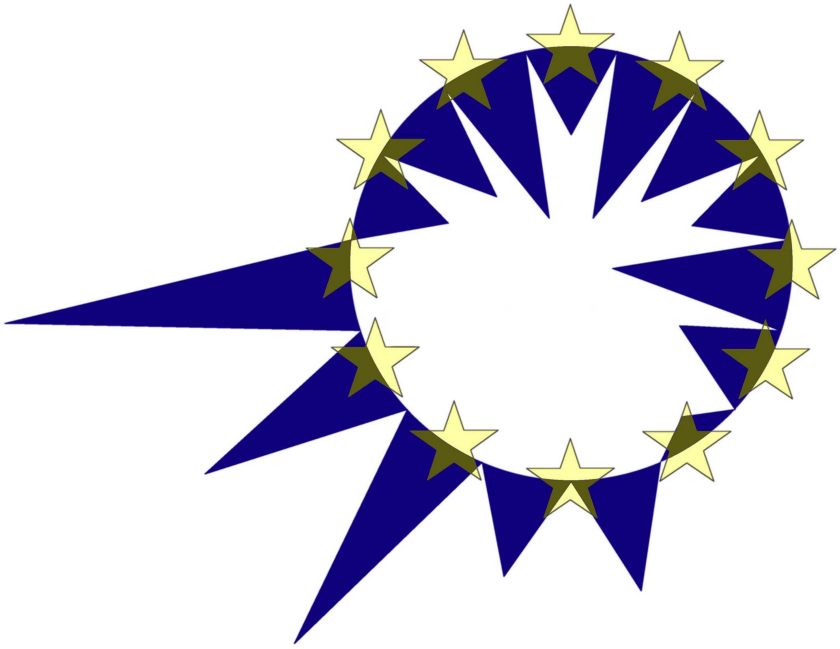
EUROMOD

COUNTRY REPORT



EUROMOD Country Report

SWEDEN

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June 2001

1 The Pension system

1.1 National basic pension

Everyone receives National basic pension irrespective of earlier income from gainful employment.

1.1.1 Retirement pension

Retirement pension is based on the basic amount, 36 400 SEK for 1998. Before the size of the retirement pension is calculated the basic amount is reduced with 2 %. Full retirement pension for 1998 is:

-96 % of the reduced basic amount for singles, i.e. 34 245 SEK / year.
-78.5 % of the reduced basic amount for married, i.e. 28 003 SEK/year.

A person who is permanently living together with the pensioner if they have been married or if they have or have had children together is a spouse. A partner with registered partnership is also a spouse.

You can choose between drawing full, three-quarters, one-half or one-quarter retirement pension.

1.1.1.1 Early withdrawal or postponed withdrawal

Retirement pension is normally paid out from the month a person turns 65. It is possible to draw retirement pension from the age of 61, so called early withdrawal, or wait at the longest until the age of 70, so called postponed withdrawal.

Early withdrawal can be full, three-quarters, one-half or one-quarter of retirement pension, equal parts must come from National basic pension and National supplementary pension. It is also possible to postpone the withdrawal with full, three-quarters, one-half or one-quarter of retirement pension. A person with full retirement pension from the age of 61 will have a reduced pension for the rest of his or her life. The reduction is then 24 %, (0.5 % * 12 months * 4 years). A person who postpones the withdrawal until the age of 70 will have an increased pension. The increase is 42 %, (0.7 % *12 months * 5 years).

1.1.1.2 Calculation of retirement pension from National basic pension in the model

If BHFP=1 retirement pension is paid out.

Variables needed:

BFPGRP	GROUP OF NATIONAL BASIC PENSION
BREDFB	REDUCTION FACTOR
BUPPFB	ENUMERATION FACTOR
BFPMANB	NUMBER OF MONTHS WITH NATIONAL BASIC PENSION
BHELHALV	FULL/ONE-HALF RETIREMENT PENSION

BHALVAAF RETIREMENT PENSION OR DISABILITY PENSION, LESS THAN FULL TIME

Parameters:

XBASMS SPECIAL BASIC AMOUNT, 35 672 SEK

Variables created:

PUAAFPB RETIREMENT PENSION FROM NATIONAL BASIC PENSION

First you find out if the person is single or married

If BFPGRP in(101 102) then the person is single

Else if BFGRP in (111 121 131 112 122 132) or if BFPGRP in (101 102) and BCIVPEN=5 the person is married.

A persons pension is then calculated in two steps. First you calculate the share, (XAFPKOF(I)), of the special basic amount. The share is different depending on if you are single or married.

PUAAFPB = XAFPKOF(I) * XBASMS

In the second step possible reduction or enumeration at early or postponed withdrawal is being calculated. You then multiply it with the share of the year a person has had pension, and the pension (PUAAFPB) being calculated in the first step.

PUAAFPB = BREDFB * BUPPFB * BFPMANB / 12 * PUAAFPB

Retirement pension can be three-quarters, one-half or one-quarter, and the calculated pension must be reduced with the similar amount. First you have to find the persons with a pension less than 100 %.

If BFPGRP in (102 112 122 132) and BHELHALV=1 then BHELHALV=2.

Groups are then created, containing persons with different retirement pension, and the calculated pension is reduced with the corresponding amount.

If BHELHALV=2 then:

If BHALVAAF in (2 4 5 6 7) then PUAAFPB = PUAAFPB / 4
else if BHALVAAF in (3 9) then PUAAFPB= PUAAFPB * 3/4
else PUAAFPB = PUAAFPB / 2

1.1.2 Disability pension and temporary disability pension

A person who has a permanent reduction in work capacity with at least 25 % can receive disability pension. If the reduction in work capacity is for a

limited period (at least a year) the pension received will instead be temporary disability pension. The benefits of the pensions are the same but the later is limited in time. You can draw full, three-quarters, one-half or one-quarter disability pension or temporary disability pension.

The pensions can be obtained between the age of 16 and 65. If you draw three-quarters, one-half or one-quarter disability pension or temporary disability pension you can draw one-quarter, one-half or three-quarters retirement pension.

Full disability pension is:

-90 % of the reduced basic amount for singles, i.e. 32 105 SEK / year.
-72.5 % of the reduced basic amount for married, i.e. 25 862 SEK/year.

A person who is permanently living together with the pensioner if they have been married or if they have or have had children together is a spouse. A partner with registered partnership is also a spouse.

1.1.2.1 Calculation of disability pension and temporary disability pension in the model

If BHFP=2 or BHFP=3 then disability pension or temporary disability pension is paid out.

Variables needed:

BFPGRP	GROUP OF NATIONAL BASIC PENSION
BREDFB	REDUCTION FACTOR
BUPPFB	ENUMERATION FACTOR
BFPMANB	NUMBER OF MONTHS WITH NATIONAL BASIC PENSION

Parameters:

XBASMS	SPECIAL BASIC AMOUNT, 35 672 SEK

Variables created:

PUFFPB	DISABILITY PENSION FROM NATIONAL BASIC PENSION

Similarly as with retirement pension, you first find out if the person is single or married.

If BFPGRP in (501 502 503) then the person i single.

Else if BFPGRP in (511 521 531 512 522 532 513 523 533) or if BFPGRP in (501 502 503) and BCIVPEN=5 the person is married.

The disability pension is then calculated in the similar way as the retirement pension above.

PUFFPB = XFFPKOF(J) * XBASMS
PUFFPB = BREDFB * BUPPFB * BFPMANB / 12 * PUFFPB

The disability pension can be one-quarter, one-half, two-thirds, or three-quarters and it must be reduced in the similar way as the retirement pension.

If BFPGRP in (502 512 522 532) then:

If BHALVAAF in (2 4 8 9) then PUFFPB = PUFFPB / 4
Else if BHALVAAF in (3 7) then PUFFPB = PUFFPB * 3 / 4
Else PUFFPB = PUFFPB * 2 / 3

Else if BFPGRP in (501 511 521 531) then:

If BHALVAAF in (2 4 8 9) THEN PUFFPB = PUFFPB / 4
Else if BHALVAAF in (3 7) then PUFFPB = PUFFPB * 3 / 4
Else PUFFPB = PUFFPB / 2

1.1.3 Wife supplement

If a man with retirement pension (65) who is married the household can get a wife supplement if the wife is 60 years old and has no pension. The couple must have been married for 5 years. This supplement will be abolished but a person who already has this supplement or is born before 1934 is according to the transitional regulation still entitled to the wife supplement. The supplement can be given until the month before the wife turns 65.

The wife supplement for 1998 is 41 558 SEK but will be reduced if the man has a high income. The supplement is taxable.

1.1.3.1 Calculation of wife supplement in the model

If BFPGRP=881 and (XMODAR - BALD)<=34 then wife supplement will be calculated.

Variables needed:

BHFP	MAIN BENEFIT NATIONAL BASIC PENSION
BFPMANB	NUMBER OF MONTHS WITH NATIONAL BASIC PENSION
BBST	HOUSING ALLOWANCE WILL BE PAID

Parameters

XAAPM	SHARE OF FULL RETIREMENT PENSION FOR SPOUCES, 0.785
XPTSM	SHARE OF FULL PENSION SUPPLEMENT FOR SPOUCES, 0.5550
XAAPE	SHARE OF FULL RETIREMENT PENSION FOR SINGLES, 0.96
XPTSE	SHARE OF FULL PENSION SUPPLEMENT FOR SINGLES, 0.550
XBASM	BASIC AMOUNT, 36 400 SEK
XBASMS	SPECIAL BASIC AMOUNT, 35 672 SEK

Variables created:

PUHTB WIFE SUPPLEMENT

When calculating the wife supplement, you first multiply the special basic amount with the parameters stating the share of basic amount for retirement pension and pension supplement for spouces.

PUHTB=(2*(XAAPM + XPTSM)-(XAAPE + XPTSE))*XBASMS

Next you take into account how much time of the year a person has had wife supplement.

PUHTB = PUHTB * BFPMANB / 12

1.1.4 Child care allowance

A parent who cares for sick or handicapped child in the home may obtain child care allowance. The child must need special supervision and care for at least 6 months. Temporary child care allowance can be obtained if a child, that normally is cared for in an institution, temporarily is staying with the parents. This allowance can be obtained if the child is home for 10 days during a quarter of a year or 10 days in a row at the beginning of a new quarter.

Child care allowance can be paid up to and including the month before the child reaches the age of 16. The size of the child care allowance is dependent upon how much care and supervision the child needs and how big the additional costs are. The child care allowance can be full, three-quarters, one-half or one-quarter and is based on the basic amount, 36 400 SEK.

Size of allowance	**Per cent of basic amount**	**SEK**
Full	250	91 000
Three-quarter	187.5	68 250
One-half	125	45 500
One-quarter	62.5	22 750

The child care allowance is taxable and qualifying for National supplementary pension. The part of the allowance that is compensation for additional costs is tax-free and not qualifying for National supplementary pension.

1.1.4.1 Calculation of child care allowance in the model

Variables needed:

BFPGRP GROUP OF NATIONAL BASIC PENSION
BHFP MAIN BENEFIT NATIONAL BASIC PENSION
BANTVB SIZE OF CURRENT CHILD CARE ALLOWANCE, PER CENT
BANTFVB SIZE OF VACATION-CHILD CARE ALLOWANCE, PER CENT
BVBDEL CODE FOR SHARED CHILD CARE ALLOWANCE
BVBBRN NUMBER OF CHILDREN, CHILD CARE ALLOWANCE IS BEING PAID FOR

BFVBBRN NUMER OF CHILDREN, VACATION-CHILD CARE ALLOWANCE IS BEING PAID FOR
BSKFVB PERCENTAGE FOR TAX-FREE CHILD CARE ALLOWANCE
BFPMANB NUMBER OF MONTHS WITH NATIONAL BASIC PENSION

Parameters

XVBHEL SHARE OF FULL CHILD CARE ALLOWANCE, 2.50
XBASM BASIC AMOUNT, 36 400 SEK

Variables created:

TVARD CHILD CARE ALLOWANCE, TAXABLE PART
IVARD CHILD CARE ALLOWANCE, TAX-FREE PART

Full child care allowance is 250 % of the basic amount. In the calculation it is taken into account if a person has child care allowance or vacation-child care allowance, the share of the child care allowance and number of children that child care allowance is being paid for. You also consider if the parents have shared child care allowance.

```
TVARD = XVBHEL (BANTVB / 100 * BVBBRN + BANTFVB / 100 * BFVBBRN ) *
        BVBDEL / 2 * XBASM
```

If a person haven't had child care allowance the entire year, the benefit will be reduced.

```
TVARD = BFPMANB / 12 * TVARD
```

Finally the child care allowance is being separated into one part that is taxable, and one part that is tax-free.

```
IVARD =BSKFVB / 100 * TVARD
TVARD = TVARD - IVARD
```

1.1.5 Disability allowance

If you have reached the age of 16 and become disabled before the age of 65 you may obtain disability allowance. To qualify for this you must need more time-consuming help from somebody in order to manage your daily living, your job or your studies or you must have substantial additional costs. You must have become disabled before the age of 65 and have needed such support for at least a year. You can also draw the benefit after reaching the age of 65.

The allowance is dependent upon the extent of the need for help and the size of the additional costs. The allowance is 69, 53 or 36 % of the basic amount, i.e. 25 116, 19 292, 13 104 SEK/ year. The allowance is tax-free.

1.1.5.1. Calculation of disability pension in the model

Variables needed:

BFPGRP	GROUP OF NATIONAL BASIC PENSION
BHFP	MAIN BENEFIT NATIONAL BASIC PENSION
BTFP	ADITIONAL BENEFIT NATIONAL BASIC PENSION
BFPMANB	NUMBER OF MONTHS WITH NATIONAL BASIC PENSION
BHEPA	PERCENTAGE FOR DISABILITY ALLOWANCE

Parameters:

XBASM	BASIC AMOUNT, 36 400 SEK

Variables created:

IHKAP	DISABILITY ALLOWANCE

If BHFP=7 or if BTFP in (2 4) then disability allowance will be paid.

Disability allowance is calculated as a percentage of the disability allowance (depending on the extent of need for help), multiplied with the basic amount. IHKAP is then adjusted with the time of year a person has disability allowance.

IHKAP = BHEPA / 100 * XBASM
IHKAP = BFPMANB / 12 * IHKAP

1.1.6 Supplement for children

Supplement for children can be given to retirement pension for each child under 16 years of age. The supplement is 26 % of the basic amount for full retirement pension. The supplement will be reduced if the National supplementary pension (ATP) amounts to more than 50 % of the basic amount. This supplement was abolished January 1st 1990 but is retained for those who obtained the supplement before this date.

1.1.6.1 Calculation of supplement for children in the model

Variables needed:

BTFP	ADITIONAL BENEFIT NATIONAL BASIC PENSION
BANTBT	NUBMER OF FULL SUPPLEMENT FOR CHILDREN
BHALVBT	NUMBER OF HALF SUPPLEMENT FOR CHILDREN
BBTKOD	CODE FOR SUPPLEMENT FOR CHILDREN
PAVDBT	REDUCTION OF ATP FOR SUPPLEMENT FOR CHILDREN
BFPGRP	GROUP OF NATIONAL BASIC PENSION
BREDFB	REDUCTION FACTOR
BUPPFB	ENUMERATION FACTOR
BHELHALV	FULL/ONE-HALF RETIREMENT PENSION
BHALVAAF	RETIREMENT PENSION OR DISABILITY PENSION, LESS THAN FULL TIME
BFPMANB	NUMBER OF MONTHS WITH NATIONAL BASIC PENSION
BFPMANBT	NUMBER OF MONTHS WITH NATIONAL BASIC PENSION, AS PER 9612

Parameters:

XBTAND SHARE OF SUPPLEMENT FOR CHILDREN OF BASIC AMOUNT, 26%
XBASMS SPECIAL BASIC AMOUNT, 35 672 SEK

Variables created:

PUBTB SUPPLEMENT FOR CHILDREN

If BBTKOD in (1 2) then supplement for children will be paid out.

In the first step you multiply the share of supplement for children of the basic amount, with the number off full and one-half basic amount, and with the special basic amount.

PUBTB = XBTAND * (BANTBT + BHALVBT / 2) * XBASMS

In the second step you take into account early or postponed withdrawal and number of months with supplement for children, during the year.

PUBTB = BREDFB * BUPPFB * (BFPMANB + BFPMANBT) / 12 *PUBTB

If you have one-quarter, one-half or three-quarters retirement pension, the supplement for children will be reduced.

If BHELHALV=2 then:

If BHALVAAF in (2 4 5 6 7) then PUBTB = PUBTB / 4
Else if BHALVAAF in (3 9) then PUBTB = PUBTB * 3/4
Else PUBTB = PUBTB / 2

Early withdrawal also reduces the supplement. Early withdrawal can be one-quarter, one-half or three-quarter.

If BFPGRP in (502 512 522 532) then

If BHALVAAF in (2 4 8 9) then PUBTB = PUBTB /4
Else if BHALVAAF in (3 7) then PUBTB = PUBTB * 3/4
Else PUBTB = PUBTB * 2/3

If BFPGRP in (501 511 521 531) then:

If BHALVAAF in (2 4 8 9) then PUBTB = PUBTB / 4
Else if BHALVAAF in (3 7) then PUBTB = PUBTB * ¾
Else PUBTB = PUBTB / 2

Finally the supplement for children is reduced according to a high ATP.

If BBTKOD=2 then PUBTB = PUBTB - PAVDBT

1.1.7 Special pension supplement for care of sick child

Special pension supplement may be payable if you have refrained for at least 6 years from working in order to care for a sick or disabled child. The child must have had a full disability pension/temporary disability pension and a disability allowance or similar benefits. A minimum of six and a maximum of fifteen years of care from 1964 may be counted.

The supplement is 5 % of the basic amount if you have 6 years of care. For each additional year of care you get an additional 5 % of the basic amount per year, until you have 15 years of care, the supplement is then 50 % of the basic amount. The supplement is tax-free. This supplement is supposed to compensate the parent for lost National supplementary pension points (ATP points).

1.1.7.1. Calculation of special pension supplement in the model

Variables needed:

BSPTVAR	NUMBER OF YEARS OF CARE BEING CREDITED
BSPTFR	TIME OF START WITH SPECIAL PENSION SUPPLEMENT
BSPTTO	ENDING TIME FOR SPECIAL PENSION SUPPLEMENT
BREDFB	REDUCION FACTOR
BUPPFB	ENUMERATION FACTOR
BHELHALV	FULL/ONE-HALF RETIREMENT PENSION

Parameters:

XBASM	BASIC AMOUNT, 36 400 SEK
XREGAR	REGISTER YEAR, 97

Variables created:

PSPTB	SPECIAL PENSION SUPPLEMENT

First you decide how many months a person has had the supplement

BSPTMAN=12
If BSPTFR>XREGAR*100 then BSPTMAN=XREGAR*100+13-BSPTFR

Example:
BSPFTR=9702

11=97*100+13-9702

If BSPTTO >BSPTFR then:

If BSPTTO>XREGAR*100 then
BSPTMAN = BSPTMAN - (XREGAR * 100 + 12 - BSPTTO)

Example:
BSPTTO=9711

10=11-(97*100+12-9711)

Else BSPTMAN=0

In the first step you take into account the number of years of care (more than five years, but a maximum of ten years), and then you multiply it with 5 % of the basic amount.

PSPTB = MAX ((BSPTVAR - 5), 10) * 5 / 100 * XBASM

Second, you take into account possible early withdrawal or postponed withdrawal, and the number of months with special pension supplement, during the year.

PSPTB = BREDFB * BUPPFB * BSPTMAN / 12 * PSPTB

Retirement pension can be one-quarter, one-half or three-quarter, and the special pension supplement must then be reduced.

If BHELHALV=2 then:

If BHALVAAF in (2 4 5 6 7) then PSPTB = PSPTB/4
Else if BHALVAAF in (3 9) then PSPTB = PSPTB * 3/4
Else PSPTB = PSPTB / 2

1.1.8 Widow's pension

Widow's pension is a pension to certain women whose husbands have died. Widow's pension is eventually to be phased out but women who have become widows before January 1st 1990 may obtain widow's pension. Different rules apply to women born in 1944 or earlier and to those born in 1945 or later.

Co-habiting partners are treated as married if they have or have had children together or have previously been married to each other.

The national basic pension component of the widow's pension is income-tested six months after the death or when the youngest child has reached the age of 12.

Widow's pension ceases when the widow reaches the age of 65, or if the person obtains retirement or disability pension, or if the person marries or has a child with cohabiting man.

