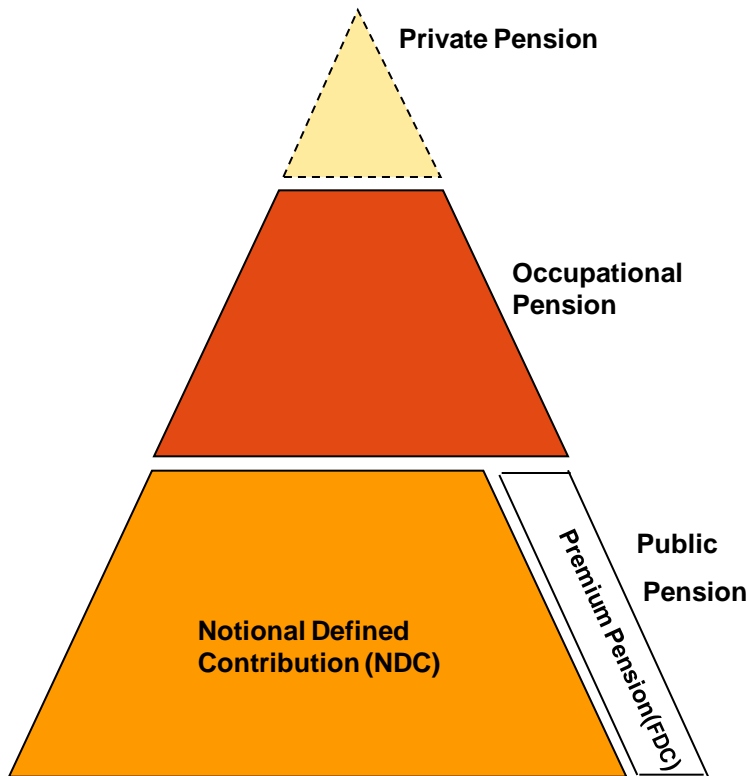




SWEDISH  
PENSIONS AGENCY

## Pension Schemes in Sweden



- **Public Pension:**
  - 1,85 million pensioners
  - 5,45 million pension savers
  - 200 billion SEK paid out annually for NDC and FDC
  - 20 billion SEK paid out for guarantee pension
- **Occupational Pension:** Around 90 % of all employees are covered by an occupational pension scheme
- **Private Pension:** Around 40 % of the wage-earners also save for a private pension

## Main Features of the Swedish Public Pension System

- Defined Contribution
  - NDC 16% (Pay-as-you-go)
  - FDC 2,5% (Funded)
- Lifetime earnings
- Wage Indexation (NDC)
- Benefits based on life expectancy at retirement
  
- Automatic balance
- Guarantee Pension

Areas of Activities

***Case managing, Payments,  
Fund administration***

***Information***

- Communication and information on the pension system and its products
- Individual information based on individual needs
- Individual information on future pension, including information from external pension providers (minpension.se)
- Contribute to the insured's knowledge about what will influence the future pension and make clear the consequences of different decisions
- Promote information and increased knowledge by external communication like web, letters, the orange envelope, oral and written information to different target groups

***Statistics & Analyses***

Four different channels for different needs

**Personal  
meeting**

Service offices all over the country (in co-operation with the Social Insurance Agency and the Tax Agency) for personal service. The personal meeting could be booked or ad hoc. Also group meetings for information can be arranged.

**Telephone**

Centralised customer service dealing with information and questions about personal cases. If necessary the client can be connected to a specialist. On request telephone meetings can be arranged.

**Electronic  
channels**

Websites and e-services to provide information and some case-handling on net. Co-operation with external pension providers to run the website minpension.se, where it is possible to get individual information for public, occupational and private pension together.

