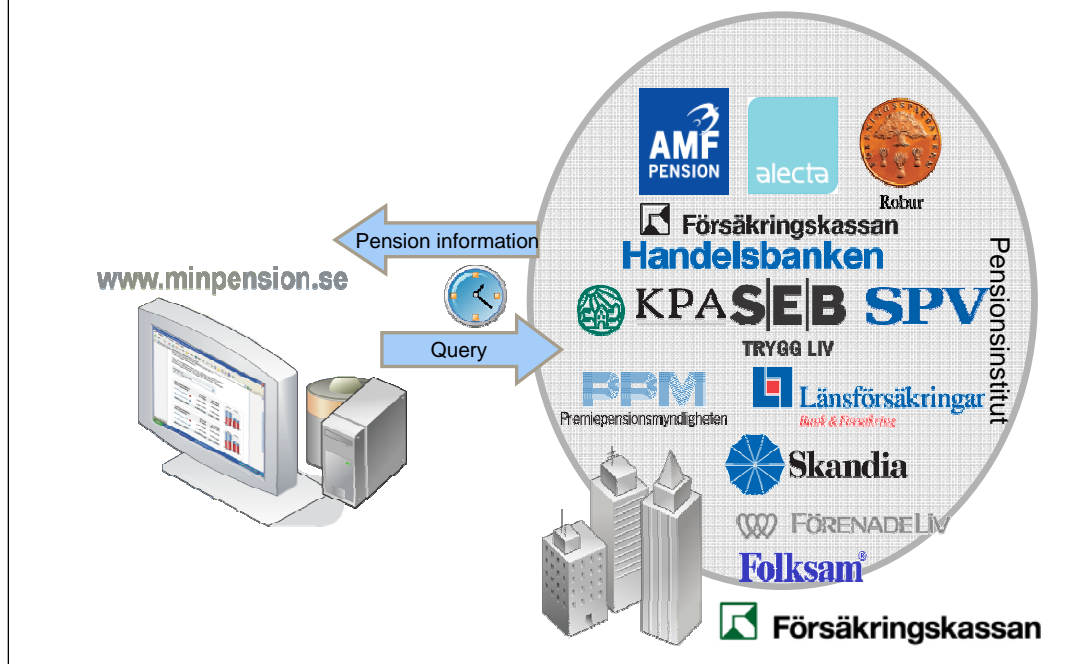
For the first three items it's difficult to find out what you really can do about it.

We concentrated our efforts to try to create the whole picture and to try to unify the messages

Without information on the **occupational pension** most people do not get the total picture of their economy at retirement, and for some people the occupational pension is a big, or even the major part.

The first step to meet this demand is taken with the introduction of the website www.minpension.nu, where it is possible, not for all but for many people, to get an estimate of their occupational pension together with the public pension.

Affiliated Pension Providers



Minpension is an independent company, jointly owned by the state (50 %) and the private providers (50 %).

Minpension covers at the moment more than 90 % of the occupational pension market.

2019-01-29 00:30

Allmän pension Tjänstepension Privat pensionssparande Pensionsprognos



Uppgifter för Mr Itp (19490101-1231)

Uppgifterna hämtades från Försäkringskassan 2006-12-21 15:49:25.

i Enligt uppgift från Försäkringskassan erhåller/har du erhållit sjuk- eller aktivitetsersättning. Tjänstepensionsdelen i pensionsprognosen kan av denna anledning ge ett missvisande resultat beroende på särskilda regler angående den pensionsgrundande lönen för tjänstepension. För att få bästa möjliga underlag för den tjänstepensionsgrundande lörens storlek ber vi dig kontakta ditt/dina pensionsinstitut för besked.

Allmän pension	Pensionskapital	Värdatedatum
Försäkringskassan (inkomstpension)	1 000 000 kr	2006-12-15
PPM (premiepension)	100 000 kr	2006-12-31
Summa	1 100 000 kr	

[Nästa steg](#)

You can see your total savings in the public pension scheme

minpension.se
Ett samarbete mellan staten och pensionsbolagen

Startsida / **Mina sidor** / Så fungerar pensionen / Om oss / Kontakta oss

Min pension / Mina uppgifter / Avregistrering

Tjänstepension - Testis Testisson
Dagens datum: 2006-08-14 Personnummer: 19660102-0123

1 Allmän pension → **2 Tjänstepension** → 3 Privat pension → 4 Pensionsprognos

Välj visningsläge: Översikt Detaljer

Uppgifter hämtade från pensionsinstitut
Behöver du hjälp att tolka uppgifterna? Se "Las mer om tjänstepension" längre ner på sidan.