1.1.8.1 Calculation of widow's pension in the model

Variables needed:

BAEPFP	CODE FOR WIDOW'S PENSION
BOPFP	CODE FOR ADJUSTMENT PENSION FROM NATIONAL BASIC PENSION
BAEP15D	NUMBER OF FIFTEENTH PARTS FOR WIDOW'S PENSION
BAEFPFR	TIME OF START FOR WIDOW'S PENSION FROM NATIONAL BASIC PENSION
BAEFPTO	ENDING TIME FOR WIDOW'S PENSION FROM NATIONAL BASIC PENSION

Parameters:

XBASMS SPECIAL BASIC AMOUNT, 35 672 SEK
XREGAR REGISTER YEAR, 97
XAEFPKOF SHARE OF BASIC AMOUNT OF WIDOW'S PENSION FROM NATIONAL BASIC PENSION

Variables created:

BAEPMANB NUMBER OF MONTHS WITH WIDOW'S PENION
PUAEFPB WIDOW'S PENSION FROM NATIONAL BASIC PENSION

If BAEPFP=1 and BOPFP=0 then widow's pension will be paid.

In the same way as for special pension supplement, the number of months with widow's pension is being calculated.

BAEPMANB=12

If BAEFPFR > XREGAR * 100 then BAEPMANB=XREGAR*100+13-BAEFPFR

If BAEFPTO > BAEFPFR then:

If BAEFPTO>XREGAR*100 then
BAEPMANB = BAEPMANB - (XREGAR * 100 + 12 - BAEFPTO)

Else BAEPMANB=0

If the widow has not reached the age of 50 at the time of the death of the husband, and is not living with children below the age of 16, the yearly amount of pension shall be reduced with one-fifteenth part for every year she is younger than 50.

When calculating widow's pension, you multiply the share of the basic amount with the number of fifteenth parts, and with the special basic amount.

PUAEFPB = XAEFPKOF * BAEP15D / 15 *XBASMS

In the second step you take into consideration possible early or postponed withdrawal, and the number of months during the year with widow's pension.

PUAEFPB = BREDFB * BUPPFB * BAEPMANB / 12 * PUAEFPB

1.1.9 Adjustment pension

You can obtain an adjustment pension if your husband/wife has died. The adjustment pension is payable for six months for both men and women. If you have a child under the age of 12 the pension can be paid for a longer period, but not for longer than until the child reaches the age of 12.

Certain rules govern eligibility for an adjustment pension: for example, you must have lived with your spouse for a certain period and you must not have

reached the age of 65. And you must either be permanently living with child under 12 years of age, that you or you and your spouse together hade the custody of, or have been living permanently with your spouse for 5 years.

Adjustment pension is 90 % of the basic amount reduced with 2 %, (0.90 * 35 672 = 32 105 SEK).

1.1.9.1 Calculation of adjustment pension in the model

Variables needed:

BOPFP	CODE FOR ADJUSTMENT PENSION FROM NATIONAL BASIC PENSION
BOPTYP	TYPE OF ADJUSTMENT PENSION
BOPSEPD	EXTENT OF SPECIAL SURVIVING PENSION
BOPFPFR	TIME OF START FOR ADJUSTMENT PENSION FROM NATIONAL BASIC PENSION
BOPFPTO	ENDING TIME FOR ADJUSTMENT PENSION FROM NATIONAL BASIC PENSION
BBRN11	NUMBER OF CHILDREN BELOW THE AGE OF 12

Parameters:

XBASMS	SPECIAL BASIC AMOUNT, 35 672 SEK
XREGAR	REGISTER YEAR 97
XOPFPKOF	SHARE OF BASIC AMOUNT FOR ADJUSTMENT PENSION FROM NATIONAL BASIC PENSION, 0.90

Variables created:

BOPMANB	NUMBER OF MONTHS WITH ADJUSTMENT PENSION
PUOPFPB	ADJUSTMENT PENSION FROM NATIONAL BASIC PENSION

If BOPFP=1 then adjustment pension will be paid.

First you decide how many months a person has had adjustment pension.

BOPMANB=12

If BOPFPFR>XREGAR*100 then BOPMANB=XREGAR*100+13-BOPFPFR

If BOPFPTO > BOPFPFR then:

If BOPFPTO>XREGAR*100 then
BOPMANB = BOPMANB - (XREGAR*100+12-BOPFPTO)

Else BOPMANB=0

Adjustment pension is paid out during a maximum period of 6 months, if no child is under the age of 12.

If BOPFPFR>XREGAR*100 and BBRN11=0 then BOPMANB = MIN(BOPMANB,6)

The share of the basic amount is multiplied with the special basic amount.

PUOPFPB = XOPFPKOF * XBASMS

Then you take into consideration possible early or postponed withdrawal, and the number of months during the year with adjustment pension.

PUOPFPB = BREDFB * BUPPFB * BOPMANB / 12 * PUOPFPB

Special surviving pension can be one-half, two-thirds or full.

If BOPSEPD=1 then PUOPFPB = PUOPFPB / 2
Else if BOPSEPD=2 then PUOPFPB = PUOPFPB * 2/3

1.1.10 Child pension

Children who have not reached the age of 18 are entitled to a child's pension, both from National basic pension and National supplementary pension, if one or both of their parents have died. Child's pension from the national basic pension scheme is always at least 25 % of the base amount if one parent has died and 50 % of the base amount if both parents have died, base amount reduced with 2 %. For 1998 it is 8 918 respectively 17 636 SEK per year if the parent (or the parents) had full National basic pension.

1.1.10.1 Calculation of child pension in the model

Variables needed:

BBPFP	CODE FOR CHILD'S PENSION FROM NATIONAL BASIC PENSION
BBPTYP	NUMBER OF DECEASED PARENTS
BBPFPFR	TIME OF START FOR CHILD PENSION FROM NATIONAL BASIC PENSION
BBPFPTO	ENDING TIME FOR CHILD PENSION FROM NATIONAL BASIC PENSION

Parameters:

XBASMS	SPECIAL BASIC AMOUNT, 35 672 SEK
XREGAR	REGISTER YEAR 97
XBPFPKOF	SHARE OF BASIC AMOUNT FOR CHILD'S PENSION FROM NATIONAL BASIC PENSION, 0.25

Variables created:

BBPMANB	NUMBER OF MONTHS WITH CHILD'S PENSION
PUBPFPB	CHILD PENSION FROM NATIONAL BASIC PENSION

If BBPFP=1 then child's pension will be paid.

In the same way as before you first decide for how many months a person has had child pension.

BBPMANB=12
If BBPFPFR>XREGAR*100 then BBPMANB=XREGAR*100+13-BBPFPFR

If BBPFPTO > BBPFPFR then:

If BBPFPTO>XREGAR*100 then:
BBPMANB = BBPMANB - (XREGAR*100+12-BBPFPTO)

Else BBPMANB=0

When calculating the child's pension, you take into consideration if one or both parents are deceased, and you multiply it with the share of the special basic amount.

PUBPFPB = XBPFPKOF * BBPTYP * XBASMS

Next you take into consideration the number of months with child's pension.

PUBPFPB = BBPMANB / 12 * PUBPFPB

1.2 National supplementary pension (ATP)

The size of the National supplementary pension depends on earlier incomes from gainful employment and number of years working.

1.2.1 Retirement pension

Just as in the case with the retirement pension from the National Basic Pension the normal retirement age is 65 but early or postponed withdrawal is permitted.
An individual who have had income from work and thereby earned income qualifying for pension can receive retirement pension from the National supplementary pension. Income qualifying for pension can be earned between age 16-64. The income from work during a year must be at least 100 SEK more than the basic amount to be qualifying for pension.

Pension points which are based on income qualifying for pension is calculated every year. A year's pension points is calculated by taking the income qualifying for pension and divide it with the basic amount. Income qualifying for pension is calculated on income between 1 and 7.5 basic amounts, giving a maximum of 6.5 pension points per year.

Individuals who have had income qualifying for pension during at least 3 years are entitled to retirement pension from the National supplementary pension. Income before 1960 is not included in income qualifying for pension.

1.2.2 Size of the National supplementary pension

To be entitled to full pension, according to the main rule, you must have pension points for 30 years. If for example you have pension points for 15 years you are only entitled to halve pension.

The variables that determines the size of the ATP is:

A=Number of years with earned points minimum 3 but no more then 30
B=Average points total number of pension points divided with number of years with points. If you have more then 15 years with pension points you add up the 15 best years and divide with 15.
C=Basic amount basic amount for the year the pension is paid out reduced with 2 %, 35 672 SEK for 1998.
B=Required number of years with pension points 30 years

Then you can calculate the size of the ATP:

60% ((A * B * C) / B)

1.2.3 Disability pension and temporary disability pension

Disability pension and temporary disability pension can be obtained from ATP until the month before you turn 65, or until you make an early withdrawal from the retirement pension. If you meet the conditions for disability pension or temporary disability pension from the National basic pension you are entitled to disability pension or temporary disability pension from ATP. You also must have income qualifying for pension during a certain number of years. The calculation of disability pension and temporary disability pension is done with or without so-called qualifying points.

1.2.3.1 With qualifying points

To get qualifying points you must have pension points for at least 1 year together with an income qualifying for sickness allowance corresponding to a yearly income as big as the basic amount the year the disability occurs. Otherwise you must have pension points for at least 2 of the 4 years immediately before the disability occurred.

Qualifying points can be calculated in two ways, you choose the most advantageous

Alt. 1 Qualifying points are the average of the two best pension points from the last 4 years before the pension. If there are pension points for only one of these 4 years, qualifying points equals halve of this point.

Alt. 2 Qualifying points are the average of the points from the age of 16 until the year before the pension. You can leave out years with low income, yet no more than halve of all the years.

When you calculate retirement pension you get qualifying points from the first year disability pension is being paid out until the age of 64. When you calculate the average point you count actual pension points earned before the first year with disability pension together with qualifying points. If the number of years with points exceeds 15 you calculate the average of the 15 best points. The retirement pension is then calculated the same way as retirement pension from ATP (see above).

1.2.3.2 Without qualifying points

If you are not entitled to qualifying points disability pension and temporary disability pension is calculated on actual pension points. The calculation is the same as for retirement pension from ATP (see above).

1.2.4 Calculation of retirement pension, disability pension or temporary disability pension from ATP in the model

If BETP in (1 2 3 4 5 6 7) then ATP for retirement-, disability or temporary disability pension will be paid.

Variables needed:

BTPEBEG	START TIME FOR THE OWN PENSION
BTOMTIDE	ENDING TIME FOR THE OWN PENSION
BATID	TIME OF WITHDRAWAL OF ALL BENEFITS
BFPGR96	GROUP OF NATIONAL BASIC PENSION 9612
BREDFB	REDUCTION FACTOR
BUPPFB	ENUMERATION FACTOR
BHELHALV	FULL/ONE-HALF RETIREMENT PENSION
BTPEMP	AVERAGE ATP-POINT – OWN (AT DISABILITY PENSION, QUALIFYING POINTS ARE INCLUDED)
BTPET	EARNED ATP-YEARS (AT DISABILITY PENSION, QUALIFYING POINTS ARE INCLUDED)
BETP	CODE FOR DISABILITY PENSION (ATP), OWN
BTPEN	NUMBER OF YEARS FOR FULL ATP
PYLTPE	WORK INJURY ANNUITY DEDUCTION FROM OWN ATP
PYLAAFP	WORK INJURY ANNUITY DEDUCTION FROM RETIREMENT PENSION
PYLFFP	WORK INJURY ANNUITY DEDUCTION FROM DISABILITY PENSION

Parameters:

XBASMS	SPECIAL BASIC AMOUNT, 35 672 SEK
XREGAR	REGISTER YEAR, 97
XTPEMP	COEFFICIENT FOR PROJECTION OF AVERAGE POINTS
XTPET	COEFFICIENT FOR PROJECTION OF EARNED ATP-YEARS
XTPKOF	SHARE OF BASIC AMOUNT-RETIREMENT PENSION AND DISABILITY PENSION, 0.60

Variables created:

BTPMANB	NUMBER OF MONTHS WITH ATP
PAATPB	RETIREMENT PENSION FROM ATP
PFFTPB	DISABILITY PENSIONE FROM ATP

As in the previous section about the national basic pension, the number of months with retirement pension or disability pension from ATP is calculated, se chapter 1.1.7.1.

BTPMANB=12

If BTPEBEG>XREGAR*100 then BTPMANB=XREGAR*100+13-BTPEBEG

If BTOMTIDE >BTPEBEG then:

If BTOMTIDE>XREGAR*100 then:
BTPMANB = BTPMANB - (XREGAR*100+12-BTOMTIDE)

Else BTPMANB=0

If the pension is withdrawn because a person has deceased or emigrated and this point of time is not corresponding to the point of time in BTOMTIDE, BPTMANB is corrected below.

If BATID>XREGAR*100 then BTPMANB = BTPMANB - (XREGAR*100+12-BATID)

The highest possible ATP-point per year is 6.5. When you project the average point it can be no higher then 6.5.

If XTPEMP>0 then:

If (BTPEMP * XTPEMP)>6.5 then BTPEMP=6.5
Else BTPEMP = XTPEMP * BTPEMP

When you project earned ATP-years they can be no more than 30.

If XTPET>0 then:

If (BTPET * XTPET)>BTPEN/10 THEN BTPET = BTPEN/10
Else BTPET = XTPET * BTPET

If BETP=1 retirement pension is paid.

When you calculate own ATP you consider average point, number of earned years and multiply the share of the basic amount with the special basic amount.

PAATPB = XTPKOF * XBASMS * BTPEMP * BTPET/BTPEN * 10

Then you take into account early or postponed withdrawal and number of months with ATP during the year.

PAATPB = BREDFB * BUPPFB * BTPMANB/12 * PAATPB

When disability pension is paid out the calculation is the same as above.

PFFTPB = XTPKOF * XBASMS * BTPEMP * BTPET/BTPEN * 10
PFFTPB = BREDFB * BUPPFB * BTPMANB/12 * PFFTPB

Retirement pension can be 1/4, half or ¾ and is therefore reduced below.

If BHELHALV=2 then:

If BHALVAAF in (2 4 5 6 7) then PAATPB = PAATPB/4
Else if BHALVAAF in (3 9) then PAATPB = PAATPB*3/4
Else if PAATPB = PAATPB/2

Disability pension can be 1/4, half or ¾ and is therefore reduced below.

If BETP in (2 5) or BFPGR96 in (501 511 521 531) then:

If BHALVAAF in (2 4 8 9) then PFFTPB = PFFTPB/4
Else if BHALVAAF in (3 7) then PFFTPB=PFFTPB*3/4
Else PFFTPB = PFFTPB/2

Else if BETP in (3 6) or BFPGR96 in (502 512 522 532) then:

If BHALVAAF in (2 4 8 9) then PFFTPB = PFFTPB/4
Else if BHALVAAF in (3 7) then PFFTPB = PFFTPB*3/4
Else PFFTPB = PFFTPB*2/3

When retirement pension and disability pension from National basic pension and National supplementary pension (ATP) is calculated, the pension is reduced with possible work injury annuity.

If PYLTPE>0 then PAATPB = MAX((PAATPB – PYLTPE * XBASKOF),0)
If PYLTPE>0 then PFFTPB = MAX((PFFTPB – PYLTPE * XBASKOF),0)

Retirement pension from National basic pension can be reduced with no more than ¼.

If PYLAAFP>0 then:

PUAAFPB = MAX((PUAAFPB – PYLAAFP * XBASKOF),0.75*PUAAFPB)

Disability pension from National basic pension can be reduced with no more than ¾.

If PYLFFP>0 then:

PUFFPB = MAX((PUFFPB – PYLFFP * XBASKOF),0.25 * PUFFPB)

1.2.5 Widow's pension

Widow's pension from ATP can be obtained if you meet the conditions for widow's pension. The conditions are dependent upon when you have become a widow and when you were born. The pension is 35 % of the deceased husband's ATP if there is children entitled to child's pension. If there are no children the pension is 40 % of the deceased husband's ATP.

Widow's pension from ATP is only paid out with the part that exceeds ATP in the form of retirement, adjustment or special survivor's pension[1].

1.2.5.1 Calculation of widow's pension from ATP in the model

Variables needed:

BAETPFR	START TIME FOR WIDOW'S PENSION FROM ATP
BAETPTO	ENDING TIME FOR WIDOW'S PENSION FROM ATP
BATID	TIME OF WITHDRAWAL OF ALL BENEFITS
BAEMP	AVERAGE POINT WIDOW'S PENSION FROM ATP
BAET	NUMBER OF YEARS WITH WIDOW'S PENSION FROM ATP
BAEPTP	CODE FOR WIDOW'S PENSION FROM ATP
BOPTP	CODE FOR ADJUSTMENT PENSION FROMTP
BAEN	NUMBER OF YEARS FOR FULL WIDOW'S PENSION FROM ATP
BAETPPR	PERCENTAGE FOR WIDOW'S PENSION FROM ATP
PAEYLTP	WORK INJURY ANNUITY DEDUCTION FROM WIDOW'S PENSION, ATP
PAEYLFP	WORK INJURY ANNUITY DEDUCTION FROM WIDOW'S PENSION, NATIONAL BASIC PENSION

Parameters:

XBASMS	SPECIAL BASIC AMOUNT, 35 672 SEK
XREGAR	REGISTER YEAR, 97
XAETPKOF	SHARE OF BASIC AMOUNT-WIDOW'S PENSION, 0.60

Variables created:

BAETMANB	NUMBER OF MONTHS WITH ATP
PAETPB	WIDOW'S PENSION FROM ATP

First, number of months with widow's pension from ATP is calculated.

BAETMANB=12

[1] If you cannot support yourself by working and do not receive retirement pension when the adjustment pension/extended adjustment pension terminates, you may be entitled to a special survivor's pension.

If BAETPFR>XREGAR*100 then BAETMANB=XREGAR*100+13-BAETPFR

If BAETPTO>BAETPFR then:

If BAETPTO>XREGAR*100 then:
BAETMANB = BAETMANB - (XREGAR*100+12-BAETPTO)

Else BAETMANB=0

If the pension is withdrawn because a person has deceased or emigrated and this point of time is not corresponding to the point of time in BAETPTO, BAETMANB is corrected below.

If BATID>XREGAR*100 then BAETMANB = BAETMANB - (XREGAR * 100 + 12 - BATID)

The highest possible ATP-point per year is 6.5. When you project the average point it can be no higher then 6.5.

If XTPEMP>0 then:

If (BAEMP * XTPEMP)>6.5 then BAEMP=6.5
Else BAEMP = XTPEMP * BAEMP

When you project earned ATP-years they can be no more than 30.

If XTPET>0 then:

If (BAET * XTPET)>BAEN/10 then BAET = BAEN/10
Else BAET = XTPET * BAET

When you calculate widow's pension from ATP you consider average point, number of earned years and multiply the share of the basic amount with the special basic amount and the percentage for widow's pension from ATP.

PAETPB = XAETPKOF * XBASMS * BAETPPR / 10000 * BAEMP * BAET / BAEN * 10

Then you consider number of months with widow's pension from ATP.

PAETPB = BAETMANB / 12 * PAETPB

Widow's pension from National basic pension and ATP is reduced with possible work injury annuity.

If PAEYLTP>0 then PAETPB = MAX((PAETPB - PAEYLTP * XBASKOF),0)

If PYLAEFP>0 then PUAEFPB = MAX((PUAEFPB - PYLAEFP * XBASKOF),0)

1.2.6 Adjustment pension

If there are children entitled to child's pension the adjustment pension from ATP is 20 % of the deceased person's ATP. Otherwise the adjustment is 40 % of the deceased person's ATP.

1.2.6.1 Calculation of adjustment pension from ATP in the model

Variables needed:

BOPTPFR	START TIME FOR ADJUSTMENT PENSION FROM ATP
BOPTPTO	ENDING TIME FOR ADJUSTMENT PENSION FROM ATP
BATID	TIME OF WITHDRAWAL OF ALL BENEFITS
BOPMP	AVERAGE POINT ADJUSTMENT PENSION FROM ATP
BOPT	NUMBER OF YEARS WITH ADJUSTMENT PENSION FROM ATP
BOPTP	CODE FOR ADJUSTMENT PENSION FROM ATP
BOPN	NUMBER OF YEARS FOR ADJUSTMENT PENSION FROM ATP
BOPTPPR	PERCENTAGE FOR ADJUSTMENT PENSION FROM ATP
BBRN11	NUMBER OF CHILDREN UNDER 12 YEARS
PYLOPTP	WORK INJURY ANNUITY DEDUCTION FROM ADJUSTMENT PENSION FROM ATP
PYLOPFP	WORK INJURY ANNUITY DEDUCTION FROM ADJUSTMENT PENSION FROM NATIONAL BASIC PENSION

Parameters:

XBASMS	SPECIAL BASIC AMOUNT, 35 672 SEK
XREGAR	REGISTER YEAR, 97
XOPTPKOF	SHARE OF SPECIAL BASIC AMOUNT ADJUSTMENT PENSION, 0,6

Variables created:

BOPTMANB	NUMBER OF MONTHS WITH ATP
POPTPB	ADJUSTMENT PENSION FROM ATP

First, number of months with adjustment pension from ATP is calculated.