**Paper**

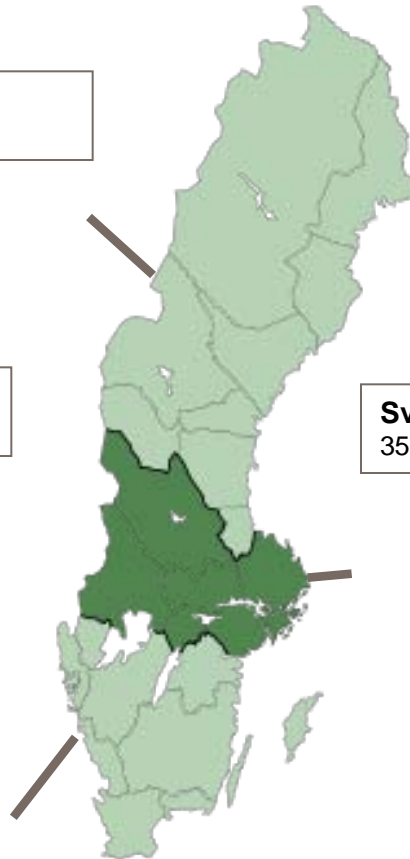
Printed information to give individual or general information on pensions. Examples on printed information are brochures, the Orange Envelope and the Orange Report.

2012 there will be 124 service offices all over the country – today around 70 are established

**Norrland**  
26 Service Offices

**Götaland**  
63 Service Offices

**Svealand**  
35 Service Offices



The service offices are a co-operation between the Pension Agency, the Social Insurance Agency and the Tax Agency. There are around 3000-4000 personal meetings at the offices each week.

## Information Problems

- Complex products
- Long time horizon
- Low interest
- Financial illiteracy
- Many providers – many messages

## Why Individual Information

- The change of risk distribution – from DB to DC
- Improve the insured's ability to make well informed decisions
- Make clear that if longevity increases - delayed retirement or a lower pension must be accepted
- Create confidence and trust



## Main tools to provide information

- Orange envelope
- Minpension.se
- Websites
- Orange report
- Media



## The Orange Envelope

6 100 000 envelopes were sent out 2009

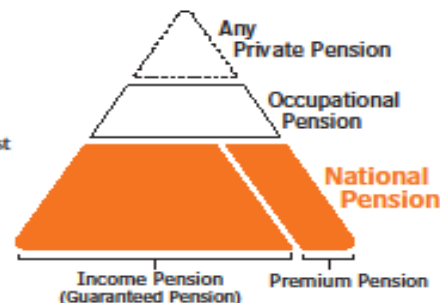


- Annual contribution
- Total savings
- Forecasts at different ages
- Value of Premium Pension funds

## Your national pension – part of your total pension

This annual statement concerns the national pension. In addition to the national pension most wage earners will get occupational pension through their employer. This means that the total pension will be greater than shown here.

It is important that you find out about your own particular position. At [www.minpension.se](http://www.minpension.se) you can get a forecast including occupational pension and any private pension.



## Your savings for the national pension



SEK 57 442

**Contribution** – You have earned this much as pension entitlement for the income year 2007, see page 2.



SEK 1 017 847

**Savings** – You have saved up this much to date for the national pension, see page 3.



SEK 12 800

**Payment** – According to our forecast, this is how much you will receive as national pension per month (before tax), from the age of 65, see page 5.

## Your pension accounts

Your savings to the national pension during 2008.

Changes during 2008	Income pension	Premium pension
Value 31 December 2007	826 278	101 283
Pension entitlement contribution for 2007	49 680	7 762
Inheritance gain from deceased contributors	521	279
Administration fee	- 210	- 110
Fund fees after discount	-	- 431
Värdeförändring	53 986	- 21 191 *
Value 31 December 2008	930 255	87 592

\*SEK 539 is included here as interest on pension entitlement for 2007.

You have saved up this much to date for your national pension

**SEK 1017 847**

### Changes to your accounts since the start

You have earned SEK 652 630 in pension entitlement to date towards your income pension. The amount has increased by SEK 277 625 and the current value is SEK 930 255.