Pensionsinstitut		Pensionskapital, kr	Förmån, kr/mån				
Alecta		10 000	1 212				
Försäkringstyp	Försäkringsnr	Kapital, kr	Förmån, kr/mån	Uttagsålder	Uttagstid	Förvaltning	Värde per
ITP	7755	5 000	1 000	65	5 år	Premie	2005-12-31
ITPK	12345	5 000	1 000	65	5 år	Fond	2005-12-31
Förvaltare/Fondnamn		Fondvärde, kr	Antal andelar				
Robur Contura		2 000	250				
Fondera mera		3 000	50				
AMF pension		20 000	2 000				
Försäkringstyp	Försäkringsnr	Kapital, kr	Förmån, kr/mån	Uttagsålder	Uttagstid	Förvaltning	Värde per
ITP	8888	20 000	2 000	67	Livsvarigt	Fond	2005-12-31
Förvaltare/Fondnamn		Fondvärde, kr	Antal andelar				
Robur Contura		10 000	250				
Fondera mera		10 000	50				
Nordnet Pension		11 000	1 100				
Försäkringstyp	Försäkringsnr	Kapital, kr	Förmån, kr/mån	Uttagsålder	Uttagstid	Förvaltning	Värde per
ITP	9999999	11 000	1 100	67	5 år	Premie	2005-12-31

Saknar du uppgifter om någon tjänstepension? Här kan du lägga till uppgifter som saknas. [Lägg till uppgift](#)

ssan

And you can also see your total savings in the occupational schemes. Many people have worked in different areas and therefore have savings in different occupational schemes.

Most occupational schemes are DC schemes where you have the possibility to choose different funds. Not as many as in the PPM scheme, but usually around 5 – 10 different funds.

01-29 00:30

Allmän pension Tjänstepension **Privat pensionsparande** Pensionsprognos

Uppgifter för Mr Itp (19490101-1231)

Uppgifter hämtade från pensionsinstitut

Pensionsinstitut	Pensionskapital	Sparande
Du har inga uppgifter.		

Uppgifter du själv lagt till

Saknar du uppgifter om någon tjänstepension? Här kan du lägga till uppgifter som saknas. [Lägg till uppgift](#)

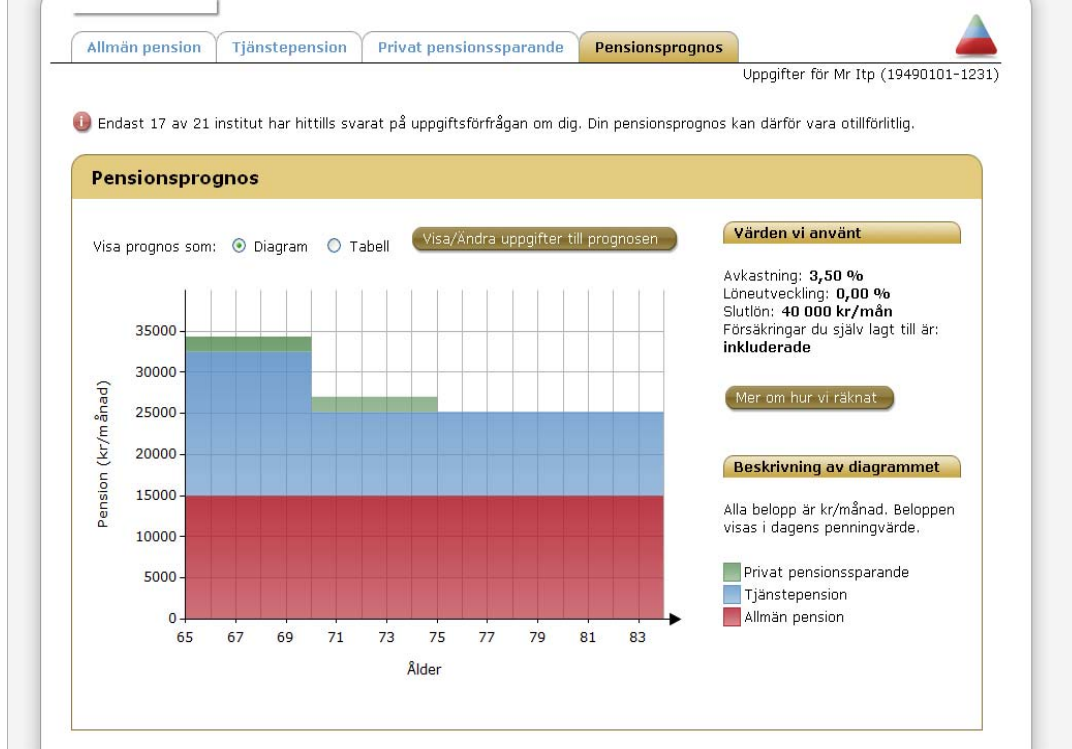
Pensionsinstitut	Pensionskapital	Sparande
amf	120 989 kr	500 kr/mån