BOPTMANB=12
If BOPTPFR>XREGAR*100 then BOPTMANB=XREGAR*100+13-BOPTPFR

If BOPTPTO > BOPTPFR then:

If BOPTPTO>XREGAR*100 then:
BOPTMANB = BOPTMANB - (XREGAR * 100 + 12 - BOPTPTO)

Else BOPTMANB=0

If the pension is withdrawn because a person has deceased or emigrated and this point of time is not corresponding to the point of time in BOPTPTO, BOPTMANB is corrected below.

If BATID > XREGAR * 100 then BOPTMANB = BOPTMANB - (XREGAR*100+12-BATID)

The adjustment pension is paid out during no more than 6 months if no child is under the age of 12.

If BOPTPFR > XREGAR * 100 and BBRN11=0 then BOPTMANB = MIN (BOPTMANB,6)

The highest possible ATP-point per year is 6.5. When you project the average point it can be no higher then 6.5.

If XTPEMP>0 then:

If (BOPMP * XTPEMP) >6.5 then BOPMP=6.5
Else BOPMP = XTPEMP * BOPMP

When you project earned ATP-years they can be no more than 30.

If XTPET>0 then:

If (BOPT * XTPET)>BOPN/10 then BOPT = BOPN/10
Else BOPT = XTPET * BOPT

When you calculate adjustment pension from ATP you consider average point, number of earned years and multiply the share of the basic amount with the special basic amount and the percentage for adjustment pension from ATP.

POPTPB = XOPTPKOF * XBASMS * BOPTPPR/10000*BOPMP*BOPT/BOPN*10

Then number of months with adjustment pension from ATP is considered.

POPTPB = BOPTMANB/12 * POPTPB

Adjustment pension from National basic pension and ATP is reduced with possible work injury annuity

If PYLOPTP>0 then POPTPB = MAX((POPTPB – PYLOPTP * XBASKOF),0)

If PYLOPFP>0 then PUOPFPB = MAX((PUOPFPB – PYLOPFP * XBASKOF),0)

1.2.7 Child pension

Child pension from ATP is 30 % of the deceased parent's ATP. If there are more children entitled to pension the percentage is increased with 20 % for each child. The total is divided equally between the children. Child pension from ATP is paid out if the deceased parent or parents had ATP or if they would have been entitled to ATP.

1.2.7.1 Calculation of child pension from ATP in the model

Variables needed:

BBPTPFR1	START TIME FOR CHILD PENSION FROM ATP, PARENT 1
BBPTPTO1	ENDING TIME FOR CHILD PENSION FROM ATP, PARENT 1
BBPTPFR2	START TIME FOR CHILD PENSION FROM ATP, PARENT 2
BBPTPTO2	ENDING TIME FOR CHILD PENSION FROM ATP, PARENT 2
BATID	TIME OF WITHDRAWAL OF ALL BENEFITS
BBPTP	CODE FOR CHILD PENSION FROM ATP
BBPTPT	CODE FOR CHILD PENSION FROM ATP, PARENT 1

BBPTP T2	CODE FOR CHILD PENSION FROM ATP, PARENT 2
BBPTYP	NUMBER OF DECEASED PARENTS
BBPMP1	AVERAGE POINT CHILD PENSION FROM ATP, PARENT 1
BBPMP2	AVERAGE POINT CHILD PENSION FROM ATP, PARENT 2
BBPT1	NUMBER OF YEARS WITH CHILD PENSION FROM ATP, PARENT 1
BBPT2	NUMBER OF YEARS WITH CHILD PENSION FROM ATP, PARENT 2
BBPN1	NUMBER OF YEARS FOR FULL CHILD PENSION FROM ATP, PARENT 1
BBPN2	NUMBER OF YEARS FOR FULL CHILD PENSION FROM ATP, PARENT 2
BBPTPPR1	PERCENTAGE FOR CHILD PENSION FROM ATP, PARENT 1
BBPTPPR2	PERCENTAGE FOR CHILD PENSION FROM ATP, PARENT 2
PBPYLTP	WORK INJURY ANNUITY DEDUCTION FROM CHILD PENSION FROM ATP
PBPYLFP	WORK INJURY ANNUITY DEDUCTION FROM ADJUSTMENT PENSION FROM NATIONAL BASIC PENSION
BBPFP	CODE FOR CHILD PENSION FROM NATIONAL BASIC PENSION
PUBPFPB	CHILD PENSION FROM NATIONAL BASIC PENSION

Parameters:

XBASM	BASIC AMOUNT, 36 400 SEK
XBASMS	SPECIAL BASIC AMOUNT, 35 672 SEK
XREGAR	REGISTER YEAR, 97

Variables created:

BBPTMNB1	NUMBER OF MONTHS WITH ATP, PARENT 1
BBPTMNB2	NUMBER OF MONTHS WITH ATP, PARENT 2
PBPTPBB1	CHILD PENSION FROM ATP, PARENT 1
PBPTPBB2	CHILD PENSION FROM ATP, PARENT 2
PBPTPBB	CHILD PENSION FROM ATP

First number of months with child pension from ATP for parent 1 is calculated.

BBPTMNB1=12
If BBPTPFR1>XREGAR*100 then BBPTMNB1=XREGAR*100+13-BBPTPFR1

If BBPTPTO1>BBPTPFR1 then:

If BBPTPTO1>XREGAR*100 then BBPTMNB1=BBPTMNB1-(XREGAR*100+12-BBPTPTO1)
Else BBPTMNB1=0

If the pension is withdrawn because a person has deceased or emigrated and this point of time is not corresponding to the point of time in BPTPTO1, BBPTMNB1 is corrected below.

If BATID>XREGAR*100 then BBPTMNB1=BBPTMNB1-(XREGAR*100+12-BATID)

When you calculate child pension from ATP you consider average point, number of earned years and multiply the share of the basic amount with the special basic amount and the percentage for child pension from ATP.

PBPTPBB1=XBPTPKOF*XBASMS*BBPTPPR1/10000*BBPMP1*BBPT1/BBPN1*10

Then you consider umber of months with child pension from ATP for parent 1.

PBPTPBB1=BBPTMNB1/12*PBPTPBB1

Below number of months with child pension from ATP for parent 2 is calculated.

BBPTMNB2=12
If BBPTPFR2>XREGAR*100 then BBPTMNB2=XREGAR*100+13-BBPTPFR2

If BBPTPTO2>BBPTPFR2 then:

If BBPTPTO2>XREGAR*100 then BBPTMNB2=BBPTMNB2-(XREGAR*100+12-BBPTPTO2)
Else BBPTMNB2=0

If the pension is withdrawn because a person has deceased or emigrated and this point of time is not corresponding to the point of time in BPTPTO2, BBPTMNB2 is corrected below.

If BATID>XREGAR*100 then BBPTMNB2=BBPTMNB2-(XREGAR*100+12-BATID)

Child pension for parent 2 is calculated as for parent 1 above.

PBPTPBB2=XBPTPKOF*XBASMS*BBPTPPR2/10000*BBPMP2*BBPT2/BBPN2*10
PBPTPBB2=BBPTMNB2/12*PBPTPBB2

The child pension for parent 1 and parent 2 is summed up.

PBPTPBB=PBPTPBB1+PBPTPBB2

Child pension from ATP is reduced with possible work injury annuity.

If PBPYLTP>0 then PBPTPBB = MAX ((PBPTPBB – PBPYLTP * XBASKOF) ,0)

The guaranteed amount child pension is 40 % of the basic amount per parent. If the sum of child pension from National basic pension and ATP is lower than that, child pension from National basic pension will be raised until the guaranteed level is reached.

If BBPFP=1 and (PUBPFPB + PBPTPBB) < BBPTYP * 0.4 * XBASM then:

PUBPFPB = BBPTYP * 0.4 * XBASM – PBPTPBB

Child pension from National basic pension is reduced with possible work injury annuity, the reduction however, can be no more than ¾.

If PYLBPFP>0 and BBPTP=1 then:

PUBPFPB = MAX ((PUBPFPB – PYLBPFP * XBASKOF), 0.25 * PUBPFPB)

Child pension from National basic pension and ATP is divided into one taxable part and one tax-free part.

PBARNSP = PUBPFPB + PBPTPBB
If BBPFP=1 then:

PBARNSF = MIN (PBARNSP, BBPTYP * 0.4 * XBASM * BBPMANB / 12)
PBARNSP = MAX (PBARNSP - PBARNSF, 0)

1.3 Supplements to the pension

A pensioner who only has National basic pension or National basic pension and a low National supplementary pension can receive supplements to the pension.

The yearly supplement to the disability pension and the temporary disability pension is 111.5% of the reduced[2] basic amount. In 1998 the supplements to pension was 39 774 SEK. The supplements to pension together with the National supplementary pension cannot exceed 111.5% of the reduced basic amount. The supplements to pension are reduced with the exceeding sum, if necessary.

The supplement to pension for retirement pension, widow's pension and adjustment pension is calculated in the same way as in the example above. But here the supplement is 55.5%, 61.5% and 61.5% of the reduced basic amount.

[2] The reduction is 2 % of the regular basic amount.

1.3.1 Calculation of supplements to retirement pension in the model.

Variables needed:

BFPGRP	GROUP OF NATIONAL BASIC PENSION
BREDFB	REDUCTION FACTOR
BUPPFB	ENUMERATION FACTOR
BFPMANB	NUMBER OF MONTHS WITH NATIONAL BASIC PENSION
BHELHALV	FULL/ ONE-HALF RETIREMENT PENSION
BHALVAAF	RETIREMENT PENSION OR DISABILITY PENSION, LESS THAN FULL TIME
PYLAAFP	WORK INJURY ANNUITY DEDUCTION FROM RETIREMENT PENSION, NATIONAL BASIC PENSION

Parameters:

XBASMS	SPECIAL BASIC AMOUNT, 35 672 SEK
XTPB	AMOUNT REDUCING THE SUPPLEMENT TO PENSION
XBASKOF	BASIC AMOUNT COEFFICIENT FOR PROJECTING, BASIC AMOUNT MODEL YEAR IN RELATION TO BASIC AMOUNT BASE YEAR

Variables created:

PAAPTSB	SUPPLEMENT TO RETIREMENT PENSION

First you decide if retirement pension is paid out and if it is full, one-half, ¼ or ¾ pension.

If BHFP=1 then K=1
If BHELHALV=2 then K=2
If BHALVAAF in (2 4 5 6 7) then XPTSKOF(K)=XPTSKOF(1)/4
If BHALVAAF in (3 9) then XPTSKOF(K)=XPTSKOF(1)*3/4

When you calculate supplement to retirement pension you first multiply the share of the basic amount with the special basic amount.

PAAPTSB = XPTSKOF(K)*XBASMS

In the second step you take into account early or postponed withdrawal and number of months with National basic pension, during the year.

PAAPTSB = BREDFB * BUPPFB * BFPMANB/12 * PAAPTSB

Supplement and ATP together can maximum be the same as full supplements to pension, or the supplement will be reduced. In the model full supplement to pension is calculated first, as if the person had no ATP. The full supplement is then reduced with XTPB, containing a person's sum of ATP.

If XTPB>0 then PAAPTSB = MAX (PAAPTSB-XTPB,0)

The supplement to retirement pension is reduced because of the work injury annuity.

If PYLAAFP>0 then PAAPTSB = MAX (PAAPTSB-PYLAAFP*XBASKOF,0)

1.3.2 Calculation of supplements to disability pension and temporary disability pension, in the model.

Variables needed:

BFPGRP	GROUP OF NATIONAL BASIC PENSION
BREDFB	REDUCTION FACTOR
BUPPFB	ENUMERATION FACTOR
BFPMANB	NUMBER OF MONTHS WITH NATIONAL BASIC PENSION
BHALVAAF	RETIREMENT PENSION OR DISABILITY PENSION, LESS THAN FULL TIME
PYLFFP	WORK INJURY ANNUITY DEDUCTION FROM DISABILITY PENSION, NATIONAL BASIC PENSION

Parameters:

XBASMS	SPECIAL BASIC AMOUNT, 35 672 SEK
XTPB	AMOUNT REDUCING THE SUPPLEMENT TO PENSION
XBASKOF	BASIC AMOUNT COEFFICIENT FOR PROJECTING, BASIC AMOUNT MODEL YEAR IN RELATION TO BASIC AMOUNT BASE YEAR

Variables created:

PFPPTSB	SUPPLEMENT TO DISABILITY PENSION / TEMPORARY DISABILITY PENSION

Below it is decided if it is disability pension or temporary disability pension, and if it s one-half, 2/3 or ¾ parts of pension.

If BHFP=2 disability pension is paid out.

If BFPGRP in (501 511 521 531) then K=3
Else if BFPGRP in (502 512 522 532) then K=4
Else if BFPGRP in (503 513 523 533) then K=5
If BHALVAAF in (2 4 8 9) then XPTSKOF(K)=XPTSKOF(5)/4
If BHALVAAF in (3 7) then XPTSKOF(K)=XPTSKOF(5)*3/4

If BHFP=3 temporary disability pension is paid out.

If BFPGRP in (501 511 521 531) then K=6
Else if BFPGRP in (502 512 522 532) then K=7
Else if BFPGRP in (503 513 523 533) then K=8
If BHALVAAF in (2 4 8 9) then XPTSKOF(K)=XPTSKOF(8)/4
If BHALVAAF in (3 7) then XPTSKOF(K)=XPTSKOF(8)*3/4

Supplements to disability pension is calculated in the same way as supplements to retirement pension above. First the share of the basic amount is multiplied with the special basic amount.

PFPPTSB = XPTSKOF(K) * XBASMS

Then you take into account early or postponed withdrawal and number of months with National basic pension, during the year.

PFPPTSB = BREDFB * BUPPFB * BFPMANB/12*PFPPTSB

Supplement and ATP together can maximum be the same as full supplements to pension, or the supplement will be reduced. In the model full supplement to pension is calculated first, as if the person had no ATP. The full supplement is then reduced with XTPB, containing a person's sum of ATP.

If XTPB>0 then PFPPTSB = MAX (PFPPTSB-XTPB,0)

The supplement to disability pension is reduced because of the work injury annuity.

If PYLFFP>0 then PFPPTSB = MAX (PFPPTSB-PYLFFP*XBASKOF,0)

1.3.3 Calculation of supplements to widow's pension in the model.

Variables needed:

BAEPFP	CODE FOR WIDOW'S PENSION
BOPFP	CODE FOR ADJUSTMENT PENSION FROM NATIONAL BASIC PENSION
BAEP15D	NUMBER OF FIFTEENTH PARTS FOR WIDOW'S PENSION
PYLAEFP	WORK INJURY ANNUITY DEDUCTION FROM WIDOW'S PENSION, NATIONAL BASIC PENSION

Parameters:

XBASMS	SPECIAL BASIC AMOUNT, 35 672 SEK
XAEPTSKO	SUPPLEMENT'S SHARE OF BASIC AMOUNT – WIDOW'S PENSION
XTPB	AMOUNT REDUCING THE SUPPLEMENT TO PENSION
XBASKOF	BASIC AMOUNT COEFFICIENT FOR PROJECTING, BASIC AMOUNT MODEL YEAR IN RELATION TO BASIC AMOUNT BASE YEAR

Variables created:

PAEPTSB	SUPPLEMENT TO WIDOW'WS PENSION

If BAEPFP=1 and BOPFP=0 widow's pension is paid out.

If the widow has not reached the age of 50 at the time of her husband's death and is not living together with children under the age of 16, the pension is reduced with one fifteenth part for every year that she is younger than 50.

When you calculate supplement to widow's pension you multiply the share of the basic amount with the special basic amount and number of fifteenth parts.

PAEPTSB = XAEPTSKO * BAEP15D/15 * XBASMS

In the second step you take into account early or postponed withdrawal and number of months with National basic pension, during the year.

PAEPTSB = BREDFB * BUPPFB * BAEPMANB/12 * PAEPTSB

Supplement and ATP together can maximum be the same as full supplements to pension, or the supplement will be reduced. In the model full supplement to pension is calculated first, as if the person had no ATP. The full supplement is then reduced with XTPB, containing a person's sum of ATP.

If XTPB>0 then PAEPTSB=MAX (PAEPTSB-XTPB,0)

The supplement to widow's pension is reduced because of the work injury annuity.

If PYLAEFP>0 then PAEPTSB = MAX (PAEPTSB-PYLAEFP*XBASKOF,0)

1.3.4 Calculation of supplements to adjustment pension in the model

Variables needed:

BOPFP	CODE FOR ADJUSTMENT PENSION FROM NATIONAL BASIC PENSION
BOPTYP	TYPE OF ADJUSTMENT PENSION
BOPSEPD	EXTENT OF SPECIAL SURVIVING PENSION
BOPMANB	NUMBER OF MONTHS WITH ADJUSTMENT PENSION
PYLOPFP	WORK INJURY ANNUITY DEDUCTION FROM ADJUSTMENT PENSION, NATIONAL BASIC PENSION

Parameters:

XOPPTSKO	SUPPLEMENT'S SHARE OF BASIC AMOUNT – ADJUSTMENT PENSION
XBASMS	SPECIAL BASIC AMOUNT, 35 672 SEK
XTPB	AMOUNT REDUCING THE SUPPLEMENT TO PENSION
XBASKOF	BASIC AMOUNT COEFFICIENT FOR PROJECTING, BASIC AMOUNT MODEL YEAR IN RELATION TO BASIC AMOUNT BASE YEAR

Variables created:

POPPTSB	SUPPLEMENT TO ADJUSTMENT PENSION

If BOPFP =1 adjustments pension is paid out.

When you calculate supplement to adjustment pension the share of the basic amount is multiplied with the special basic amount.

POPPTSB = XOPPTSKO * XBASMS

Then you take into account early or postponed withdrawal and number of months with adjustment pension from National basic pension, during the year.

POPPTSB = BREDFB * BUPPFB * BOPMANB/12 * POPPTSB

Adjustment pension can be full, one-half or 2/3.

If BOPTYP=3 and BOPSEPD =1 then POPPTSB = POPPTSB/2

Else if BOPTYP=3 and BOPSEPD=2 then POPPTSB=POPPTSB*2/3

Supplement and ATP together can maximum be the same as full supplements to pension, or the supplement will be reduced. In the model full supplement to pension is calculated first, as if the person had no ATP. The full supplement is then reduced with XTPB, containing a person's sum of ATP.

If XTPB>0 then POPPTSB = MAX (POPPTSB-XTPB,0)

The supplement to adjustment pension is reduced because of the work injury annuity.

If PYLOPFP>0 then POPPTSB = MAX (POPPTSB-PYLOPFP*XBASKOF,0)

1.4 Sum of pension benefits

Below the pension benefits National basic pension (PFPB), National supplementary pension (PATP), supplements to pension (PPTS) and National basic pension including supplements to pension (PFP) is summed up.

```
PFPB  = UAAFPB + PUFFPB + PUAEFPB + PUOPFPB + PUHTB + PUBTB
PPTS  = PAAPTSB + PFPPTSB + PAEPTSB + POPPTSB
PFP   = PFPB + PPTS
PATP = PAETPB + POPTPB + PAATPB + PFFTPB
```

In the sums above child pension is not included.

Then taxable and tax-free pension and total pension is created. Child pension is now included.

```
PPENSSP = MAX(XPENSSP + PFP + PATP + PBARNSP,0)
PPENSSF = MAX(XPENSSF + PBARNSF+(1-1/XBASKOF)*IHKAP+PSPTB,0)
PPENS   = PPENSSP + PPENSSF
```

To the sum of National basic pension above (PFPB) child pension and special pension supplement is added.

```
PFPB = PFPB + PUBPFPB + PSPTB
```

Next the sum of National basic pension and supplements to pension is created and also the sum of National supplementary pension and child pension from ATP.

```
PFP =PFPB + PPTS
PATP =PATP + PBPTPBB
```

At last National basic pension, National supplementary pension and any occupational pension is summed up. This variable is later used in the model when calculating taxes.

```
TPENSXM = PFP + PATP + PITP + PSTP + PTJP
```

2 Unemployment benefit

2.1 Unemployment insurance Fond (A-kassa)

The unemployment insurance fond consists of two parts, the basic insurance and the voluntary income related insurance.

2.1.1 Basic insurance

The Basic insurance is 240 SEK per day. The benefit can be received from the 1st of June the year the unemployed turns 20 years of age. An individual has to meet one of the following two conditions to receive the benefit. The two conditions are a working condition and a studying condition. The working condition states that you during the last 12 months must have been working at least 6 months and at least 70 hours a month. The other possibility to meet the working condition is that you have been working at least 450 hours during a continuous period of 6 months. The studying condition states that you have finished a full-time education lasting at least one year. Within 10 months after the education, during at least 90 days, should you have been working or been registered at the national employment office as "unemployed".