You have earned SEK 74 628 in pension entitlement to date towards your premium pension. The amount has increased by SEK 12 964 and the current value is SEK 87 592.

### Savings

Your new pension entitlements are combined with what you have already saved and are shown in your pension accounts, one for your income pension and one for your premium pension.

The value of these accounts is determined by your accumulated pension entitlements and how they change in value.

The change in value is determined by the fluctuation in value of your funds.

The change in value is determined by the development of average wages in Sweden. During 2008 the rate was 6.16 %.



## Forecast for your national pension

The forecast is based on the SEK 1 017 847 you have earned to date towards your income and premium pension (see pension account page 3), plus your annual income until you retire. We have assumed that you will have the same pensionable income as in 2007, that is SEK 264 600 (see decision page 2).

Age of retirement	0 % growth	2 % growth
61 year	SEK 10 000 per month	SEK 15 700 per month
65 year	<b>SEK 12 800</b> per month	SEK 21 800 per month
70 year	SEK 17 900 per month	SEK 33 800 per month

Your national pension at the age of 65 and 0 per cent growth (SEK 12 800 per month) consists of (before tax) SEK 9 900 income pension and SEK 2 900 premium pension.

A growth of 0 per cent means that we have assumed that salaries and prices in Sweden remain unchanged until you retire. This means that you can compare the amounts in the forecast with your salary today. It is assumed that your premium pension funds will change in value by 3.5 per cent annually.

A growth of 2 per cent means that salaries in Sweden, including your own, are assumed to grow by 2 per cent each year. It is assumed that the premium pension funds will grow in value by 5.5 per cent annually.

At [www.minpension.se](http://www.minpension.se) you can get a forecast that also includes occupational pension and any private pension. Minpension.se is a cooperation between the government and the pension companies.