Typ av sparande	Försäkringsnr	Pensionskapital	Sparande	Uttagsålder	Uttagstid	Förvaltning	Värdatedatum		
Pensionsförsäkring		120 989 kr	500 kr/mån	65	10 år	Fond	2006-08-31	Ändra	Ta bort

Totalsumma pensionskapital 120 989 kr

[Nästa steg](#)

At the moment minpension is not provided with information on private schemes. Some actions have been taken to do this, so I think that in a couple of years also the private schemes will be included. But it is possible to add information yourself, to get the complete information for the forecast.



The forecast is presented in two different ways. What we see here is the graphic presentation, where you can see the public pension in red, the occupational pension in blue and private pension in green.

Pensionsprognos

Visa prognos som: Diagram Tabell [Visa/Ändra uppgifter till prognosen](#)

Ålder	Allmän pension	Tjänstepension	Privat pensionssparande	Totalt kr/mån, före skatt
65	15 000	17 538	1 822	34 359
66	15 000	17 538	1 822	34 359
67	15 000	17 538	1 822	34 359
68	15 000	17 538	1 822	34 359
69	15 000	17 538	1 822	34 359
70	15 000	10 222	1 822	27 043
71	15 000	10 222	1 822	27 043
72	15 000	10 222	1 822	27 043
73	15 000	10 222	1 822	27 043
74	15 000	10 222	1 822	27 043
75	15 000	10 222	0	25 222
76	15 000	10 222	0	25 222
77	15 000	10 222	0	25 222
78	15 000	10 222	0	25 222
79	15 000	10 222	0	25 222
80	15 000	10 222	0	25 222
81	15 000	10 222	0	25 222
82	15 000	10 222	0	25 222
83	15 000	10 222	0	25 222

Värden vi använt

Avkastning: **3,50 %**
 Löneutveckling: **0,00 %**
 Slutlön: **40 000 kr/mån**
 Försäkringar du själv lagt till är: **inkluderade**

[Mer om hur vi räknat](#)

Beskrivning av tabellen

Alla belopp är kr/månad. Beloppen visas i dagens penningvärde.

And here you see the same thing with figures presented in a table.

We think that minpension will be our most important tool for information on pensions. Why it is so is of course because it is the only tool where you can get the total picture of your future pension.

To use this tool you must first be registered and give minpension permission to gather all information from different providers.

The website started up in 2004 and so far we have 700 000 registered users. So there is still a bit to go, since we send out the orange envelope to almost 6 million people.

Main tools to provide information

- Orange envelope
- Minpension.se
- Websites
- 60-years meetings
- Orange report
- Media



Orange envelope and minpension have we talked about.

Both the Social Insurance Agency and the Premium Pension Authority of course have websites where you can find a lot of information about pensions and the pension system.

The local offices invite all people in their area to a meeting when they reach the age of 60. In average about 30 % of them show up and get some more detailed information about pensions, about the effects of when you choose to retire and how to apply for your pension.

The orange report is the annual report of the pension system. It contains comprehensive economic information about the pension system and it is primarily intended for pension experts and media. But I mention it here because I think it is an important tool to make the pension system transparent. It shows the economic status of the pension system openly and is available for everybody.

We also try to use media for information. A good newspaper article is more likely to be read than an information brochure from the authorities.

What's going on

- Pension Glossary
- Project for Pension Forecasts
- Financial Education

In cooperation with private pension providers
and other authorities



Unification. The purpose of the glossary is to make all pension providers – public and private – use the same words for the same thing in their annual statements and in their leaflets.

Same thing with the pension forecasts. The aim is to make the different forecasts to be as unified as possible. The best case is to get all providers to use minpension.se as the tool for pension forecasts.

Financial illiteracy. The vast majority of people are not very good at evaluating the fund market and make the best choices for their pension investments. Most people do not even want to make any choices. Today it is not only pension funds to choose, it is electricity company, it is telephone company. And it takes a lot of information and a lot of time and a lot of interest to do well informed choices.

In a recent survey in Sweden more than 70 % of the respondents said that they didn't want to do any choices at all.

Financial education beginning at school. Maybe not so much about pensions, but more of a basic financial knowledge.

This is just started up. Don't know what will happen.