2.1.2 Voluntary income related insurance

An individual who is insured in the Unemployment insurance fond and becomes unemployed can be compensated. The benefits are income related and are 80 % of the former income. In 1998 the maximum benefit was 580 SEK per day, whereas the minimum benefit was 240 SEK per day. The unemployed gets his benefit for 5 days a week. The benefit is paid out no longer than for 300 days. If the unemployed is 57 years or older the period is extended to 450 days. The first 5 days of unemployment are waiting days and during that time no money is paid out. The unemployment insurance is voluntary and is also open for self-employed people.

There are some conditions which have to be met to receive the benefit. You have to be insured in the unemployment insurance fond, be unemployed, fit for work and willing to take a job if offered. You also have to be registered at the national employment office and been a member in the unemployment insurance fond for 12 months in a row.

2.2 Work Experience Scheme (ALU)

The Work Experience Scheme gives the unemployed an opportunity to work during a short period of time. The purpose is to prevent the unemployed from losing his competence and the connection with the job sector. An individual who takes part in a work experience scheme can keep his benefit from the unemployment insurance fond. The upper time limit for a work experience scheme is 6 months.

The conditions for taking part in a work experience scheme are as follows: You have to be at least 20 years old, receive payment from the unemployment insurance fond and unable to find a job on the regular labour market. The work experience scheme should be terminated if the unemployed gets a job.

2.3 Employment Training (AMU)

Employment Training courses give unemployed people the opportunity to further development, without losing their benefit from the unemployment insurance fond. This training allowance is designed for employment training, preparatory vocational training and introductory computer training. It is also possible for immigrants with a higher education to participate in a supplementary course and within that education get 6 months practise to make it easier for them to find a job. The training allowance can also be used to give those who take part in the training program opportunities to develop their own business concepts and later on start their own firms and be self-employers.

An individual can participate in employment training courses from the 1st of July that year he or she turns 20 years old. To have the opportunity to apply for employment training you have to be unemployed or run the risk of become unemployed. You should also be registered at the national employment office.

2.4 Calculation of Unemployment benefit in the model

Variables needed when calculating per diem allowances:

WDKOD	SHARE OF FULLTIME WORK
WCSGI	INCOME QUALIFYING FOR PENSION, THE MODELLED YEAR
ZKARENS	SHARE OF 5 WAITING DAYS
TKASSA	BENEFIT FROM UNEMPLOYMENT INSURANCE FOND, A-KASSA
WDAGEAK	NUMBER OF DAYS AS UNEMPLOYD, A-KASSA
TKUALU	BENEFIT FROM WORK EXPERIENCE SHEME, ALU
WDAGALU	NUMBER OF DAYS AS UNEMPLOYD, ALU
TARBUT	BENEFIT FROM EMPLOYMENT TRAINING, AMU
WDAGUTB	NUMBER OF DAYS AS UNEMPLOYD, AMU

Parameters needed:

XKARENSD	NUMBER OF WAITING DAYS
XEAKMAX	MAXIMUM PER DIEM ALLOWANCE A-KASSA, 580 SEK
XEAKMIN	MINIMUM PER DIEM ALLOWANCE A-KASSA, 240 SEK
XEAKPROC	PER CENT COMPENSATION OF ORDINARY INCOME, A-KASSA, 0,80
XALUMAX	MAXIMUM PER DIEM ALLOWANCE ALU, 580 SEK
XALUMIN	MINIMUM PER DIEM ALLOWANCE ALU, 240 SEK
XUTBMAX	MAXIMUM PER DIEM ALLOWANCE, AMI ETC., 580 SEK
XUTBMIN	MINIMUM PER DIEM ALLOWANCE, AMI ETC., 240 SEK
XUTBUNG	PER DIEM ALLOWANCE, AMI ETC., - 19 YEARS , 240 SEK

Variables created:

TKASSA	BENEFIT FROM UNEMPLOYMENT INSURANCE FOND, A-KASSA
TKUALU	BENEFIT FROM WORK EXPERIENCE SHEME, ALU
TARBUT	BENEFIT FROM EMPLOYMENT TRAINING, AMU
TARBST	TOTAL UNEMPLOYMENT BENEFIT
XARBLDAG	NUMBER OF DAYS AS UNEMPLOYED
BARBLMAN	NUMBER OF MONTHS AS UNEMPLOYED

2.4.1 Unemployment Insurance Fond, (A-kassa)

In the micro simulation model you first try if the person has received benefit from unemployment insurance fond.

If TKASSA>0 or WDAGEAK>0 then,

Then you calculate maximum and minimum benefit depending on the share of fulltime work that the person has been working.

DAGMAX = WDKOD * XEAKMAX
DAGMIN= WDKOD * XEAKMIN

When per diem allowance is calculated you consider the per cent compensation of ordinary income, share of fulltime work and income qualifying for pension divided with 264, (22 work days per month times 12).

DAGERS = XEAKPROC * WDKOD * WCSGI / 264

The per diem allowance is then tested against the maximum and minimum benefit.

DAGERS=MIN(DAGMAX,DAGERS)
DAGERS=MAX(DAGMIN,DAGERS)

The total calculated benefit from A-kassa depends on number of days with benefit, number of waiting days and the calculated per diem allowance.

TKASSA = MAX(0, (WDAGEAK – ZKARENS * XKARENSD)) * DAGERS

2.4.2 Work Experience Scheme, (ALU)

Benefit for Work Experience Scheme is calculated in the same way as for A-kassa.

If TKUALU>0 or WDAGALU>0 then,

DAGMAX = WDKOD * XALUMAX
DAGMIN = WDKOD * XALUMIN

DAGERS = XEAKPROC * WDKOD * WCSGI/264

DAGERS = MIN (DAGMAX, DAGERS)
DAGERS = MAX(DAGMIN, DAGERS)

TKUALU = MAX (0, (WDAGALU –ZKARENS * XKARENSD)) * DAGERS

2.4.3 Employment Training, (AMU)

Employment Training is also calculated in the same way except when you calculate benefit for Employment Training share of fulltime work and waiting days is not considered.

If TARBUT>0 or WDAGUTB>0 then,

DAGMAX = XUTBMAX
DAGMIN = XUTBMIN

DAGERS = XEAKPROC * WCSGI / 264

DAGERS = MIN (DAGMAX, DAGERS)
DAGERS = MAX (DAGMIN, DAGERS)

If you are under the age of 20, per diem allowance is 240 SEK.

If BALD<20 then DAGERS = XUTBUNG

TARBUT = WDAGUTB * DAGERS

2.4.4 Total Unemployment benefit

The micro simulation model then sums up the benefits for Unemployment Insurance Fond, Work Experience Scheme and Employment training to total unemployment benefit.

TARBST=TKASSA+TKUALU+TARBUT

The model also calculates number of days and months as unemployed. These variables can be useful if you for example want to study long-term unemployment.

XARBLDAG = WDAGEAK + WDAGALU + WDAGUTB

BARBLMAN = MIN (XARBLDAG / 22, 12)

3 Sickness allowance

3.1 Employed

If you are employed you are entitled to sick pay from the employer for the first 14 days of your period of illness. If you are still ill after 14 days your employer will notify the social insurance office. From the 15th day you may draw sickness allowance from the social insurance office.

3.2 Self-employed and unemployed

If you are self-employed or unemployed you may draw sickness allowance from the social insurance office. No benefit is paid for the first day, which is a waiting day. If you are self-employed you must pay your own charge for your sickness insurance together with your taxes. You can choose between 3 and 30 waiting days (during which you receive no sickness allowance). Your charge will be lower if you have a longer waiting period.

3.3 The size of the sickness allowance

Income qualifying for sickness allowance is the expected yearly income before taxes. Other taxable benefits than monetary compensation should not be included, nor should taxable compensation for expenses. For self-employed it's the net income from the business.

The minimum income qualifying for sickness allowance is 8 800 SEK, maximum is 7.5 times the base amount, 273 000 SEK 1998. Sickness allowance is 80 % of the income qualifying for sickness allowance divided by 365. Sickness allowance is paid 7 days a week.

You may draw full, three-quarter, half or one-quarter sickness allowance, depending on the extent to which you have to stay away from work.

3.4 Allmänt och särskilt högriskskydd

The maximum number of waiting days is 10 days, during a period of 12 months. If you are sick more then 10 times you can get allowance from the first day.

If you are suffering from a medically established illness which makes you stay home from work often you can also get sickness allowance or sick pay from the first day.

3.5 Rehabilitation

Rehabilitation is a concept which covers all that has to be done to enable you to resume working after illness or injury.

3.5.1 Rehabilitation allowance

When you receive rehabilitative treatment you are entitled to rehabilitation allowance. Rehabilitation allowance consists of rehabilitation cash benefit and "special benefit". Rehabilitation cash benefit is supposed to cover the loss of income that arises when you participate in rehabilitation. You may draw full, three-quarter, half or one-quarter rehabilitation cash benefit. Full rehabilitation cash benefit is 80 % of the income qualifying for sickness allowance divided by 365. Special benefit is supposed to cover certain costs that arise in connection with rehabilitation.

4 Parental allowance

4.1 Pregnancy allowance

If you are pregnant you are entitled to be transferred to other duties if you have a physically heavy job that you cannot do because of the pregnancy.

If the employer cannot transfer you, you can draw pregnancy allowance if:

- your capacity for work is reduced by at least one quarter on account of the pregnancy and you have a physically heavy job
- you have a job that you cannot do because of risks in the work environment.

You may draw pregnancy allowance for a maximum of 50 days and not earlier than 60 days before the expected date of birth of the baby. You cannot draw pregnancy allowance for the last 10 days before expected confinement. If you have such work that you can work for part of the day, you can apply for three-quarters, one-half or one-quarter pregnancy allowance.

Full pregnancy allowance is 80 % of the income qualifying for sickness allowance divided by 365. Income qualifying for sickness allowance is the expected income for the coming year before taxes. Other taxable benefits than monetary compensation should not be included, nor should taxable compensation for expenses.

4.1.1 Calculation of pregnancy allowance

Variables:

TFORH	PREGNANCY ALLOWANCE
CSGIMA	MAX INCOME QUALIFYING FOR SICKNESS ALLOWANCE
BHP	NUMBER OF DAYS WITH PREGNANCY ALLOWANCE DURING THE YEAR

Parameters:

XHP	DEGREE OF COMPENSATION, PREGNANCY ALLOWANCE, 0.80
XBARN2	CHANGE IN NUMBER OF CHILDREN, FROM YEAR OF INCOME TO MODEL YEAR, AGE 0-2

Calculation:

```
TFORH=TFORH+CSGIMA/365*BHP*XHP*XBARN2
```

The model can handle up to 3 children. That is why TFORH is on both sides of the equal sign. Pregnancy allowance for child number 1 is calculated first. That sum is placed in TFORH when the pregnancy allowance for child number 2 is calculated. The same principle is used if there are 3 children.

4.2 Parental allowance in connection with birth of a child or adoption of a child

In connection with the birth of a child (or adoption of a child under 10 years of age) parents are entitled to parental allowance for 450 days. The days can be drawn until the child is eight years old or has completed first class at school, whichever comes last. You can choose between drawing full, three-quarters, one-half or one-quarter parental allowance.

The days of parental allowance are divided equally between the parents. All but 30 days may be transferred to the other parent. A person who is the sole legal guardian is entitled to all the days himself/herself.

Full parental allowance is 80 % of the income qualifying for sickness allowance divided by 365, for 360 days. For 90 days, the parental allowance is SEK 60, which is called the guarantee level.

4.2.1 Calculation of parental allowance in connection with birth/adoption

Variables:

TFORPF	PARENTAL ALLOWANCE BIRTH OR ADOPTION
CSGIMAR	MAX INCOME QUALIFYING FOR SICKNESS ALLOWANCE ACCORDING TO THE NATIONAL SOCIAL INSURANCE BOARD
BFA(I)	NUMBER OF DAYS WITH PARENTAL ALLOWANCE DURING THE YEAR
BFSJ(I)	NUMBER OF DAYS, PARENTAL ALLOWANCE WITH GUARANTE LEVEL DURING THE YEAR
BFGAR(I)	NUMBER OF DAYS WITH GUARANTE LEVEL (MAX 90) DURING THE YEAR

Parameters:

XGARATI	DAILY CASH BENIFIT, GUARANTEE LEVEL, 60 SEK
XFPN	DEGREE OF COMPENSATION, PARENTAL ALLOWANCE, 0.80
XBARN2	CHANGE IN NUMBER OF CHILDREN, FROM YEAR OF INCOME TO MODEL YEAR, AGE 0-2

Calculation:

The model sums up to 3 children.

TFORPF=TFORPF+(MAX(CSGIMAR/365, XGARATI/XFPN)*MAX(BFA(1)-BFSJ(1)-BFGAR(1), 0)*XFPN+XGARATI*BFSJ(1)-BFGAR(1), 0)*XFPN+XGARATI*BFS(1)+XGARATI*BFGAR(1)*XBARN2

4.2.2 Temporary parental allowance for the father

A person who has just become the father of a child is entitled to 10 days leave on temporary parental allowance in connection with the child's birth or adoption. These days are not counted in the other days of parental allowance in connection with a birth or an adoption.

4.2.2.1 Calculation of temporary parental allowance for the father

Variables:

TFORF	PARENTAL ALLOWANCE, FATHER 10 DAYS
CSGIMA	MAX INCOME QUALIFYING FOR SICKNESS ALLOWANCE
BTF10(I)	NUMBER OF DAYS WITH TEMPORARY PARENTAL ALLOWANCE DURING THE YEAR, FATHER (MAX 10)

Parameters:

XTFP10	DEGREE OF COMPENSATION, FATHER 10 DAYS, 0.80
XBARN2	CHANGE IN NUMBER OF CHILDREN, FROM YEAR OF INCOME TO MODEL YEAR, AGE 0-2

Calculation:

The model sums up to 3 children. The income qualifying for sickness allowance is divided by the number of workdays holidays included (260).

```
TFORF=TFORF+CSGIMA/260*BTF10(I)*XTFP10*XBARN2
```

4.3 Temporary parental allowance

If you must stay at home to care for a sick child who has not reached the age of 12, you may be entitled to a temporary parental allowance. This also applies if the person who normally cares for the child falls ill.
If you must visit a doctor or the child health centre with your child, you can also draw temporary parental allowance. Parents together are entitled to temporary parental allowance for 60 days per child per year.
Benefits can be paid for a whole, three-quarter, one-half or one-quarter day, according to how much time you need to take off work. You cannot draw benefits for non-working days

4.3.1 Calculation of temporary parental allowance

Variables:

TFORPT	TEMPORARY PARENTAL ALLOWANCE
CSGIMA	MAX INCOME QUALIFYING FOR SICKNESS ALLOWANCE
BTF(I)	NUMBER OF DAYS WITH TEMPORARY PARENTAL ALLOWANCE DURING THE YEAR

Parameters:

XGARATI	DAILY CASH BENIFIT, GUARANTEE LEVEL, 60 SEK
XTFPN	DEGREE OF COMPENSATION, PARENTAL ALLOWANCE, 0.80
XBARN8	CHANGE IN NUMBER OF CHILDREN, FROM YEAR OF INCOME TO MODEL YEAR, AGE 0-8

Calculation:

The model sums up to 3 children. The income qualifying for sickness allowance is divided by the number of workdays holidays included (260).

```
TFORPT=TFORPT+MAX(CSGIMA/260, XGARATI/XTFPN)*BTF(I)*XTFPN*XBARN8
```

4.4 Total parental allowance

The total parental allowance is calculated by summing up the different parental allowances calculated above.

Calculation:

+TFORH	PREGNANCY ALLOWANCE
+TFORPF	PARENTAL ALLOWANCE BIRTH OR ADOPTION
+TFORF	PARENTAL ALLOWANCE, FATHER 10 DAYS
+TFORPT	TEMPORARY PARENTAL ALLOWANCE
=	
TFORP	TOTAL PARENTAL ALLOWANCE

5 Direct taxes, income year 1998

5.1 Taxes from earnings

Wages, incomes from business, private and public pensions, parents allowance, sickness allowance and unemployment benefits are included in the incomes from gainful employment.

5.1.1 Income from employment and taxable benefits

Income from employment and taxable benefits is calculated by summing up earnings from gainful employment and governmental contributions and then making deductions for travels and sickness allowance for employers etc.

Calculation of income from employment and taxable benefits:

+TLON	WAGES
+TSJO	SEAMEN'S INCOME [3]
+TKULONF	CAR PRIVILEGIES ETC.
+TSJUKP	SICKNESS ALLOWANCE
+PPENSSP	PENSIONS LIABLE TO TAX
+TARBST	TOTAL UNEMPLOYMENT BENEFIT
+TFORP	TOTAL PARENTAL ALLOWANCE
+TKERS	RECEIVED COMPENSATION FOR COSTS
+TAGSTFA	INCOME COOP.INSURANCE FROM EMPLOYER /FOR BLUE COLLER
+TVARD	BENEFIT FOR CARE OF HANDICAPPED CHILDREN
+TSKADE	BENEFIT FOR WORK INJURIES
+TVUXSTU	EDUCATIONAL BENFITS ADULTS
+TUTBDOK	STUDY GRANTS POST GRADUATE STUDIES
+THOBBY	INCOME FROM HOBBY
+TFOAB	INCOME CLOSE COMPANY
+TOVR	INCOME LIABLE TO TAX, WITH NO PENSION RIGHTS
+TPERU	TAXABLE PERIODIC SUPPORT
+TREST	RESIDUAL TAXABLE INCOME
-TATJR	DEDUCTION BUSINESS TRAVELS
-ZTAKOST	STANDARD DEDUCTION VARIOUS COSTS
-ZTARESE	DEDUCTION FOR TRAVELS BETWEEN HOME AND WORK
-TADUBB	DEDUCTION DOUBLE LIVING

[3] The year 1997 was seamen's income taxed separately. From the year of 1998 is it included in TLON.

-NSJUKPF SICKNESS ALLOWANCE, SELF EMPLOYED
=
TTJ INCOME FROM EMPLOYMENT

5.1.2 Income from business

The next step is to calculate income from business. An income from business can either come from an active business or a passive business. A business, which occupies at least a third of the time of a regular full-time employment, is considered an active business.

Calculation of income from business:

+NAKT INCOME FROM ACTIVE BUSINESS
+NPAS INCOME FROM PASSIVE BUSINESS
=
NRV INCOME FROM BUSINESS

5.1.3 Assessed earning

Assessed earning is the sum of income from employment and business subtracted with general deductions.

Calculation of assessed earning:

+TTJ INCOME FROM EMPLOYMENT
+NRV INCOME FROM BUSINESS
-APENS DEDUCTION PRIVATE PENSION INSURANCES
-APERU DEDUCTION PERIODIC MAINTENANCE PAID
-ANAKT DEDUCTION NEW STARTED COMPANY
=
CTXFVI ASSESSED EARNING

5.2 Income from capital

To be able to calculate tax on income from capital the variable capital income must be created (KKAP). This is done by summing all the taxable incomes from capital and then making deductions for the deductible costs from capital, like paid interests and capital loss. Interests received, paid interests, capital gain and capital loss are created in the model.

5.2.1 Interests received

The variable (KIRANTA) consists of the variables stated below.

Calculation of interests received:

+KKURTA BANKINTERESTS
+KKUVP INTERESTS, BONDS AND OTHER SECURITIES
+KKURBO INTEREST CONTRIBUTION, OWN HOME AND LEISURE HOUSE
+KKUUTD DIVIDENDS
+KIRREST RESIDUAL INTERESTS

=
KIRANTA TOTAL TAXABLE INTERESTS RECEIVED

KIRREST is created in the model. The other variables are collected from external registers.

5.2.2 Paid interests

The variable (KASKU) consists of the variables stated below.

Calculation of paid interests:

+KASKUEG PAID INTEREST OWN HOME
+KASKUFR PAID INTEREST LEISURE HOUSE
+KASKUBR PAID INTEREST COOPERATIVE FLAT
+KATOMT PAID INTEREST SITE-LEASEHOLD RIGHT
+KAREST RESIDUAL PAID INTERESTS
=
KASKU PAID INTERESTS

KAREST is created in the model. KASKU and KATOMT are collected from external registers. KASKU is divided into KASKUEG, KASKUFR and KASKUBR.

5.2.3 Capital gain/loss

A capital gain or loss is the difference between the purchase value and the sell value on for instance stocks, funds, bonds and stock options. How big part of the capital gain or loss that is taxable depends on the item that has been sold.

5.2.3.1 Calculation of capital gain/loss when bonds etc. have been sold

The first calculation is the capital gain or loss when bonds, other personal property or shares in a trading company have been sold. Art, stamp collections and precious stones are examples of other personal property. If the personal property has been in possession for own use a deduction of 50 000 SEK can be made from the capital gain.