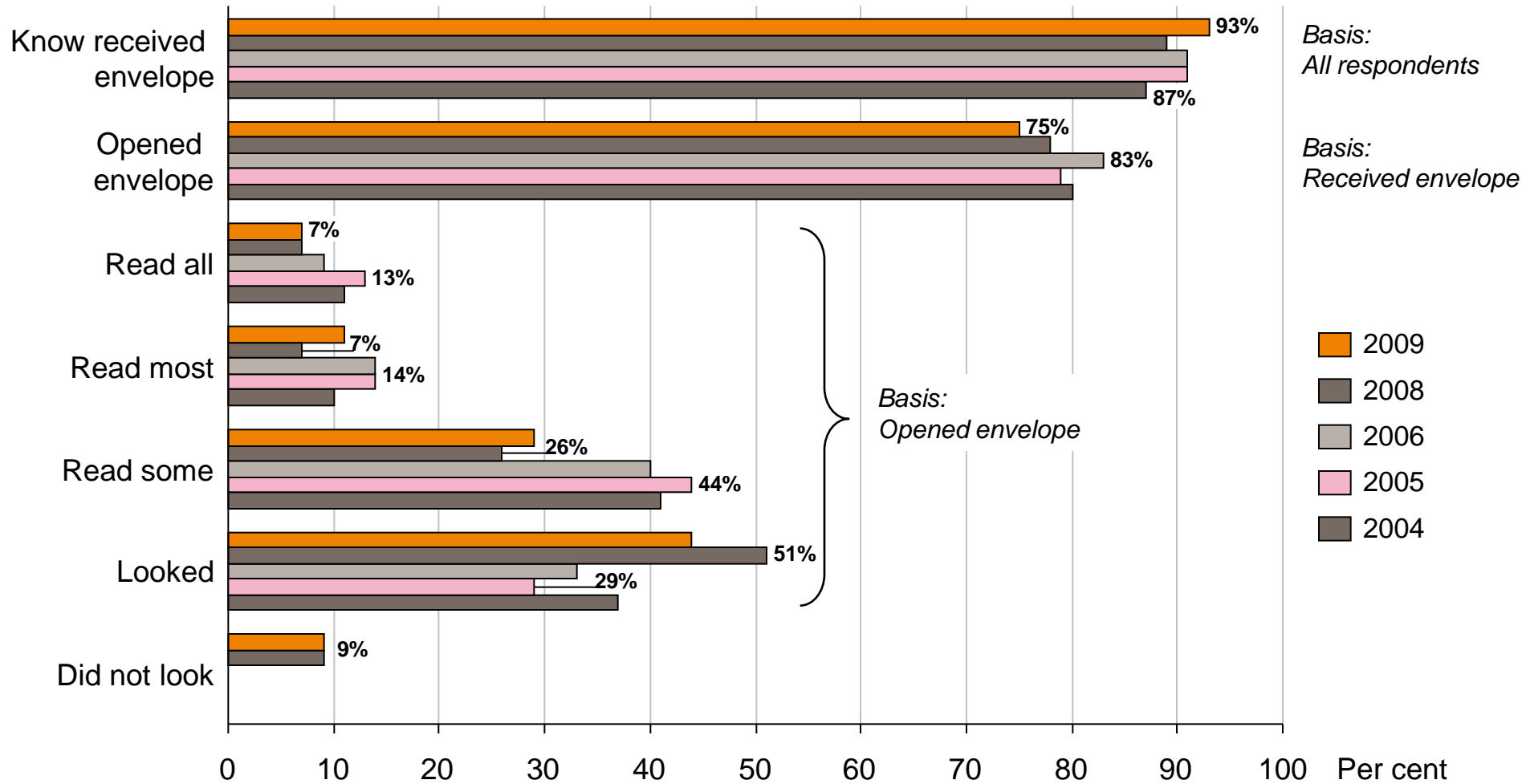
### Payment

When you retire, the amount in your pension accounts is divided by your average remaining life expectancy. This means that people who work longer will manage to save more and will have fewer years to use the money. The pension that is calculated will be paid for the rest of your life.

