

# Your Money

– with and without a collective agreement



# Collective agreements – insurance throughout your career

This brochure is for professionals who would like to find out more about what a collective agreement is and what it could mean to your economy. It provides more information about what a collective agreement is worth financially for various life events.

The majority of Swedish workplaces have collective agreements, but not all. You should therefore check whether there is a collective agreement at the workplace when you apply for a job or change employer. It has a major impact on your personal finances. Collective agreements are drawn up between unions and employers. On their members' behalf, Saco's unions have negotiated with employers and made collective agreements for occupational pensions and a large number of insurance schemes, among other things.

The agreements have a significant financial impact when you retire or, for various reasons, suffer a loss of income – such as through illness or occupational injury. They are an important supplement to public social insurance and can mean a difference of several thousand krona per month for you, depending on whether there is a collective agreement at your workplace or not.

Find out more about various collectively agreed benefits by visiting [saco.se](https://saco.se), [knegdeg.se](https://knegdeg.se), [ersattningskollen.se](https://ersattningskollen.se), [minpension.se](https://minpension.se) and [pensionsmyndigheten.se](https://pensionsmyndigheten.se).

Collective agreements also include other benefits linked to your employment, such as extra leave, parental benefits, compensation for overtime or contributions to fitness activities. Because collective agreements are drawn up between unions and employers, they have different provisions for different sectors of the labour market. You should always find out what applies to you and your situations!

# An agreement of major financial importance for professionals

- Collective agreements provide beneficial terms and good security for all employees because so many people in Sweden are members of unions.
- Collective agreements are about your salary and your working conditions, but also about security through insurance.
- Collective agreements provide financial security if you get ill, are on parental leave, when you retire and during other life events.
- Because there are many people sharing the risks, a collective agreement provides considerable financial benefits.
- An employer, or you and I, would find it difficult to get the equivalent benefits at the same low cost in any other way.



This brochure explains what a collective agreement is worth financially for various life events.

## If you are sick

If you are ill and unable to work, the first day is a qualifying day for which you receive no financial compensation. For sick days two to 14, you receive **sick pay** from your employer. This is 80% of your pay, regardless of what you earn. This is regulated in a special law, the Sick Pay Act (sjuklönelagen).

From day 15 you receive **sickness benefit** from the Swedish Social Insurance Agency (Försäkringskassan). This compensates you with almost 80% of your pay, but only up to a specific level. In 2023 this “pay ceiling” is SEK 43,750 per month. This means that the maximum compensation you can receive from Försäkringskassan is almost 80% of the pay ceiling, which is equivalent to SEK 33,480.

This level of sick pay is paid out for a maximum of 364 days. If you think that you will be on sick leave for longer than this, you can apply for extended sick pay at Försäkringskassan. The level of your sick pay then falls to almost 75% of your income up to the pay ceiling.



## With a collective agreement

The unions have used collective agreements to agree on compensation that supplements your sick pay from Försäkringskassan. The majority of collective agreements for professionals raise the total compensation for income below the pay ceiling for sick pay, but also provide compensation for income above the pay ceiling. The size of the compensation varies, but is up to 10% extra below the pay ceiling and around 75–90% above the pay ceiling, depending on how long you are sick.

### Example

If you are sick for up to three months and earn SEK 50,000 per month, without a collective agreement you would only have received sick pay from Försäkringskassan (in 2023) at SEK 33,480 per month. With a collective agreement you receive about another SEK 10,000 per month.

With a pay of SEK 25,000 per month, without a collective agreement you would only have received sick pay from Försäkringskassan at SEK 19,100. With a collective agreement you receive about another SEK 2,500 per month. The collective agreement is therefore a very important supplement to the public health insurance, not least for people who earn more than the pay ceiling for health insurance.

You can also take out an optional member's insurance that provides you with additional compensation in the case of longer illness. Contact your union to find out more.



What is your collective agreement worth? Try it out yourself in the calculator at [saco.se/en/collectiveagreement](https://saco.se/en/collectiveagreement)

## If an accident happens

If you have been injured at work and are unable to work, you receive [sick pay](#) and [sickness benefit](#) as you would if you were sick. You can read about the level of compensation in the [If you are sick](#) section. An [occupational injury](#) is one that happens to you if you have an accident at work or on the way to or from work. If you have become ill due to your work or infection these are also occupational injuries.

If the injury means that you are partially or completely unable to work in future you may be entitled to an annuity from Försäkringskassan. This annuity compensates for the future loss of income that affects you due to your inability to work. The legislated annuity cover your entire loss of income, but only up to a pay ceiling of SEK 32,800 per month, in 2023.