Variables needed when calculating taxable capital gain/loss:

KVOBLMM CAPITAL GAIN, BONDS
KFOBLMM CAPITAL LOSS, BONDS
KVPERS CAPITAL GAIN, OTHER PERSONAL PROPERTY FOR OWN USE
KFPERS CAPITAL LOSS, OTHER PERSONAL PROPERTY FOR OWN USE
KVEJPER CAPITAL GAIN, OTHER PERSONAL PROPERTY NOT FOR OWN USE
KFEJPER CAPITAL LOSS, OTHER PERSONAL PROPERTY NOT FOR OWN USE
KVVAL CAPITAL GAIN, FOREIGN CURRENCY
KFVAL CAPITAL LOSS, FOREIGN CURRENCY
KVHB CAPITAL GAIN WHEN SELLING SHARES IN TRADING COMPANY
KFHB CAPITAL LOSS WHEN SELLING SHARES IN TRADING COMPANY
KVOVR RESIDUAL CAPITAL GAINS
KFOVR RESIDUAL CAPITAL LOSSES

ZKV TEMPORARY VARIABLE, TAXABLE CAPITAL GAIN

ZKF TEMPORARY VARIABLE, DEDUCTIBLE CAPITAL LOSS

Calculation of taxable gain/loss:

ZKV=KVOBLMM+MAX(KVPERS-50 000, 0)+KVEJPER+KVVAL+KVHB+KVOVR
ZKF= KFOBLMM+KFEJPER+KFVAL+KFHB+KFOVR

5.2.3.2 Calculation of capital gain/loss when stocks etc. have been sold

The capital gain/loss related to sales of stocks, funds and options is calculated below. It is allowed to deduct 100% of a capital loss from a capital gain when selling stocks, funds and options.

Variables needed when calculating taxable capital gain and deductible loss from stocks etc:

KVAKTI	CAPITAL GAIN, STOCKS
KFAKTI	CAPITAL LOSS, STOCKS
KVOPT	CAPITAL GAIN, OPTIONS
KFOPT	CAPITAL LOSS, OPTIONS
KVAFOND	CAPITAL GAIN, FUNDS
KFAFOND	CAPITAL LOSS, FUNDS
ZAFO	TOTAL CAPITAL GAIN/LOSS AFTER DEDUCTION

Calculation of taxable gain and deductible capital loss:

ZAFO=KVAKTI+KVOPT+KVAFOND-(KFAKTI+KFOPT+KFAFOND)

If capital gain ZAFO>0:
ZKV=ZKV+ZAFO

If capital loss ZAFO<0:
ZKF=ZKF+ABS(ZAFO)

The next step is to calculate capital gain/loss from stocks not listed on the stock exchange. From the year of 1998 it is allowed to deduct a capital loss from stocks not listed on the stock exchange from capital gains of other not listed stocks, regular stocks and other stock related property.

Variables needed when calculating taxable capital gain and deductible capital loss from stocks not listed on the stock exchange:

KVENOT	CAPITAL GAIN, STOCKS NOT LISTED ON THE STOCK EXCHANGE
KFENOT	CAPITAL LOSS, STOCKS NOT LISTED ON THE STOCK EXCHANGE
ZONO	TOTAL CAPITAL GAIN/LOSS AFTER DEDUCTION
ZKVEM	TOTAL CAPITAL GAIN, STOCKS NOT LISTED
ZKFEM	TOTAL CAPITAL LOSS, STOCKS NOT LISTED

Calculation of capital gain/loss from stocks not listed on the stock exchange:

ZONO=KVENTOT-KFENOT

If capital gain ZONO>0:
ZKVEM=ZONO

If capital loss ZONO<0:
ZKFEM=ABS(ZONO)

A subtraction of a capital loss from selling stocks not listed on the stock exchange from a capital gain from selling stocks and other stock related property is done in the calculation below.

Calculation:

ZKV=ZKV-ZKFEM
If ZKFEM is greater in absolute numbers than ZKV then the calculation is done as follows:
ZKFEM=ZKFEM-ZKV

5.2.3.3 Calculation of capital gain/loss when real property has been sold

The final step before summing up the total capital gain/loss is to calculate the capital gain/loss from selling different kind of real property. For private dwelling houses special rules are applied. According to the main rule 50% of the capital gain is taxable and 50 % of the capital loss is deductible. According to the transitional rule 100% of a capital gain is taxable but only 50% of a capital loss is deductible. It is allowed to choose the most favourable rule. The way to calculate expenditures when selling dwelling houses differs between the two rules. That is why the capital gain and loss differs depending on what rule that has been used.

Calculation of capital gain/loss when a dwelling house has been sold, main rule:

+0,5*KVSMA	CAPITAL GAIN, DWELLING HOUSE
=ZKVBO	TAXABLE CAPITAL GAIN, DWELLING HOUSE
+0,5*KFSMA	CAPITAL LOSS, DWELLING HOUSE
=ZKFBO	DEDUCTIBLE CAPITAL LOSS, DWELLING HOUSE

Calculation of capital gain/loss when a dwelling house has been sold, transitional rule:

+KVSMA	CAPITAL GAIN, DWELLING HOUSE
=	
ZKVBO	TAXABLE CAPITAL GAIN, DWELLING HOUSE
+0,5*KFSMA	CAPITAL LOSS, DWELLING HOUSE
=	
ZKFBO	DEDUCTIBLE CAPITAL LOSS, DWELLING HOUSE

The main rule for dwelling houses is also applicable when selling cooperative flats.

Calculation of capital gain/loss when a cooperative flat has been sold:

+0,5*KVBR	CAPITAL GAIN, COOPERATIVE FLAT
=	
ZKVBO	TAXABLE CAPITAL GAIN, COOPERATIVE FLAT

+0,5*KFBR	CAPITAL LOSS, COOPERATIVE FLAT
=	
ZKFBO	DEDUCTIBLE CAPITAL LOSS, COOPERATIVE FLAT

According to the main rule 90% of the capital gain is taxable and 63% of a capital loss is deductible, when selling a factory or business building. If the transitional rule is being used 100% of a capital gain is taxable. If there is a capital loss 63% is deductible.

Calculation of capital gain/loss when a factory or business building has been sold, main rule:

+0,9*KVNA	CAPITAL GAIN, BUSINESS BUILDING
=	
ZKVNA	TAXABLE CAPITAL GAIN, BUSINESS BUILDING
+0,63*KFNA	CAPITAL LOSS, BUSINESS BUILDING
=	
ZKFNA	DEDUCTIBLE CAPITAL LOSS, BUSINESS BUILDING

Calculation of capital gain/loss when a factory or business building has been sold, transitional rule:

+KVNA	CAPITAL GAIN, BUSINESS BUILDING
=	
ZKVNA	TAXABLE CAPITAL GAIN, BUSINESS BUILDING
+0,63*KFNA	CAPITAL LOSS, BUSINESS BUILDING
=	
ZKFNA	DEDUCTIBLE CAPITAL LOSS, BUSINESS BUILDING

5.2.3.4 Calculation of total taxable capital gain/loss

The last step is to sum up the different taxable capital gains and deductible capital losses.

Calculation of the total taxable capital gain from stocks etc.:

+ZKV	CAPITAL GAIN, STOCKS ETC
+ZKVEM	CAPITAL GAIN, STOCKS NOT LISTED ON THE STOCK EXCHANGE
=	
ZKVS	TOTAL TAXABLE CAPITAL GAIN, STOCKS ETC.

Calculation of the total deductible capital loss from stocks etc.:

Only 70% of a capital loss from stocks etc. is deductible. For that reason a parameter, XREAFP, is being used in the calculation.

(+ZKF	CAPITAL LOSS, STOCKS ETC.
+ZKFEM)	CAPITAL LOSS, STOCKS NOT LISTED ON THE STOCK EXCHANGE
*XREAFP	THE SHARE OF THE CAPITAL LOSS THAT IS DEDUCTIBLE, 0.70
=	
ZKFS	TOTAL DEDUCTIBLE CAPITAL LOSS, STOCKS ETC.

Calculation of total taxable capital gains and deductible capital losses:

+ZKVS	TOTAL TAXABLE CAPITAL GAIN, STOCKS ETC.
-ZKFS	TOTAL TAXABLE CAPITAL LOSS, STOCKS ETC.
+ZKVBO	TAXABLE CAPITAL GAIN, OWN HOME
-ZKFBO	DEDUCTIBLE CAPITAL LOSS, OWN HOME
+ZKVNA	TAXABLE CAPITAL GAIN, BUSINESS BUILDING
-ZKFNA	DEDUCTIBLE CAPITAL LOSS, BUSINESS BUILDING
=	
ZKAPREA	TOTAL TAXABLE/DEDUCTIBLE CAPITAL GAINS/LOSSES

If ZKAPREA>0 then ZKAPREA=KV, If ZKAPREA<0 then ZKAPREA=KF

5.2.4 Capital income

Calculation of capital income:

+KIRANTA	TOTAL TAXABLE INTERESTS RECEIVED
+KUTHYR	INCOME FROM HIRING OUT DWELLING
+KIRFOR	POSITIVE INTERESTS DEVIDED HOME AND COMPANY
+KV	TOTAL TAXABLE CAPITAL GAINS
-KASKU	PAID INTERESTS
-KAFORV	ADMINISTRATION COSTS CAPITAL
-KARFOR	NEGATIVE INTERESTS DEVIDED HOME AND COMPANY
-KF	DEDUCTABLE CAPITAL LOSSES
=	
KKAP	CAPITAL INCOME

5.3 Taxable income

The taxable income is calculated by taking the assessed earning and reduce it with basic deduction, general pension fee and seamen's income deduction. Assessed earning has already been calculated in section 1.1.3. In the following sections basic deduction, special basic deduction and general pension fee are being described.

5.3.1 Basic deduction

A basic deduction can be made when calculating taxable income. The size of the basic deduction varies between 8 700 and 18 100 SEK. The basic deduction can never be greater than the assessed earning.

Assessed earning, SEK	Basic deduction, SEK
-67 900	8 700
68 000-105 100*	8 800-18 000
105 200-110 700	18 100
110 800-203 700**	18 000-8 800
203 800-	8 700

*An escalation is made with 25% of the assessed earning exceeding 68 000 SEK

**A de-escalation is made with 25% of the assessed earning exceeding 110 800 SEK

An individual, who has been a resident in Sweden during only a part of the year, will have a reduced basic deduction. The variable basic deduction (AGA) is created in the model.

5.3.2 Special basic deduction for pensioners

A pensioner who has been a resident in Sweden during a part or the whole year gets a special basic deduction. The condition to get the special basic deduction is that the National basic pension for 1998 must be greater than 6 000 SEK or at least a fifth of the total income excluding income from capital. The special basic deduction can be at most 54 000 SEK for singles and 47 800 SEK for married.

An individual with an assessed earning greater than the maximum special basic deduction gets a reduced basic deduction. On the part of the assessed earning exceeding the maximum special deduction is a reduction of 65% being made. This reduction should be subtracted from the maximum special basic deduction. For example: A single pensioner with an assessed earning of 100 000 SEK gets his special basic deduction reduced with 29 900 SEK, ((100 000-54 000)*0.65). The special basic deduction is then 24 100 SEK, (54 000-29 900). The variable special basic deduction for pensioners (ASGA) is created in the model.

An individual is always entitled to a special deduction that is at least the size of the basic deduction. In the model is AGA compared with ASGA. The variable AGAMAX is created and contains the largest deduction.

5.3.3 General pension fee

An individual with income from employment or business should pay a general pension fee. The general pension fee is 6.95% of the income from employment and the income from business. An individual should not pay general pension fee if:
-he/she was born in 1933 or earlier
-his/her income from employment and business was less than 8 800 SEK

The part of the income from employment and business that exceeds 278 250 SEK (7.5*the increased basic amount) is excluded from the calculation of the general pension fee.

Variable needed when calculating general pension fee:

ZEUND	BASIS FOR CALCULATION OF GENERAL PENSION FEE, MAX 7.5*THE INCREASED BASIC AMOUNT

Parameters needed:

XGR	THE LOWEST BASIC DEDUCTION
XPROCPEN	PERCENTAGE, EMPLOYEE CONTRIBUTION, 6.95%

Variables created:

SPENAVG	GENERAL PENSION FEE

Calculation of general pension fee:
If BALD<65 and ZEUND>XGR

SPENAVG=ZEUND*XPROCPEN

5.3.4 Calculation of taxable income

The taxable income is calculated by taking the assessed earning and subtract the basic deduction and the general pension fee.

Calculation of taxable income:

+CTXFVI	ASSESSED EARNING
-AGAMAX	BASIC DEDUCTION
-SPENAVG	GENERAL PENSION FEE
=	
CBEFVI	TAXABLE INCOME

5.4 National and local income tax

On the taxable income local and national income tax is paid. National income tax is also paid for capital income. (See 1.6)

Variable needed when calculating national and local income tax:

CBEFVI	TAXABLE INCOME

Parameters:

AKSKS&AAR	THE INDIVIDUAL'S LOCAL TAX RATE
XSTGRUND	GENERAL AMOUNT, 200 SEK
XB2	WAGELIMIT FOR PAYING NATIONAL TAX, 213 100 KRONOR

Variables created:

SKFVI	LOCAL INCOME TAX
SSFVI	NATIONAL INCOME TAX
SFORV	NATIONAL AND LOCAL INCOME TAX

5.4.1 Local income tax

The local income tax is an individual's local tax rate multiplied with the taxable income.

Calculation of local income tax:

SKFVI = AKSKS&AAR * CBEFVI/100

5.4.2 National income tax

If the taxable income is between 100 and 213 100 SEK, then the national income tax is 200 SEK. If the taxable income exceeds 213 100 SEK, then the national income tax is 200 SEK plus 25 % of the taxable income exceeding 213 100 SEK.

Calculation of national income tax:

SSFVI=(CBEFVI-XB2) * 0,25 + XSTGRUND

5.4.3 Calculation of national and local income tax

Calculation of national and local income tax:

+SKFVI	LOCAL INCOME TAX
+SSFVI	NATIONAL INCOME TAX
=	
SFORV	NATIONAL AND LOCAL INCOME TAX

5.5 Real estate tax

Real estate tax is levied on single-family houses, residential dwellings on agricultural land, apartment buildings and industrial buildings. Real estate tax is also levied on single-family houses abroad.

You only pay real estate tax for the time you have been the owner when real property been bought or sold during the year. If there are many owners to the real property you pay real estate tax for your share. For the residential part of a building no real estate tax is levied for the first 5 years.

Variables needed when calculating real estate tax:

FTAXEG1, FTAXEG2	PROPERTY TAXATION VALUE, OWNED HOME
FTAXFR1, FTAXFR2	PROPERTY TAXATION VALUE, LEISURE HOUSE
FFSTEGJ	PROPERTY TAXATION VALUE, FARMERS HOUSE
BANDEG1, BANDEG2	SHARE IN OWNED HOME
BANDFR1, BANDFR2	SHARE IN LEISURE HOUSE
BANDEGJ	SHARE IN FARMERS HOUSE
BALDEG1, BALDEG2	AGE OF OWNED HOUSE
BALDFR1, BALDFR2	AGE OF LEISURE HOUSE
BALDEGJ	AGE OF FARMERS HOUSE
AHYH17	BASIS, APARTMENT BUILDINGS, 0.017
AHY085	BASIS, APARTMENT BUILDINGS, 0.0085
AHYL1	BASIS, APARTMENT BUILDINGS USED AS PREMISE
AINDH05	BASIS, INDUSTRIAL BUILDINGS

Variables created:

SEG1, SEG2	REAL ESTATE TAX, OWNED HOME
SFR1, SFR2	REAL ESTATE TAX, LEISURE HOUSE
SEGJ	REAL ESTATE TAX, FARMERS HOUSE
SHY	REAL ESTATE TAX, APARTMENT BUILDINGS
SFAST	TOTAL REAL ESTATE TAX

Parameters needed when calculating real estate tax:

XFASTP1	TAX RATE=0,0075
XFASTP2	TAX RATE=0,015
XFASTPH1	TAX RATE APARTMENT BUILDINGS =0,0065
XFASTPH2	TAX RATE APARTMENT BUILDINGS =0,013

5.5.1 Real estate tax on own home

The micro simulation model can manage that one individual owns 2 own homes, SEG1 and SEG2. The tax rate varies with the age of the real estate. A real estate that is 8 years or older is taxed with 1.5% of the assessed value, while a real estate that is 6-7 years old is taxed with 0.75% of the assessed value. If a real estate is 5 years or younger it is exempted from tax.

Calculation of tax if the real estate is 6-7 years old:

SEG1=FTAXEG1*BANDEG1/100*XFASTP1
SEG2=FTAXEG2*BANDEG2/100*XFASTP1

Calculation of tax if the real estate is 8 years or older:

SEG1= FTAXEG1*BANDEG1/100*XFASTP2
SEG2= FTAXEG2*BANDEG2/100*XFASTP2

5.5.2 Real estate tax on leisure house

The micro simulation model can manage that one individual owns 2 leisure houses, SFR1 and SFR2. Like in calculations above varies the tax rate with the age of the real estate. A real estate that is 8 years or older is taxed with 1.5% of the assessed value, while a real estate that is 6-7 years old is taxed with 0.75% of the assessed value. If a real estate is 5 years or younger it is exempted from tax.

Calculation of tax if the real estate is 6-7 years old:

SFR1=FTAXFR1*BANDFR1/100*XFASTP1
SFR2=FTAXFR2*BANDFR2/100*XFASTP1

Calculation of tax if the real estate is 8 years or older:

SFR1=FTAXFR1*BANDFR1/100*XFASTP2
SFR2=FTAXFR2*BANDFR2/100*XFASTP2

5.5.3 Real estate tax on farmers house

The same principle is used here as in the calculations of real estate tax on own house and leisure house above.

Calculation of tax if the real estate is 6-7 years old:

SEGJ=FFSTEGJ*BANDEGJ/100*XFASTP1

Calculation of tax if the real estate is 8 years or older:

SEGJ=FFSTEGJ*BANDEGJ/100*XFASTP2

5.5.4 Real estate tax on apartment buildings

Apartment buildings which are 6-11 years of age are taxed with 0.65% of the assessed value. If a apartment building is 12 years or older it is taxed with 1.3% of the assessed value. Apartment buildings, which are less than 6 years old are exempted from tax.

Calculation of tax on apartment buildings:

SHY= AHY085*XFASTPH1+AHY17*XFASTPH2+AHYL1*0.01+AIND05*0.005

5.5.5 Calculation of the total real estate tax

The different real estate taxes are summed up to get the total real estate tax.

Calculation of the total real estate tax:

+SEG1	REAL ESTATE TAX, OWNED HOME 1
+SEG2	REAL ESTATE TAX, OWNED HOME 2
+SFR1	REAL ESTATE TAX, LEISURE HOUSE 1
+SFR2	REAL ESTATE TAX, LEISURE HOUSE 2
+SEGJ	REAL ESTATE TAX, FARMERS HOUSE
+SHY	REAL ESTATE TAX, APARTMENT BUILDINGS
=	
SFAST	TOTAL REAL ESTATE TAX

5.6 Tax and tax reduction on capital

If an income from capital is at least 100 SEK then national income tax should be paid with 30%. If income from capital is negative, meaning that the deductible costs from capital are larger than the income, there is a tax reduction. The tax reduction is 30% of the deficit up to 100 000 SEK. The tax reduction is 21% of the deficit exceeding 100 000 SEK.

Variables needed when calculating tax and tax-reduction on capital:

KKAP	CAPITAL INCOME
SFORV	NATIONAL AND LOCAL INCOME TAX
SFAST	TOTAL REAL ESTATE TAX

Parameters:

XKSATS	TAX RATE ON CAPITAL, 0.30
XGRANSV	LIMIT FOR DEDUCTION OF INTEREST, 100 000
XGRANSP	DEDUCTION OF INTEREST, PERCENTAGE , 0.70

Variables created:

SKAP	TAX ON CAPITAL
SREDKAP	TAX-REDUCTION ON CAPITAL

5.6.1 Tax on capital

Calculation of tax on capital:

IF KKAP ≥100

SKAP = XKSATS * KKAP

5.6.2 Tax reduction on capital

Calculation of tax reduction on capital:

IF KKAP<0 AND |KKAP| < XGRANSV

SREDKAP = XKSATS * |KKAP|

If KKAP<0 and |KKAP| > XGRANSV

SREDKAP = XKSATS * XGRANSV + XKSATS * XGRANSP * (|KKAP| - XGRANSV)

The tax reduction cannot exceed the sum of national income tax, local income tax and real estate tax.

Calculation of maximal tax reduction:

+SFORV	NATIONAL AND LOCAL INCOME TAX
+SFAST	TOTAL REAL ESTATE TAX
=	
ZMAXRED	LIMITATION OF TAX REDUCTION ON CAPITAL

If SREDKAP > ZMAXRED then is SREDKAP = ZMAXRED.

5.7 Wealth tax

An individual's taxable wealth is his or her assets reduced by his or her liabilities. The taxable wealth is calculated by reducing the wealth with 900 000 SEK. Tax on wealth exceeding 900 000 SEK, (round off to nearest lower thousands SEK), is 1.5%.