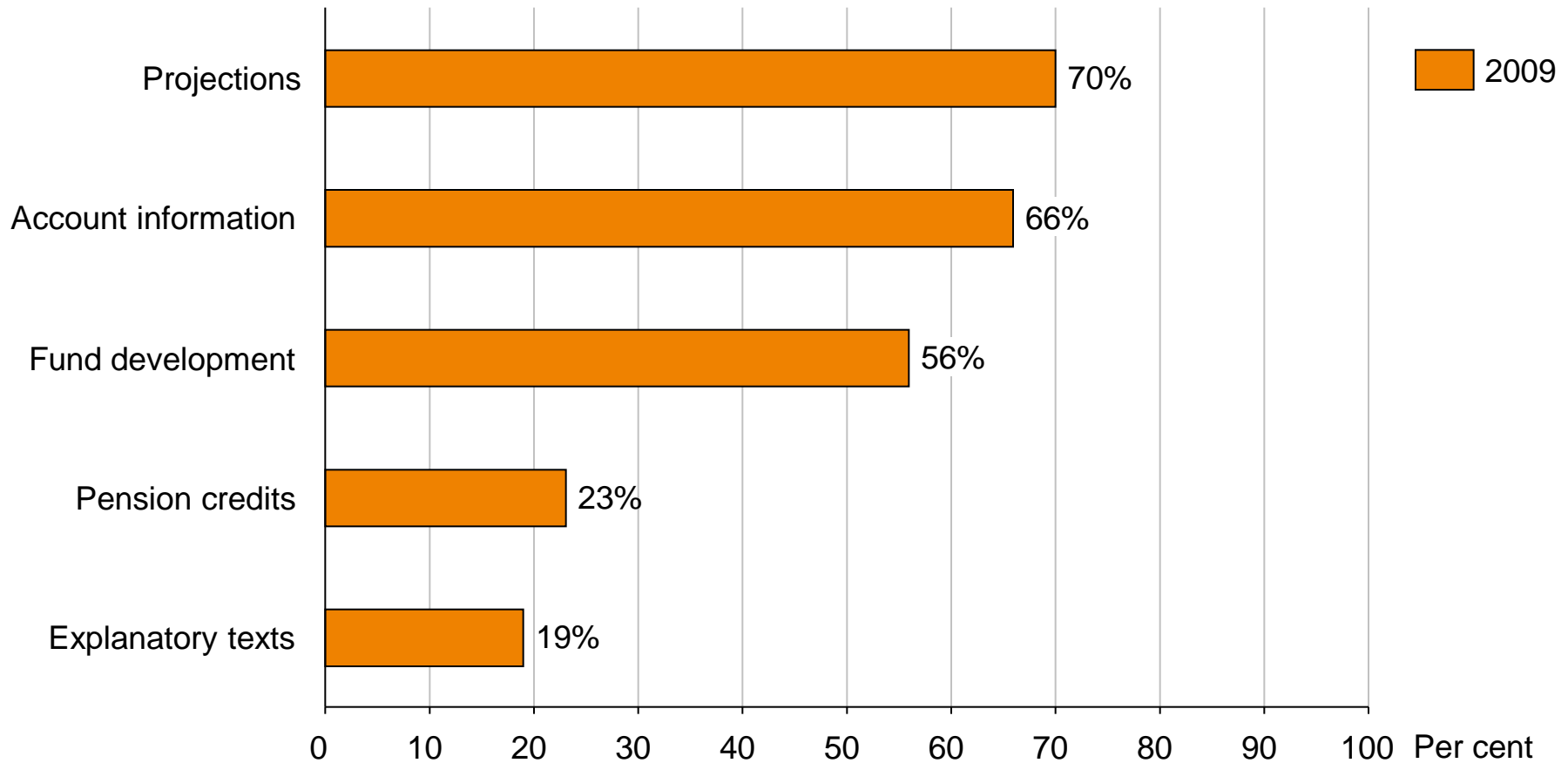
$$\text{Your pension} = \frac{\text{Value on your pension accounts}}{\text{Average remaining life expectancy}}$$