## With a collective agreement

The unions have used collective agreements to agree with employers on supplementary compensation if you suffer an occupational injury. The principle is that you will not be affected financially. If your employer has a collective agreement, supplementary compensation is added to the legislated compensation so that you receive up to 100% of your pay, both below and above the sick pay ceiling. The agreed compensation therefore makes a great difference if you have a collective agreement and pay above the ceiling if you suffer an occupational injury.

With a collective agreement you can receive up to 100 % of your pay.

Through your collective agreement, you may also be able to receive compensation for expenses due to the injury and compensation for physical and mental distress.

### Example

If you earn SEK 50,000 per month and suffer an occupational injury, without a collective agreement you would receive SEK 33,480 per month from Försäkringskassan (in 2023). With a collective agreement you receive about another SEK 16,500 per month. The collective agreement is therefore a very important supplement, not least for people who earn more than the pay ceiling as sick pay.

With pay of SEK 25,000 per month, without a collective agreement you would have received sickness benefit from Försäkringskassan at SEK 19,100 per month. With a collective agreement you receive about another SEK 5,900 per month. Some collective agreements may require that you report the occupational injury yourself to be eligible for compensation. Talk to AFA Försäkring, [www.afa.se](http://www.afa.se), which administers the collectively agreed insurance policies for occupational injury.

What is your collective agreement worth? Try it out yourself in the calculator on [saco.se/en/collectiveagreement](http://saco.se/en/collectiveagreement)

## If you are no longer able to work

If the situation is so bad that you are unable to work in the future due to illness, injury or disability, Försäkringskassan may decide to pay you [sickness compensation](#). This is if you can neither return to your old workplace or another workplace. If you are younger than 30 you receive [activity compensation](#) instead. This is always for a limited period of time.

Sickness compensation from Försäkringskassan is normally 64.7% of an average of your annual pay before you fell ill. There is also a pay ceiling for sickness compensation. In 2023 this was SEK 32,800 per month. This means that you can receive a maximum compensation of SEK 21,230 per month.





## With a collective agreement

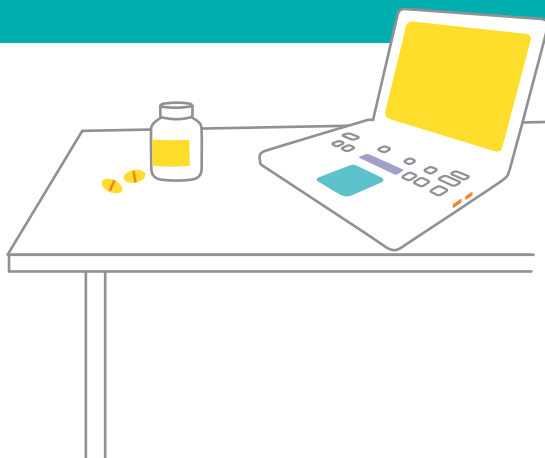
If your employer has signed a collective agreement you may also be able to get supplementary compensation that gives you a considerable addition every month. With a collective agreement you receive a supplement of 15–20% of your pay below the pay ceiling as a supplement to the sickness compensation and 65–75% above the pay ceiling that compensates you for not receiving anything from Försäkringskassan for pay above the ceiling. The exact level of the collectively agreed sick pension varies somewhat between the various collective agreements.

### Example

If you previously earned SEK 50,000 per month and are entitled to sickness compensation, the compensation from Försäkringskassan is SEK 21,230 per month (in 2023). With a collective agreement you receive about another SEK 16,000 per month until you turn 65.