The taxable wealth is calculated jointly for married couples who married before the year of 1998 and who lived together during the greater part of 1998. The same rule is used for those who without being married have or have had at least 1 child who has been born before 1998. The same is valid for those who live together and previously were married. Childrens' wealth should be included if they live at home and are under 18 years of age.

5.7.1 Calculation of wealth tax

Variables needed when calculating wealth tax:

FSP	TAXABLE WEALTH
FSPH	TAXABLE WEALTH, HOUSEHOLD

Parameters needed when calculating wealth tax:

XFINT1	TAX RATE IN THE INTERVAL =0.015
XFORGR	INTERVAL LIMIT=900 000 SEK

Calculation of wealth tax:

SFORM=XFINT1*(FSPH-XFORGR)

5.8 Limitation rule

In certain cases the national income tax and the wealth tax can be limited. First the tax limit is determined. **The tax limit** is 60% of the sum of taxable income and income from capital. This sum is then compared with **the tax amount,** which is the wealth tax, the national income tax, the local income tax and the capital tax combined.

If the tax amount is greater than the tax limit, then the national income tax and the wealth tax is reduced by the exceeding amount. The wealth tax can never be lower than 50% of the tax from an individual's taxable wealth.

For individuals who are jointly assessed the tax limit and the tax amount are added up.

5.8.1 Calculation of the limitation rule

The tax limit and the tax amount should as already mentioned above be calculated jointly for people who are co-assessed. In the micro simulation model the tax limit and the tax amount are calculated individually.

Variables needed when calculating the limitation rule:

CBEFVI	TAXABLE INCOME
KKAP	CAPITAL INCOME
SFORM	WEALTH TAX
SFORV	NATIONAL AND LOCAL INCOME TAX
SKAP	TAX ON CAPITAL
FSPH	TAXABLE WEALTH, HOUSEHOLD

Parameters needed when calculating the limitation rule:

XSPARRP	TAX LIMIT PERCENTAGE, 0.60
XFORGR	INTERVAL LIMIT, 900 000
XFINT1	PERCENTAGE IN THE INTERVAL, 0.015

Variables created:

ZSPRR	TAX LIMIT
ZSUMMA	TAX AMOUNT
ZNEDS	TAX REDUCTION

Calculation of the tax limit:

ZSPRR=INT(XSPARRP*(CBEFVI+MAX(0, KKAP))

Calculation of the tax amount:

+SFORV	NATIONAL AND LOCAL INCOME TAX
+SFORM	WEALTH TAX
+SKAP	TAX ON CAPITAL
=	
ZSUMMA	THE TAX AMOUNT

Calculation of tax reduction:

+ZSUMMA	THE TAX AMOUNT
-ZSPRR	THE TAX LIMIT
=	
ZNEDS	TAX REDUCTION

The tax reduction is done in the same order in the model as in the reality. First the wealth tax is reduced then tax on capital and last the national income tax. As mentioned above, wealth tax cannot be reduced if this means that the wealth tax becomes lower than 50% of the tax on an individual's taxable wealth.

5.9 Social security charges

Employment tax, social security charges and general pension fee are being paid to finance different national social insurances. A company pays employment tax, a self-employer pays social security charges and separate wage tax, employed and self-employed pays general pension fee.

Variables needed:

BALD	AGE
THOBBY	INCOME FROM HOBBY
NAKT	INCOME FROM ACTIVE BUSINESS
NPAS	INCOME FROM PASSIVE BUSINESS
NSJUKPF	SICKNESS ALLOWANCE, SELFEMPLOYED

Parameters:

XSFPAVG	BASIC PENSION FEE, 6.83 %
XSTPAVG	SUPPLEMENTARY PENSION FEE, 6.40 %
XSDPAVG	PARTIAL PENSION FEE, 0.20 %
XSSJUAVG	HEALTH INSURANCE FEE:
	0 WAITING DAYS, 8.66 %
	3 WAITING DAYS, 7.48 %
	30 WAITING DAYS, 6.30 %
XSARBSEG	OCCUPATIONAL INJURIES FEE, 1.38 %
XSAMAVG	LABOUR-MARKET FEE, 3.30 %
XSLONAVG	GENERAL WAGE FEE, 4.48 %

Variables created:

SSLONE	SPECIAL WAGE TAX, SELF-EMPLOYED
SSJUAVG	HEALTH INSURANCE FEE, SELF-EMPLOYED
SFPAVG	BASIC PENSION FEE, SELF-EMPLOYED
STPAVG	SUPPLEMENTARY PENSION FEE, SELF-EMPLOYED
SDPAVG	PARTIAL PENSION FEE, SELF-EMPLOYED
SARBSEG	OCCUPATIONAL INJURIES FEE, SELF-EMPLOYED
SAMAVG	LABOUR-MARKET FEE, SELF-EMPLOYED
SLONAVG	GENERAL WAGE FEE, SELF-EMPLOYED
SEGEN	TOTAL SOCIAL SECURITY CHARGES, SELF-EMPLOYED

5.9.1 Social security charges and general wage fee

The sum of income from active business and hobby (excluding health insurance fee for self employers) make the basis for the social security charges and the general wage fee. The sum must be at least 1 000 SEK. Social security charges and general wage fee is paid until the age of 65 (unless you have had whole retirement pension).

Calculation of basis for social security charges and general wage fee:

+NAKT	INCOME FROM ACTIVE BUSINESS
+ THOBBY	INCOME FROM HOBBY
– NSJUKPF	SICKNESS ALLOWANCE, SELF-EMPLOYED
=	
ZEGEN	BASIS FOR SOCIAL SECURITY CHARGES, GENERAL WAGE FEE

Calculation of social security charges:
The basis is multiplied with the different parameters:

SFPAVG = ZEGEN * XSFPAVG
STPAVG = ZEGEN * XSTPAVG
SDPAVG = ZEGEN * XSDPAVG
SSJUAVG = ZEGEN * XSSJUAVG
SARBSEG = ZEGEN * XSARBSEG
SAMVG = ZEGEN * XSAMVG

Calculation of general wage fee:

SLONVG = ZEGEN * XSLONAVG

The different fees are summed up:

+SSJUAVG	HEALTH INSURANCE FEE
+ SFPAVG	BASIC PENSION FEE
+ STPAVG	SUPPLEMENTARY PENSION FEE
+ SDPAVG	PARTIAL PENSION FEE
+ SARBSEG	OCCUPATIONAL INJURIES FEE
+ SAMAVG	LABOUR-MARKET FEE
=	
SEGEN	TOTAL SOCIAL SECURITY CHARGES, SELF-EMPLOYED

5.9.2 Special wage tax

Calculation of basis for special wage tax:

If BALD<66 then the basis income from sleeping business is

ZLS = NPAS

If BALD>65 then the basis is:

+NPAS	INCOME FROM SLEEPING BUSINESS
+NAKT	INCOME FROM ACTIVE BUSINESS
+THOBBY	INCOME FROM HOBBY
–NSJUKPF	SICKNESS ALLOWANCE, SELF-EMPLOYED
=	
ZLS	BASIS FOR SPECIAL WAGE TAX

Calculation of special wage tax:

The basis is multiplied with the parameter for special wage tax:

SSLONE=ZLS*XSSLONE

5.9.3 Deduction of social security charges

It is permitted to make a deduction with 5% of the basis when calculating social security charges. The deduction cannot be greater than 9 000 SEK.

5.10 Employment taxes

An individual does not pay employment taxes. The employment taxes are only paid by the companies. It is included in the model to calculate the governments' income.

Variables needed when calculating employment taxes:

BALD	AGE
BYRKST	TYPE OF EMPLOYMENT
TLON	WAGES
TKULONF	CAR PRIVILEGES ETC

Parameters:

XWFPAVG	STATE PENSION FEE, EMPLOYERS 6.83 %
XWTPAVG	SUPPLEMENTARY PENSION FEE, EMPLOYERS 6.40 %
XWDPAVG	PARTIAL PENSION FEE, EMPLOYERS 0.20 %
XWASKYDD	INDUSTRIAL WELFARE FEE, EMPLOYERS 0.17 %
XWLONAG	GENERAL WAGE FEE, EMPLOYERS 0.25 %
XWSJUAVG	HEALTH INSURANCE FEE, EMPLOYERS 7.90 %
XWARBSEG	OCCUPATIONAL INJURIES FEE, EMPLOYERS 1.38 %
XWAMAVG	LABOUR MARKET FEE, EMPLOYERS 5.42 %
XWLONAVG	EU-FEE, EMPLOYERS 4.48 %

Variables created:

WSLONE	SPECIAL WAGE TAX, EMPLOYERS

WSJUAVG	HEALTH INSURANCE FEE, EMPLOYERS
WFPAVG	STATE PENSION FEE, EMPLOYERS YEAR 97 98
WTPAVG	SUPPLEMENTARE PENSION FEEE, EMPLOYERS YEAR 97 98
WDPAVG	PARTIAL PENSION FEE, EMPLOYERS YEAR 97 98
WARBSEG	OCCUPATIONAL INJURIES FEE, EMPLOYERS
WASKYDD	INDUSTRIAL WELFARE FEE, EMPLOYERS
WLONAG	GENERAL WAGE FEE, EMPLOYERS
WLONAVG	GENERAL WAGE FEE, EU, EMPLOYERS
WAMAVG	LABOUR MARKET FEE, EMPLOYERS

5.10.1 Employment taxes

Calculation of basis to employment taxes:
The basis must be greater than 1 000 SEK.

+TLON	WAGES
+ TKULONF	CAR PRIVILEGES ETC
=	
ZARBL	BASIS

Calculation of employment taxes:

The basis is multiplied with the parameters if it is greater than 1 000 SEK.

ZARBL * XWFPAVG = WFPAVG
ZARBL * XWTPAVG = WTPAVG
ZARBL * XWDPAVG = WDPAVG
ZARBL * XWASKYDD = WASKYDD
ZARBL * XWLONAG = WLONAG
ZARBL * XWSJUAVG = WSJUAVG
ZARBL * XWARBSEG = WARBSEG – if BYRKST=1 then WARBSEG=0[4]
ZARBL * XWAMAVG = WAMAVG
ZARBL * XWLONAVG = WLONAVG

The different employment taxes are summed up:

WARBAVG= WSJUAVG + WFPAVG + WTPAVG + WDPAVG + WARBSEG + WASKYDD + WLONAG + WAMAVG + WLONAVG

5.10.2 Special wage tax

For people older than 65 a special wage tax is calculated instead of the employment tax.

Calculation of special wage tax:

WSLONE=ZARBL*XWSLONE

5.11 Final tax

All different taxes are summed up to get the final tax. From the sum of the national and the local income tax and the real estate tax the tax reductions are drawn of. The sum after the reduction cannot be negative.

[4] Not for government employees.

Variables needed when calculating final tax:

SFORV	NATIONAL AND LOCAL INCOME TAX
SFORM	WEALTH TAX
SKAP	TAX ON CAPITAL
SREDKAP	TAX-REDUCTION ON CAPITAL
SFAST	TOTAL REAL ESTATE TAX
SEGEN	SOCIAL SECURITY CHARGES
SPENAVG	GENERAL PENSION FEE
SEXPAN	TAX ON EXPANSIONS MEANS
SLONAVG	GENERAL WAGE FEE, EU
SSLONE	SPECIAL WAGE TAX, SELF EMPLOYED
SSLPENE	SPECIAL WAGE TAX, PENSIONS COSTS, OWN
SSLPENA	SPECIAL WAGE TAX, PENSIONS COSTS, EMPLOYED
SAVKAST	YIELD TAX
SMOMSOU	SURPLUS OUTGOING VAT
SREDFST	TAXREDUCTION ON REAL ESTATE TAX
SREDBYG	TAXREDUCTION FOR BUILDING ON OWN HOME
SREDRSK	TAX REDUCTION FOR RISKY CAP. INVESTMENTS
STILL	ADDITIONAL TAX
STILLR	ADDITIONAL TAX, RISK CAPITAL
SFORS	PENALTY FEE FOR DELAY

Variables created:

SSLUT	FINAL TAX

Calculation of final tax:

SSLUT = MAX(SFORV + SFAST – SREDKAP – SREDFST – SRDBYG -SREDRSK, 0) +
SKAP + SFORM + SPENAVG + SEXPAN + SLONAVG +
SSLPENA + SSLPENE + SEGEN + SSLONE + SAVKAST
+ SMOMSOU + STILL + STILLR + SFORS

6 Maintenance support

A parent who does not live together with his/her child must help to provide for the child by paying maintenance to the person whom the child normally lives with.

The parents can decide themselves how large the maintenance allowance should be. This may also be decided by court. The support amount is calculated by considering the child's needs and the parents combined financial ability.

The social insurance office pays maintenance support to the parent who has custody of and lives with the child if:

- the parent who is liable for maintenance does not pay or whose contribution is too small
- the parent who is liable for maintenance does not pay in time

- the paternity is not decided
- the other parent is dead and the child does not receive child's pension
- the child is adopted by one parent only

The maintenance support is at most 1 173 SEK per child and month.

The child must live permanently with one of the parents. If the child lives alternately with both parents the maintenance support can be received as a supplementary support. This support is received by the parent where the child is registered.

Maintenance support is paid until the child reaches the age of 18. Extended maintenance support may be paid up to and including June of the year in which the child turns 20. Extended maintenance support can only be paid if the child is still at school. If the child has turned 18 years of age, then the maintenance support is paid directly to him or her.

When the social insurance office pays maintenance support the parent liable for maintenance must repay all or part of the cost to the community. The amount that must be repaid depends in part on the income of the person liable for maintenance.

6.1 Calculation of maintenance support received

Variables:

BBIOBEH	NUMBER OF BIOLOGICAL CHILDREN<18 YEARS OF AGE, NOT TOGETHER WITH COMMON LAW HUSBAND/WIFE
BMANI	NUMBER OF MONTHS WITH MAINTENANCE SUPPORT RECEIVED
BUTYPI	TYPE OF PAYMENT FROM THE SOCIAL INSURANCE OFFICE
BISTUD	=1 18-19 YEARS OF AGE, STUDENT, LIVING WITH ONE PARENT
IBDFVM	SUPPLEMENTARY SUPPORT, LIVING ALTERNATELY, BOTH PARENTS
IUNBID	MAINTENANCE SUPPORT RECEIVED

Parameters:

XUSMAX	MAXIMAL MONTHLY MAINTENANCE SUPPORT/CHILD, 1 173 SEK
XVAVEL	CHANGE OF MAINTENANCE SUPPORT, CHILD LIVING ALTERNATELY, 1.000

Calculations:

Children 0-18 years of age:

IUNBID=BBIOBEH*BMANI*XUSMAX

Children 0-18 years of age living alternately (BUTYPI=3):

IUNBID=IBDFVM*BMANI*XVAVEL

If 18-19 years of age and student (BISTUD=1):

IUNBID=BMANI*XUSMAX

Children 18-19 years of age living alternately and student (BISTUD=1 OCH BUTYPI=3):

IUNBID=IBDFVM*BMANI*XVAVEL

6.2 Maintenance support paid

The income, number of children where maintenance is obligated, and percentage per child is calculated first to be able to calculate the maintenance support being paid. The income is based on the last assessment, which is the income from the previous year. That is why the sources of income being used in the model are 2 years old. Adjusted income from business, income from capital, 1% of the wealth exceeding 900 000 SEK and income from employment are included in the income.

6.2.1. Adjusted income from business

Adjusted income from business is the first calculation. The data used is 2 years old.

Calculation:

+NRVU	INCOME FROM BUSINESS, 2 YEARS OLD
+NOUTNYTU	UNUSED DEFICITS FROM EARLIER YEARS, 2 YEARS OLD
+NSKPENSU	PENSION INSURANCE PREMIUM, 2 YEARS OLD
+NSKPERU	TRANSFER TO ALLOCATION FUND, 2 YEARS OLD
+NSKEXPU	TRANSFER TO EXPANSION FUND, 2 YEARS OLD
-NSIPERU	CANCELLATION FROM ALLOCATION FUND, 2 YEARS OLD
-NSIMINU	REDUCTION OF EXPANSION FUND, 2 YEARS OLD
=	
ZNRV	ADJUSTED INCOME FROM BUSINESS

6.2.2 Income from capital

The next step is to calculate income from capital.

Calculation:

+KIRANTAU	TOTAL TAXABLE INTERESTS RECEIVED, 2 YEARS OLD
+KUTHYRU	INCOME FROM HIRING OUT DWELLING, 2 YEARS OLD
+KIRFORU	POS. INTERESTS DEVIDED HOME AND COMPANY, 2 YEARS OLD
+KVU	TOTAL TAXABLE GAINS, 2 YEARS OLD
=	
ZKKAP	INCOME FROM CAPITAL

6.2.3 Calculation of income from wealth

The income from wealth is 1 % of the wealth exceeding 900 000 SEK. This calculation is done below.

Variables:

FSPU	TAXABLE WEALTH, 2 YEARS OLD
ZFSP	ADDITION FOR WEALTH EXCEEDING 900 000 SEK

Parameters:

XFSPGR	INTERVAL LIMIT=900 000 SEK
XFSPRO	ADDITIONAL PERCENTAGE FOR WEALTH >900 000 SEK =0.01

Calculation:
An addition to the calculated income (ZBIDRINK) is only made if the wealth exceeds 900 000 SEK.

If FSPU>XFSPGR

1 % of the wealth exceeding 900 000 SEK is calculated below.

ZFSP=(FSPU-XFSPGR)*XFSPRO

6.2.4 Calculation of income

The different sources of income are summed up in the calculation below. A deduction of 24 000 SEK is being made. The final sum can never be negative.

Variables:

TTJU	INCOME FROM EMPLOYMENT, 2 YEARS OLD
ISMBIDU	STUDY GRANTS UNIVERSITY, 2 YEARS OLD

Parameters:

XFRIBEL	DEDUCTION WHEN CALCULATING INCOME=24 000 SEK

Calculation:

MAX(0, (TTJU+ZNRV+ZKKAP+ZFSP+ISMBIDU-XFRIBEL)

=

ZBIDRINK	CALCULATED INCOME

6.2.5 Number of children where maintenance obligation exists

The number of children where maintenance is obligated is the number of biological children under the age of 18 and the number of children between 18 and 19 who are still in school.

Calculation:

+BBIOB	NUMBER OF BIOLOGICAL CHILDREN < 18
+BBIOBV	NUMBER OF BIOLOGICAL CHILDREN 18-19, STUDENTS
=	
ZBIO	NUMBER OF CHILDREN

6.2.6 Number of children where maintenance should be paid

The calculation of the number children where maintenance support should be paid is calculated below.

Calculation:

(BBIOB	NUMBER OF BIOLOGICAL CHILDREN < 18 YEARS OF AGE
- BBIOBS	NUMBER OF BIOLOGICAL CHILDREN WITH COMMON LAW WIFE/HUSBAND
- BBIOBEH)	NUMBER OF BIOLOGICAL CHILDREN<18 NOT WITH COMMON LAW WIFE/HUSBAND, LIVING AT HOME
+	
(BBIOBV	NUMBER OF BIOLOGICAL CHILDREN 18-19, STUDENTS
-BBIOBSV	NUMBER OF BIOLOGICAL CHILDREN 18-19 WITH COMMON LAW WIFE/HUSBAND, STUDENTS
-BBIOBEHV	NUMBER OF BIOLOGICAL CHILDREN 18-19 NOT WITH COMMON LAW WIFE/HUSBAND, LIVING AT HOME
-BBIOBEJ)	NUMBER OF BIOLOGICAL CHILDREN 18-19, LIVING ON THEIR OWN
=	
ZBIOG	NUMBER OF CHILDREN WHERE MAINTENANCE SHOULD BE PAID

6.2.7 Calculation of percentage per child

The percentage of the income that should be paid varies with the number of children.

Variable:

ZPROCAND	PERCENTAGE OF THE INCOME, PER CHILD

Parameters:

XPROC1B	PERCENTAGE OF THE INCOME WHEN 1 CHILD=0.10
XPROC2B	PERCENTAGE OF THE INCOME WHEN 2 CHILDREN =0.065
XPROC3B	PERCENTAGE OF THE INCOME WHEN 3 CHILDREN =0.05
XTAL	NUMBER WHEN CALCULATING PERCENTAGE IF 4 OR MORE CHILDREN =15

Calculation:

If 1 child ZPROCAND = XPROC1B
If 2 children ZPROCAND = XPROC2B etc.

If there are 4 or more children the percentage is calculated as follows:

ZPROCAND=(XTAL+(ZBIO-3))/(ZBIO*100)

6.2.8 Calculation of maintenance support paid

Finally the maintenance support paid is calculated. Maintenance paid can never be greater than the maximal monthly maintenance support, which is 1173 SEK per month and child. Amounts of 100 SEK or less are exempted.