# How many notices? Opens? Reads?

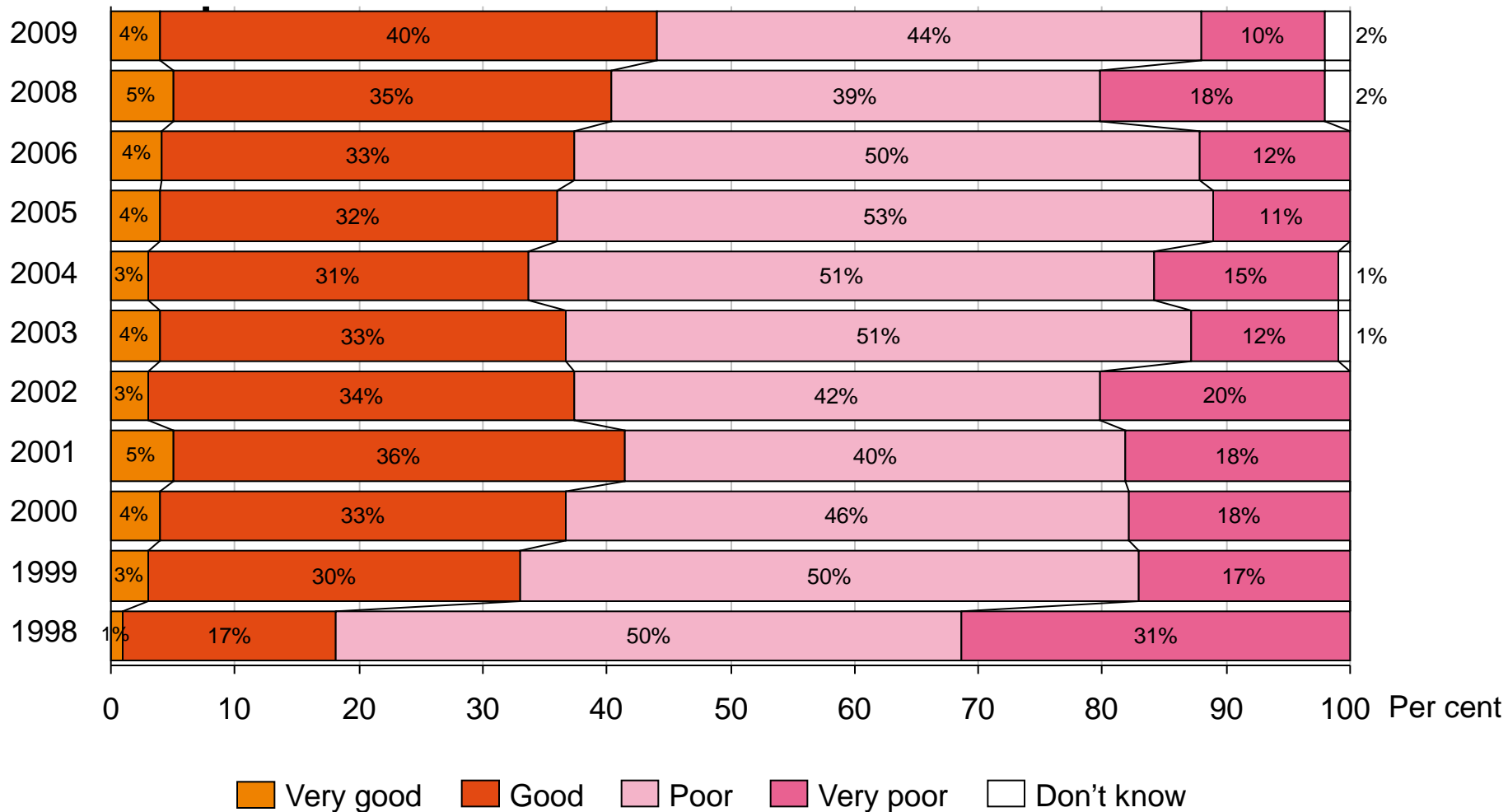


## What parts are most interesting?



*Basis: Opened envelope and read/looked at content*

## Self-reported understanding of the public pension



Basis: All respondents





WWW



## Pensionsprognos

Visa prognos som:  Diagram  Tabell

Visa/Ändra uppgifter till prognosen

### 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

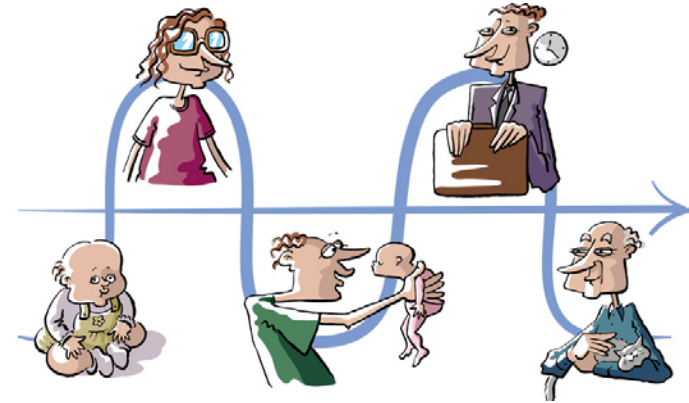
Alla belopp är kr/månad. Beloppen visas i dagens penningvärde.

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

## Conclusions

- The defined contribution plan puts more risk and responsibility on participants.
- Reliable projections of expected benefits and how benefits vary with retirement age is necessary.
- Knowledge about Orange Envelope is high and self-reported understanding about the pension system has increased.
- Comprehensive information on total retirement benefits is crucial.

## The future?



- New Pension Agency – New Communication strategy
- Cooperation with other pension providers
- Keep on improving the Orange Envelope
- [www.minpension.se](http://www.minpension.se)