Variables:

ZBIOG	NUMBER OF CHILDREN WHERE MAINTENANCE SUPPORT SHOULD BE PAID
ZPROCAND	PERCENTAGE PER CHILD
ZBIDRINK	CALCULATED INCOME
BMANU	NUMBER OF MONTHS WITH MAINTENANCE SUPPORT PAID
BANSTD	RESPITE, SHARE
BBETEJ	PAID SHARE
UUNDBID	MAINTENANCE SUPPPORT PAID

Parameters:

XUSMAX	MAXIMAL MONTHLY MAINTENANCE SUPPORT/CHILD, 1 173 SEK

Calculations:

UUNBID=MIN(ZBIOG*ZPROCAND*ZBIDRINK*BMANU/12, ZBIOG*XUSMAX*BMANU)

If respite:

UUNBID=UUNBID*BANSTD

Calculation for those who pay a share of what they should:

UUNBID=UUNBID*BBETEJ

6.3 The government's expenses for maintenance support

When a parent who is liable for maintenance does not pay or whose contribution is too small the social insurance office may pay maintenance support to the parent who has custody of and lives with the child. This leads to an expense for the government.

6.3.1 The government's expenses for persons living abroad

The first calculation is the government's expenses for persons living abroad.

Variables:

RUBDFUT	THE GOV. EXPENSES FOR MAXIMAL MAINTENANCE SUPPORT FOR PERSONS LIVING ABROAD
BMANI	NUMBER OF MONTHS WITH MAINTENANCE RECEIVED
IBDFF	MAINTENANCE ADVANCE WHEN MAXIMAL MAINTENANCE SUPPORT

Parameters:

XUSMAX MAXIMAL MONTHLY MAINTENANCE SUPPORT/CHILD, 1 173 SEK

Calculation:

RUBDFUT=BMANI*XUSMAX*(IBDFF/(1173*BMANI))

6.3.2 The government's expenses for supplementary maintenance

The next calculation is the government's expenses for supplementary maintenance support.

Variables:

RUBDFU	THE GOV. EXPENSES FOR SUPPLEMENTARY MAINTENANCE
ZBIOG	NUMBER OF CHILDREN WHERE MAINTENANCE SUPPORT SHOULD BE PAID
UUNBID	MAINTENANCE SUPPORT PAID
BMANU	NUMBER OF MONTHS WITH MAINTENANCE SUPPORT PAID

Parameters:

XUSMAX MAXIMAL MONTHLY MAINTENANCE SUPPORT/CHILD, 1 173 SEK

Calculation:

RUBDFU=ZBIOG*XUSMAX*BMANU-UUNBID

6.3.3 The government's expenses for maximal monthly maintenance

How the model calculates the government's expenses for maximal monthly maintenance support is showed below.

Variables:

RUBDFF	THE GOV. EXPENSES FOR MAXIMAL MONTHLY MAINTENANCE SUPPORT
ZBIOG	NUMBER OF CHILDREN WHERE MAINTENANCE SUPPORT SHOULD BE PAID
BMANU	NUMBER OF MONTHS WITH MAINTENANCE SUPPORT PAID

Parameters:

XUSMAX MAXIMAL MONTHLY MAINTENANCE SUPPORT/CHILD, 1 173 SEK

Calculation:

RUBDFF=ZBIOG*XUSMAX*BMANU

6.3.4 The government's expenses for supplementary maintenance for children living alternately

The government's expenses for supplementary maintenance support for children living alternately is the last calculation before the final summing up is done. First of all the variable maintenance paid (ZUUNBID) is computed.

Variables:

ZUUNBID	MAINTENANCE PAID, TEMPORAL VARIABLE
RUBDFV	THE GOV. EXPENSES FOR SUPPLEMENTARY MAINTENANCE SUPPORT FOR CHILDREN LIVING ALTERNATELY
ZBIOG	NUMBER OF CHILDREN WHERE MAINTENANCE SUPPORT SHOULD BE PAID
ZPROCAND	PERCENTAGE PER CHILD
ZBIDRINK	CALCULATED INCOME
BMANU	NUMBER OF MONTHS WITH MAINTENANCE SUPPORT PAID

Parameters:

XUSMAX	MAXIMAL MONTHLY MAINTENANCE SUPPORT/CHILD, 1 173 SEK

Calculations:

ZUUNBID=MIN(ZBIOG*ZPROCAND*ZBIDRINK*BMANU/12,
ZBIOG*XUSMAX*BMANU)

RUBDFV=ZBIOG*XUSMAX*BMANU-ZUUNBID

6.3.5 The government's total expenses for maintenance support

The government's total expenses are calculated by summing up all the different parts.

Calculation:

+RUBDFUT	THE GOV. EXPENSES, FOR MAXIMAL MAINTENANCE SUPPORT FOR PERSONS LIVING ABROAD
+RUBDFU	THE GOV. EXPENSES, FOR SUPPLEMENTARY MAINTENANCE
+RUBDFF	THE GOV. EXPENSES, FOR MAXIMAL MONTHLY MAINTENANCE SUPPORT
+RUBDFV	THE GOV. EXPENSES, FOR SUPPLEMENTARY MAINTENANCE SUPPORT FOR CHILDREN LIVING ALTERNATELY
=	
RUBDF	THE GOVERNMENT'S TOTAL EXPENSES

6.4 The government's income from maintenance support

When the social insurance office pays maintenance support the parent liable for maintenance must repay all or part of the costs to the community. The amount, which must be repaid, depends in part of the income of the person liable for maintenance.

The government's income from maintenance support is calculated by summing up the repayments from people living abroad and people living in Sweden.

Calculation:

+RIBDFS	REPAYMENTS FROM PEOPLE LIVING IN SWEDEN
+RIBDFU	REPAYMENTS FROM PEOPLE LIVING ABROAD
= RIBDF	THE GOVERNMENT'S TOTAL INCOME

7 Child allowance

The child allowance is received from the month after the child was born. When the child has reached the age of 16, the general child allowance ceases. A child must be a Swedish citizen and living in Sweden to be entitled to child allowance. Children from the Nordic countries who are living in Sweden are treated as Swedes. A child from another country in the European Union can also become entitled to child allowance. Children from other foreign countries are entitled to child allowance if they live in Sweden and have been doing so for at least 6 months.

Children who is going abroad together with his or her parents are still entitled to child allowance if the sojourn abroad lasts for less than 6 months. No child allowance is received if a sojourn abroad is planned to last for more than 6 months.

The child allowance is 9 000 SEK per child and year. A parent who has three or more children is also entitled to a large-family supplement. A family receives 2 400 SEK extra for the third child, giving a total of 11 400 SEK. Families with 4 children receives 7 200 SEK extra for the fourth child. The large-family supplement is 9 000 SEK from the fifth child.

Number of children	Child allowance per year	Large-family supplement per year	Total child allowance
1	9 000	-	9 000
2	18 000	-	18 000
3	27 000	2 400	29 400
4	36 000	9 600 (2 400+7 200)	45 600
5	45 000	18 600 (2400+7200+9000)	63 600

Children who continue to study without interruption after the age of 16 can also be counted for large-family supplement.

7.1 Extended child allowance

When a child reaches the age of 16, the general child allowance ceases and is replaced by extended child allowance. Extended child allowance is paid up to and including the month in which the child leaves the compulsory school. The extended child allowance is of the same size as the general child allowance. The extended child allowance is not calculated in this program. The amount of the extended child allowance is taken from a register.

7.2 Calculation of child allowance in the model

Variables:

BBARN15	NUMBER OF CHILDREN 0-15 YEARS OF AGE
BANTBRNH	NUMBER OF CHILDREN

Parameters:

XGRUNDB	BASE AMOUNT PER CHILD, 9 000 SEK
XTILL3	LARGE-FAMILY SUPPLEMENT FOR 3 CHILDREN, 2 400 SEK
XTILL4	LARGE-FAMILY SUPPLEMENT FOR 4 CHILDREN, 9 600 SEK
XTILL5	LARGE-FAMILY SUPPLEMENT FOR 5 CHILDREN, 18 600 SEK
XTILL6	LARGE-FAMILY SUPPLEMENT FOR 6 CHILDREN, 27 600 SEK
XTILL7	LARGE-FAMILY SUPPLEMENT FOR 7 CHILDREN, 36 600 SEK
XBRNOKN	CHANGE OF THE NUMBER OF CHILDREN 0-15 BETWEEN 1997-98

Calculations:

The total base amount is calculated first.

BBRN15*XGRUNDB	
=	
IBARNGH	TOTAL BASE AMOUNT

The large-family supplement is calculated next. The size of the supplement depends on the number of children (BANTBRNH).

If BANTBRNH=3 then the large-family supplement is = XTILL3, if BANTBRNH=4 then the large-family supplement is = XTILL4 etc.

An example:

BANTBRNH=5

XTILL5	
=	
IBARNFH	THE LARGE-FAMILY SUPPLEMENT

The total child allowance is calculated last.

+IBARNGH	TOTAL BASE AMOUNT
+IBARNFH	LARGE-FAMILY SUPPLEMENT

=
TOTAL CHILD ALLOWANCE

8 Housing allowance

Families with children, and also young people without children who have reached the age of 18 but not 29, may obtain housing allowance. The allowance is a monthly payment and tax-free. The amount of the allowance you may obtain depends in part on how many people make up your household, your income and your housing cost.

The housing allowance is provisional and is determined according to the income that you expect to receive during the whole calendar year. The final housing allowance is determined in arrears when income assessment for the year is complete.

The housing allowance consists of two parts, an allowance for housing costs and a special allowance for the children who live at home. Families with children may obtain the allowance for housing costs and also the special allowance for the children. Children are a part of the household until the age of 18 or if they are studying with student assistance or if they have extended child allowance. Young people between 18 and 29 without children may obtain the allowance for housing costs.

8.1 Special allowance for the children

The amount of the special allowance for the children depends on how many children there are in the family.

Number of children in the family	Special allowance SEK/month
1	600
2	900
3 or more	1 200

8.2 Allowance for housing costs

The allowance for housing costs is divided into two intervals. The allowance is 75 percent of the housing cost within the lower interval and 50 percent of the cost within the higher interval. The rent limits in the interval are dependent on the number of children in the family.

The number of children in the family also decides the maximum m^2 for which housing allowance can be paid.

	Max m^2	75 % of the cost	50 % of the cost
Youngsters without children, 18-29	60	1 800-2 600	2 600-3 600
Household, 1 child	80	2 000-3 000	3 000-5 300

Household, 2 children	100	2 000-3 300	3 300-5 900
Household, 3 children	120	2000-3 600	3 600-6 600
Household, 4 children	140	2000-3 600	3 600-6 600
Household, 5 children or more	160	2000-3 600	3 600-6 600

A family with 2 children and a flat with 200 m^2 will get a reduced allowance. The allowance will be reduced with halve the size, (100m^2/200m^2).

For families with children there are guarantee levels for the housing cost. If the housing cost is below certain levels the rule of m^2 is not considered.

Number of children in the family	Guarantee level, SEK/month
1	3 000
2	3 300
3	3 600
4	3 900
5 or more	4 200

8.3 Income qualifying for housing allowance

Income qualifying for housing allowance is the sum of income from employment, income from business, income from capital and study grant. In families with children you add the capital income of the children minus 1 000 SEK. If the families wealth (including wealth of the children living at home) exceeds 100 000 SEK you add 15 percent of the part of the wealth over 100 000 SEK to the income. Housing allowance less than 100 SEK is not paid out.

8.4 Reduction of the housing allowance

If the income exceeds certain amounts the housing benefit will be reduced with a percent of the income above this limit.

	Level of income SEK/year	Reduction, per cent
Youth without children		
Single	41 000	33 1/3
Married / cohabitant	58 000	33 1/3
Household with children		
Single	117 000	20
Married / cohabitant	58 500 / person	20

8.5 An example

A married couple with 2 children in a flat on 100 m^2 and where the rent is 6 000 SEK/month and both partners earn 100 000 SEK/year. The housing benefit will be calculated accordingly:

Special allowance for children: 900 SEK

The maximum m^2 for which housing allowance can be paid for a family with 2 children is $100m^2$, so the rule of maximum m^2 does not come in question.

Allowance for housing costs, 75 %: (3 300- 2 000)*0,75 = 975 SEK

Allowance for housing costs, 50 %: (5 900- 3 300)*0,50 =1 300 SEK

Total allowance, year: (900+975+1300)*12 = 38 100 SEK

Reduction: 2 * (100 000 – 58 500) * 20 %= 16 600 SEK

Allowance after reduction: 38 100 – 16 600 = 21 500 SEK

8.6 Calculation of benefit carrying income in the model

Variables:

TTJ	INCOME FROM EMPLOYMENT
NRV	INCOME FROM BUSINESS
NOUTNYT	NOT USED DEFICIT INCOME FOR SELFEMPLOYED
NSKPER	TRANSFER TO ALLOCATION FUND
NSKPENS	PREMIUM, PENSION INSURANCE SELF EMPLOYED
NSKEXP	TRANSFER TO EXPANSION FUND
NSIMIN	REDUCTION OF EXPANSION FUND
NSIPER	CANCELLATION FROM ALLOCATION FUND
KIRANTA	TOTAL TAXABLE INTERESTS RECEIVED
KUTHYR	INCOME FROM HIRING OUT DWELLING
KIRFOR	POSITIVE INTERESTS DEVIDED HOME AND COMPANY
KARFOR	NEGATIVE INTERESTS DEVIDED HOME AND COMPANY
KV	TOTAL TAXABLE CAPITAL GAINS
IOVR	RESIDUAL TAX FREE BENEFITS
ISMBID	STUDU GRANTS UNIVERSITY
FKUBANK	CASH IN BANKS
FKUAKTI	SHARES QUOTED ON THE A-LIST
FKUAKF	EQUITY FUNDS
FKUBFON	BALANCED FUNDS
FKUOTC	SHARES QUOTED ON THE O-LIST
FKUOP	OPTIONS
FTAXFR	PROPERTY TAXATION VALUE, LEISURE HOUSE
FSKUFR	DEBTS LEISURE HOUSE
FSKURST	DEBTS RESIDUAL
BEGSH	TYPE OF HOUSEHOLD

Temporary work variables:

ZKIRVUX	CAPITAL INCOME, FIRST ADULT IN HOUSEHOLD
ZKIRVUXM	CAPITAL INCOME, SPOUSE
ZKIRHUS	CAPITAL INCOME, HOUSEHOLD
ZKIRBARN	CAPITAL INCOME, CHILDREN
ZNRV	ADJUSTED INCOME FROM BUSINESS FIRST ADULT
ZNRVM	ADJUSTED INCOME FROM BUSINESS SPOUSE
ZFORMNE	NET WEALTH FIRST ADULT IN HOUSEHOLD
ZFORMNEM	NET WEALTH, SPOUSE
ZFORMNEH	NET WEALTH, HOUSEHOLD

ZFORMNEB NET WEALTH, CHILDREN
ZFOINKH PART OF HOUSEHOLD WEALTH ADDED TO BENEFIT CARRYING INCOME

Parameters:

XFOGRAN WEATLTH LIMIT, 100 000 SEK
XPROC PER CENT OF WEALTH ADDED TO BENEFIT CARRYING INCOME, 0,15

Variables created:

CSBINK BENEFIT CARRYING INCOME

8.6.1 Calculation of adult's capital income

First the capital income for the first adult is calculated, and then the capital income for the spouse.

ZKIRVUX = KIRANTA + KV + KUTHYR + KIRFOR - KARFOR
ZKIRVUXM = KIRANTAM + KVM + KUTHYRM + KIRFORM - KARFORM

8.6.2 Calculation of the children's capital income

Capital income of the children is calculated by deducting the adults's capital income from the household capital income. Then you deduct 1 000 SEK per child which is not considered benefit carrying income.

ZKIRHUS = KIRANTAH + KVH + KUTHYRH + KIRFORH – KARFORH
ZKIRBARN = MAX ((ZKIRHUS – ZKIRVUX – ZKIRVUXM) - BANTBRNH * XKAPINKB, 0)

8.6.3 Income for self employed

Some adjustments are made for income for self employed.

ZNRV = NRV + NOUTNYT + NSKPER + NSKEXP + MIN (0.5 * XBASM, NSKPENS) - NSIMIN – NSIPER

ZNRVM= NRVM + NOUTNYTM + NSKPERM + NSKEXPM + MIN (0.5 * XBASM, NSKPENSM) – NSIMINM - NSIPERM

8.6.4 Calculation of net wealth

First net wealth is calculated for adults.

ZFORMNE = FKUBANK + FKUAKTI + FKURFON + FKUAKF + FKUBFON + FKUOTC + FKUOP + FTAXFR1 * BANDFR1 / 100 + FTAXFR2 * BANDFR2 / 100 – FSKUFR - FSKURST

ZFORMNEM = FKUBANKM + FKUAKTIM + FKURFONM + FKUAKFM + FKUBFONM + FKUOTCM + FKUOPM + FTAXFR1M + BANDFR1M / 100 + FTAXFR2M + BANDFR2M / 100 - FSKUFRM – FSKURSTM

Then household net wealth is calculated.

```
ZFORMNEH = FKUBANKH + FKUAKTIH + FKURFONH + FKUAKFH + FKUBFONH
           + FKUOTCH + FKUOPH + FTAXFR1 * BANDFR1 / 100 + FTAXFR2 *
           BANDFR2 / 100 + FTAXFR1M + BANDFR1M / 100 + FTAXFR2M +
           BANDFR2M / 100 - FSKUFRH – FSKURSTH
```

The children's net wealth is household net wealth minus adult's net wealth.

```
ZFORMNEB = ZFORMNEH – ZFORMNE – ZFORMNEM
```

8.6.5 Part of wealth added to benefit carrying income

If the net wealth exceeds a limit of 100 000 SEK, there is an addition to the benefit carrying income, with 15 per cent of the part of the wealth exceeding the limit.

The wealth is first rounded to nearest 10 000 crowns.

```
ZFORMNEX = INT ( ZFORMNEH / 10000 ) * 10000
```

Om ZFORMNEX > XFOGRAN så är :

```
ZFOINKH = ( ZFORMNEX – XFOGRAN ) * XFOPROC
```

The wealth added to benefit carrying income is then divided between adults and children.

```
ZFOINK = ZFORMNE / ZFORMNEH * ZFOINKH
ZFOINKM = ZFORMNEM / ZFORMNEH * ZFOINKH
ZFOINKB = ZFORMNEB / ZFORMNEH * ZFOINKH
```

8.6.6 Benefit carrying income

The model now sums up the benefit carrying income. If BEGSH=1 the applicant is single. The benefit carrying income, CSBINK is calculated in the following way.

```
CSBINK = TTJ + ZNRV + IOVR + ISMBID + ZFOINK + ZFOINKB +
         ZKIRVUX + ZKIRBARN
```

Then CSBINK for married or cohabitants is calculated.

```
CSBINK = TTJ + ZNRV + IOVR + ISMBID + ZFOINK + ZFOINKB / 2 +
         ZKIRVUX + ZKIRBARN / 2
```

```
CSBINKM = TTJM + ZNRVM + IOVRM + ISMBIDM + ZFOINKM + ZFOINKB / 2 +
          ZKIRVUXM + ZKIRBARN / 2
```

8.7 Calculation of housing costs in the model

Variables needed:

BANTBRNH	NUMBER OF CHILDREN
BBRNSH	CHILDREN HOME OVER 17 YEARS, IN HIGHSCHOOL
UBOENDE	YEARLY HOUSING COST
BBOFORM	TYPE OF BUILDING AND TENURE

BBOYTA	NUMBER SQUARE METER DWELLING
KASKUBOH	MORTGAGE INTEREST ON DWELLING
FSKUBOH	DEBTS, OWNER OCCUPIED FAMILY DWELLING

Temporary work variables created:

ZBOST	ACCEPTED MONTHLY COST OF DWELLING
ZBARNSUM	TOTAL NUMBER OF CHILDREN IN THE HOUSEHOLD
ZBANTSAR	NUMBER OF CHILDREN AT DECIDING SPECIAL BENEFIT
ZBANTBRN	NUMBER OF CHILDREN AT DECIDING THE RENT LIMITS
ZRANTA	ESTIMATED STANDARD INTEREST ON HOUSING LOAN

Number of children over the age of 17, still in high school, living at home is summed up to get the number of children used when deciding the rent limits.

ZBARNSUM = BANTBRNH + BBRNSH

From the 4th child there is no additional allowance.

ZBANTBRN = MIN (3, ZBARNSUM)

The yearly housing cost is divided into monthly cost.

ZBOST = UBOENDE / 12

8.7.1 Reducing the housing cost for owner occupied family dwelling and tenant ownership

Interest expenses for housing loans can only be partly included in the housing cost. The interest expense is reduced with 3 % of the total debt. Then, 70 % of the remaining interest expense can be included in the housing cost.

If BBOFORM in 2 or 3

ZRANTA=0.12

If FSKUBOH > 0 then ZZRANTA = KASKUBOH / FSKUBOH
If 0.085<ZZRANTA<0.165 then ZRANTA = ZZRANTA

ZBOST = ZBOST - (XKASKU / ZRANTA) * KASKUBOH / 12 * (1 – XKSATS)

8.7.2 Reducing the housing cost due to the limitation of the benefit carrying dwelling space

First the model reduces the housing cost for youth without children if their dwelling space exceeds the limit.

If ZBARNSUM = 0 and BBOYTA > XBOYTAU then:
ZBOST = XBOYTAU / BBOYTA * ZBOST

The same reduction is then made for families with children. Here you must also consider the guarantee level of housing costs that families with children

are entitled to. Benefit carrying dwelling space and guarantee level of housing costs depends on the number of children in the family.

If ZBARNSUM = 1 and BBOYTA > XBOYTA1 and ZBOST > XGAR1 then:
ZBOST = MAX (XGAR1, XBOYTA1 / BBOYTA * ZBOST)

If ZBARNSUM = 2 and BOYTA > XBOYTA2 and ZBOST > XGAR2 then:
ZBOST = MAX (XGAR2, XBOYTA2 / BBOYTA * ZBOST)

If ZBARNSUM = 3 and BBOYTA > XBOYTA3 and ZBOST > XGAR3 then:
ZBOST = MAX (XGAR3, XBOYTA3 / BBOYTA * ZBOST)

If ZBARNSUM = 4 and BBOYTA > XBOYTA4 and ZBOST > XGAR4 then:
ZBOST = MAX (XGAR4 ,XBOYTA4 / BBOYTA * ZBOST)

If ZBARNSUM > 4 and BBOYTA > XBOYTA5 and ZBOST > XGAR5 then:
ZBOST = MAX (XGAR5, XBOYTA5 / BBOYTA * ZBOST)

8.8 Calculation of housing allowance in the model

Variables needed:

ZBOST	ACCEPTED MONTHLY COST OF DWELLING, TEMPORARY WORK VARIABLE
ZBARNSUM	TOTAL NUMBER OF CHILDREN IN THE HOUSEHOLD, TEMPORARY WORK VARIABLE
ZBANTBRN	NUMBER OF CHILDREN AT DECIDING THE RENT LIMITS, TEMPORARY WORK VARIABLE
ZBANTSAR	NUMBER OF CHILDREN AT DECIDING THE SPECIAL BENEFIT, TEMPORARY WORK VARIABLE
BEGSH	TYPE OF HOUSEHOLD
CSBINK	BENEFIT CARRYING INCOME

Variables created:

IBOSTBH	HOUSING ALLOWANCE

8.8.1 Families with children

First, housing allowances and income reduction is calculated for families with children.

If ZBARNSUM > 0 it is a family with children.

Housing allowance for those who has a housing cost beneath the lower rent limit[5] is only the special benefit for number of children.

If ZBOST <= ZN (ZBANTBRN) then IBOSTBH = 12 * ZG (ZBANTSAR)

Housing allowance for those with housing costs in the first interval (above the lower rent limit but beneath the higher rent limit).

[5] See 8.2 Allowance for housing costs

Else if ZBOST <= ZM (ZBANTBRN) then
IBOSTBH = 12 * (ZG (ZBANTSAR) + (ZBOST – ZN (ZBANTBRN)) * XAND1)

The next calculation is for those both in the first and the second interval.

Else if ZBOST <= ZO (ZBANTBRN) then
IBOSTBH = 12 * (ZG (ZBANTSAR) + (ZM (ZBANTBRN) – ZN (ZBANTBRN)) * XAND1 + (ZBOST – ZM (ZBANTBRN)) * XAND2)

Housing allowance for those with housing costs above the higher rent limit. You can only get housing allowance for costs up to the higher rent limit.

Else
IBOSTBH = 12 * (ZG (ZBANTSAR) + (ZM (ZBANTBRN) – ZN (ZBANTBRN)) * XAND1 + (ZO (ZBANTBRN) – ZM (ZBANTBRN)) *XAND2)

8.8.1.1Income reduction

If BEGSH=1 it is a single parent and the reduction of the housing allowance is:

If CSBINK > XFMB and IBOSTBH > 0 then
IBOSTBH = IBOSTBH - (XRFMB * (CSBINK – XFMB))

Else if BEGSH=2, the parents are married or cohabitants, the reduction is:

If CSBINK > XFMB / 2 and IBOSTBH > 0 then
IBOSTBH = IBOSTBH - (XRFMB * (CSBINK – XFMB / 2))

If CSBINKM > XFMB / 2 and IBOSTBH > 0 then
IBOSTBH = IBOSTBH - (XRFMB * (CSBINKM – XFMB / 2))

8.8.2 Youth under the age of 29

Finally, housing allowance and income reduction for those with no children, not being lodgers, not living with their parents, or living in housing accommodation supplied by a company and is under the age of 29, is calculated. The calculation is the same as for families with children except there is no special benefit for children.

ZBARNSUM = 0 and BOFORM < 6 och BALD < 29 and BALDM < 29.

If the housing cost is beneath 1 800 SEK there is no housing allowance.

If ZBOST < XN5 then IBOSTBH = 0

Else if ZBOST < XM5 then
IBOSTBH = 12 * (ZBOST - XN5) * XAND4

Else if ZBOST < XO5 then
IBOSTBH = 12 * ((XM5 - XN5) * XAND4 + (ZBOST - XM5) * XAND5)

Else
IBOSTBH = 12 * ((XM5- XN5) * XAND4+ (XO5 - XM5) * XAND5)

8.8.2.1 Income reduction

First the reduction of the housing allowance for singles is calculated.

If CSBINK > XUNGE and IBOSTBH > 0 then
IBOSTBH = IBOSTBH - (XRUNGE * (CSBINK – XUNGE))

Then the reduction for married/cohabitants is calculated.

CSBINKH = CSBINK + CSBINKM
If CSBINKH > XUNGS and IBOSTBH > 0 then
IBOSTBH = IBOSTBH - (XRUNGS * (CSBINKH – XUNGS))

9 Housing supplement for pensioners (BTP)

A person who is living in Sweden with retirement pension, disability pension, temporary disability pension or survivors pension can get housing supplement for pensioners (BTP). The maximum benefit is 85 % of the housing costs between 100 and 4 000 SEK/month[6].

If a pensioner gets housing benefit from the system for families with children, the housing cost is reduced with that housing benefit. A person who is drawing retirement pension before the age of 65 cannot receive BTP.

The Social Insurance Office will calculate the maximum BTP from the housing cost, from this BTP a part of the income is deducted.

[6] Until 1998 the Municipality can give supplementary addition for costs exceeding 4 000 SEK.

9.1 Income

The income is 5 % of the wealth, (excluding the flat or house where the pensioner is living). For wealth over 120 000 SEK for couples and 75 000 SEK for singles, an extra 10 % is added to the income.

All pensions apart from National Basic pension and supplements to the pension are added to the income. Child allowance is not added. Income from work, sickness allowance and unemployment benefit is added to the income.

The maximum housing supplement is reduced with 40 % of the income. If the income is more then 54 600 SEK (1,5 basic amounts), the housing supplement is also reduced with 45 % of the income above 54 600 SEK.

BTP below 25 SEK/month is not paid out.

9.1.1 Income in the model

The wealth is calculated first. It is calculated jointly for couples.

Variables:

FKUAKTI	SHARES QUOTED ON THE A-LIST
FKUAKF	EQUITY FUNDS
FKUOTC	SHARES QUOTED ON THE O-LIST
FKUOP	OPTIONS
FKUBANK	CASH IN BANKS
FTAXFR	PROPERTY TAXATION VALUE, LEISURE HOUSE
FSKUFR	DEBTS, LEISURE HOUSE
FFSTJB	PROPERTY TAXATION VALUE, FARMERS HOUSE
NRANTA	DEBT, FARMERS HOUSE
FSKULD	TOTAL DEBT
FSKUFST	DEBTS, REAL PROPERTY
FTAXFR	PROPERTY TAXATION VALUE, LEISURE HOUSE
BANDFR	SHARE IN LEISURE HOUSE
BCIVBTP	CIVIL STATUS

Parameters:

XAKTFO	CHANGE OF STOCK AND FUND VALUE WHEN TAXING WEALTH,1.0

The gross wealth is calculated below. The own home is not included.

Calculation:

(FKUAKTI+FKUAKTIM) / XAKTFO + (FKUAKF+FKUAKFM) / XAKTFO + (FKUBFON+FKUBONM) / XAKTFO + (FKUATC+FKUATCM) / XAKTFO + (FKUOP+FKUOPM) * XAKTFO + FKUBANK + FKUBANKM + FTAXFR1*BANDFR1 / 100 + FTAXFR2*BANDFR2 / 100 + FTAXFR1M*BANDFR1M / 100 + FTAXFR2M * BANDFR2M / 100

=

ZFBRUTTO	GROSS WEALTH, OWN HOME NOT INCLUDED

The debt is being calculated next. Debts on own home are not included.

Calculation:

+FSKULD	TOTAL DEBTS
+FSKULDM	TOTAL DEBTS, HUSBAND/WIFE
-FSKUFST	DEBTS, REAL PROPERTY
-FSKUFSTM	DEBTS, REAL PROPERTY, HUSBAND/WIFE
+FSKUFR	DEBTS, LEISURE HOUSE
+FSKUFRM	DEBTS, LEISURE HOUSE, HUSBAND/WIFE
=	
ZSKULD	DEBT, OWN HOME NOT INCLUDED

The net wealth is calculated below.

Calculation:

+ZFBRUTTO	GROSS WEALTH, OWN HOME NOT INCLUDED
-ZSKULD	DEBT, OWN HOME NOT INCLUDED
=	
ZFNETTO	NET WEALTH

5% of the net wealth is added to the benefit carrying income. How this is done in the model is shown in the calculation below.

Calculation:

ZFNETTO	NET WEALTH
*	
XPRK	COEFFICIENT FOR CALCULATING PART OF WEALTH ADDED TO BENEFIT CARRYING INCOME, 0,05
=	
ZFBTP	WEALTH THAT IS ADDED TO BENEFIT CARRYING INCOME

A more rigorous rule is applied when the pensioner has a greater wealth. 10% of the wealth is added to benefit carrying income for wealth exceeding 120 000 SEK for couples and 75 000 SEK for singles.

Variables:

ZFNETTO	NET WEALTH

Parameters:

XFGRANS	WEALTH-LIMIT FOR APPLYING THE MORE RIGOROUS RULE
XSAVK	COEFFICIENT FOR CALCULATING WEALTH ADDED TO BENEFIT CARRYING INCOME, GREATER WEALTH, 0.10

Calculation:

For singles (BCIVBTB=3), XFGRANS=XFGRANS1=75 000 KR. For couples (BCIVBTB≠3), XFGRANS=XFGRANS2=120 000 KR.

(ZFNETTO-XFGRANS)*XSAVK
=
ZFBTPH PROCEEDS FROM WEALTH OVER 75 000 OR 120 000 SEK

The benefit carrying income is calculated below.

Calculations:

+TTJ	INCOME FROM EMPLOYMENT
+TTJM	INCOME FROM EMPLOYMENT, HUSBAND/WIFE
+NAKT	INCOME FROM ACTIVE BUSINESS
+NAKTM	INCOME FROM ACTIVE BUSINESS, HUSBAND/WIFE
+IOVR	OTHER INCOMES, TAXFREE
+IOVRM	OTHER INCOMES, TAXFREE, HUSBAND/WIFE
-ZAVD	DEDUCTION FOR BASIC PENSION, PENSION SUPPLEMENT ETC.
+WAENKRE	AN AMOUNT REDUCING WIDOW'S PENSION
+WAENKREM	AN AMOUNT REDUCING WIDOW'S PENSION, HUSBAND/WIFE
+ZFBTP	PROCEEDS FROM WEALTH
+ZFBTPH	PROCEEDS FROM WEALTH OVER 75 000 OR 120 000 SEK
=	
IBTPINK	YEARLY BENEFIT CARRYING INCOME, BTP

The yearly benefit carrying income is divided if married or living together (BCIVBTP=1 or 2).

IBTPINK=IBTPINK/2

9.1.2 Calculation of the BTP-amount

The size of the BTP-amount is calculated next. The maximal BTP is reduced with 40% of the calculated benefit carrying income.

Variables:

MAXBTP	MAXIMAL BTP
IBTPINK	YEARLY BENEFIT CARRYING INCOME, BTP

Parameters:

XBASM	BASIC AMOUNT
XRFAKT1	FACTOR FOR REDUCING BTP IF < THAN 1,5 BASIC AMOUNT, 0.40
XRFAKT2	FACTOR FOR REDUCING BTP IF > THAN 1,5 BASIC AMOUNT, 0,45

Calculations:

MAX (MAXBTP – IBTPINK * XRFAKT1, 0)
=
ZBTP CALCULATED BTP

If the benefit carrying yearly income is greater than 54 600 SEK (1.5 basic amount) the BTP is reduced. The reduction is 45% of the income exceeding 54 600 SEK.

MAX(MAXBTP - 1,5 * XBASM * XRFAKT1-(IBTPINK - 1,5 * XBASM) * XRFAKT2, 0)
=
ZBTP CALCULATED BTP

Then a reduction is done for those who have received BTP during a part of the year.

Variable:

BBTMAN NUMBER OF MONTHS WITH BTP

Calculation:

ZBTP*BBTMAN/12
=
IBTPH BTP

9.2 Special housing supplement for pensioners (SBTP)

A pensioner with BTP can get special housing supplement for pensioners (SBTP) if he/she has low income and high housing costs.

The benefit carrying income for SBTP is National Basic pension, supplement to the pension, a part of National supplementary pension (ATP) corresponding to the size of supplement to the pension, BTP and halve of the yearly income calculated above (under BTP). The housing cost is deducted from this income.

Housing cost is the actual housing cost, but not more than 5 200 SEK/month. After the housing cost is deducted the income must exceed 3 701 SEK/month (1,22 basic amounts per/year) for singles and 6 127 SEK/month (2,02 basic amounts) for couples. If the income is lower the difference is covered by the special housing supplement.

9.2.1 Special housing supplement for pensioners in the model

The yearly housing cost is calculated first.

Variables:

ZUBOENDE YEARLY HOUSING COST

Parameters:

XBOREG MAXIMAL HOUSING COST, 5 200 SEK

Calculation:

ZUBOENDE=MIN (ZUBOENDE, 12 * XBOREG)

The next step is to calculate the norm for the reasonable standard of living. The reasonable standard of living is decided by the National Social Welfare Board to be 3 701 SEK per month (1.22 basic amounts/year) for singles and 6127 SEK per month (2.02 basic amounts/year) for couples. That is after the cost for housing has been drawn off. The calculations below show how the model deals with single pensioners. Similar calculations are made for couples.

Variable:

ZNORM	REASONABLE STANDARD OF LIVING

Parameters:

XNORMOG	THE NATIONAL SOCIAL WELFARE BOARD'S NORM FOR SINGLES, 1.22 BASIC AMOUNTS
XNORMG	THE NATIONAL SOCIAL WELFARE BOARD'S NORM FOR COUPLES, 2.02 BASIC AMOUNTS
XBASM	BASIC AMOUNT, 36 400 KRONOR

Calculation:

If single:

XNORMOG*XBASM
=
ZNORM REASONABLE STANDARD OF LIVING

If cohabiting:

XNORMG*XBASM*0,5
=
ZNORM REASONABLE STANDARD OF LIVING

The next step is to calculate the benefit carrying income for Special housing supplement for pensioners (SBTP). As already has been mentioned in the text above, the national basic pension, pension supplement or a part of the national supplementary pension (ATP) corresponding to the size of supplement are included in this income. BTP and halve of the benefit carrying yearly income for BTP are also included.

Variables:

IBTPINK	YEARLY BENEFIT CARRYING INCOME, BTP
ZBTP	CALCUALTED BTP
BBTPS	NUMBER FOR CONVERTING TO THE ACTUAL BASIC PENSION
BBTPSX	NUMBER FOR CONVERTING TO THE LOWEST BASIC PENSION
ZUBOENDE	YEARLY HOUSING COST
BFPMAN	NUMBER OF MONTHS WITH NATIONAL BASIC PENSION

Parameters:

XBASMS SPECIAL BASIC AMOUNT, 35 762 SEK
XTFPRED REDUCTION-FACTOR FOR EARLY RETIREMENT PENSIONER, 0,25

Calculations:

If single (BEGSH=1):

When the special basic amount is multiplied with BBTPS the product is a person's actual level of basic pension, and when it is multiplied with BBPTSX you get the lowest level of basic pension. The highest of these levels is added to the income.

IBTPINK*0,5+ZBTP+MAX (BBTPS, BBTPSX)*XBASMS
=
ZINK BENEFIT CARRYING YEARLY INCOME, SBTP

The benefit carrying yearly income is reduced as in the example below if the individual is an early retirement pensioner (BFPTYP=2).

ZINK=ZINK-XFTPRED*XBASMS

The next step is to subtract the yearly housing cost from the benefit carrying yearly income for SBTP.

ZINK-ZUBOENDE
=
ZDISP REMAINING INCOME AFTER SUBTRACTION OF HOUSING COST

If the remaining income is lower than the National Social Welfare Board's norm of a reasonable standard of living the difference is received as SBTP.

ZNORM-ZDISP
=
ZBTPS CALCULATED SBTP

Finally a reduction is made for those who have received SBTP during a part of the year.

ZBTPS*BFPMAN/12
=
IBTPSH SPECIAL HOUSING SUPPLEMENT FOR PENSIONERS, SBTP

10 Social assistance

Social assistance is intended to be an ultimate safety net for people in temporary financial crisis. The right to benefit is regulated in the Social Services Act and is based on means testing in each individual case. The social assistance is divided into two parts. The first part is called livelihood support and the second one is called assistance in another form.

10.1 Livelihood support

The livelihood support includes a “national norm” – a lowest standard sum that is decided by the government every year and a contribution for certain expenses.

In 1998 the national norm was 2 884 SEK per month for a single person without children. Cohabitants without children received 4 853 SEK. The national norm is meant to cover the costs for food, clothing and footwear, play and leisure, newspaper, TV-licence fee and telephone etc.

The contribution for certain expenses includes costs for housing, domestic electricity supply, household insurance, medical care, glasses and membership fees to the trade union and the unemployment insurance fond etc. This part of the livelihood support varies between different municipalities.

An individual has a legal right to things that is included in the livelihood support. A person can appeal a decision he or she is dissatisfied with.

10.2 Assistance in another form

Assistance in another form is a contribution beyond the livelihood support. This contribution can be approved for costs for domestic appliances, travels and psychotherapy etc. A decision about additional financial support is final and can’t be overruled.

10.3 Eligibilities

A person who can’t provide for his own needs and can’t get them satisfied in any other way has an opportunity to receive social assistance. Both the livelihood support and the assistance in another form are means tested benefits.The welfare office does an individual investigation, where they examine the applicant’s needs and possibilities to be self-supportive.

11. Comparison between microsimulation results and national statistics in 1998. Billions SEK

Variable (variable name)	Micro-simulation results	National statistics
Wages (TLON)	773	777
Supplementary pension (PATP)	124	125
Basic pension(PFP)	67	70
Private pensions (TPRIV+TLIVSP)	10	11
Total pensions (PPENS)	253	n a
Total pension(PPENS)-private(TPRIV)-work injury(TSKADE)-partial pension(PDEL)	237	237
Total unemployment benefits	49	48
Parental allowances (TFORP)	14	14
Sick benefits (TSJUKP)	20	20
Income from employment and taxable benefits (TTJ)	1120	1111
Income from business (NRV)	25	26
Assessed income (CTXFVI)	1133	1125
Basic deduction (AGAMAX)	105	96
General pension fee (SPENAVG)	57	57
Taxable income (CBEFVI)	971	972
Interests received (KIRANTA)	32	32
Paid interests (KASKU)	56	56
Capital gains (KV)	65	64
Capital losses (KF)	3	4
Income from capital (KKAP)	42	40
National income tax (SSFVI)	31	32
Local income tax (SKFVI)	306	306
Real estate tax (SFAST)	13	13
Wealth tax (SFORM)	6.8	5.9
Tax on capital (SKAP)	27	27
Tax-reduction on capital (SREDKAP)	14	14
Final tax (SSLUT)	436	439
Maintenance support (IUNDBIDH)	6	3
Child allowance (IBARNGH+IBARNFH)	17	17
Housing allowance (IBOSTBH)	6	7
Housing supplement for pensioners (IBTPH)	9	10
Social assistance (ISOCBIDH)	13	13
Study means (ISMBID+ISMLAN)	14	16
Factor income (CFAKTH)	926	n a
Taxable benefits (CTRAPSPH)	344	n a
Negative transfers (CTRANH)	432	n a
Tax free benefits (CTRAPAFH)	69	n a
Disposable income (CDISPH)	908	n a