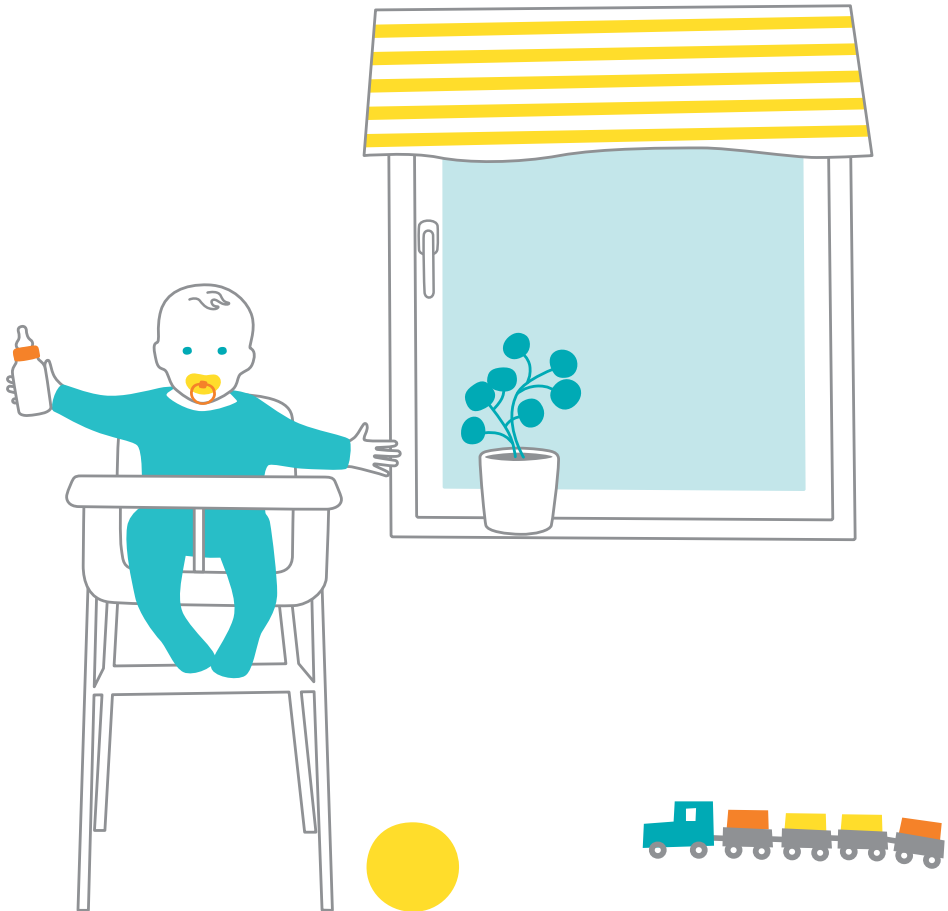
With pay of SEK 25,000 per month, without a collective agreement you would have received sickness compensation from Försäkringskassan at SEK 16,000 per month. With a collective agreement you receive about another SEK 3,700 per month.

Most collective agreements also mean that the employer takes out an insurance policy that continues to pay retirement pension contributions, based on the pay you had before you stopped working, during the period you receive sickness compensation from Försäkringskassan and sickness pension via the collective agreement. This has a great impact on the size of your future pension.



## If you have a child

During your [parental leave](#), you are entitled to [parental benefit](#) from the public parental insurance system. Parents are entitled to parental benefit for a total of 16 months. Of these, each parent has three months' leave that cannot be transferred to the other parent. For 13 months, parental benefit is equivalent to almost 80% of your pay, but there is also a pay ceiling for parental benefit, which is SEK 43,750 per month in 2023. The maximum compensation is around SEK 33,480 per month. During the remaining three months, parental benefit is only SEK 250 per day



## With a collective agreement

Most collective agreements for professionals have supplementary compensation during parental leave. This extra compensation gives you 10% of your pay below the pay ceiling and 80–90% of your pay above it. In other words, a collective agreement also provides compensation for loss of pay above the pay ceiling during parental leave. The collectively agreed compensation varies from three months to the whole period of the parental leave. It has different names, such as “föräldralön” (parental pay) or “föräldrapenning tillägg” (parental benefit supplement).

### Example

If you earn SEK 50,000 per month and are on parental leave, the maximum compensation you can receive from Försäkringskassan is SEK 3,480 per month (in 2023). In this example, with collectively agreed coverage at the 90% level you receive a collectively agreed pay supplement of around SEK 10,000 per month.

With pay of SEK 25,000 per month, without a collective agreement you would have received parental benefit from Försäkringskassan at SEK 19,100 per month. With a collective agreement you receive, in addition, around SEK 2,500 per month. Whether or not your employer has a collective agreement makes a great difference to your economy during your parental leave.

This compensation is not always paid automatically, instead you must apply for it yourself. It is therefore important that you find out exactly what applies at your workplace. It is easiest to ask your local union. Parental pay often means that it is beneficial for parents to share their leave equally. You can see how the variation in leave taken between two parents affects the size of their shared compensation on [saco.se/en/collectiveagreement](https://saco.se/en/collectiveagreement).

Most collective agreements also mean that the employer continues to pay retirement pension contributions during your parental leave. How long for and to what extent varies between the agreements. As this can have a significant influence on the size of your future pension, it is a good idea to talk to your local union if you are unsure about what applies at your workplace.

## When you retire

When you work and receive pay, you also make contributions to your retirement pension in accordance with Swedish law. The state pension consists of your income pension and premium pension (PPM).

Your earnings throughout your working life make a difference to your future national retirement pension. Each year contributions are paid into your pension that are equivalent to 18.5% of your pensionable pay. 16% goes to your income pension and 2.5% to your premium pension. The national retirement pension system also has an income ceiling, which was SEK 4,970 per month in 2023. Above that ceiling you will not be making any pension contributions.

The level of your future pension cannot be stated in advance; it depends on your lifetime income, general income trends in society and the age at which you retire. The size of your premium pension depends on how much has been paid in and how the value of the funds you have selected changes. If you have not made your own choice, your money is invested in the state management option.



## With a collective agreement

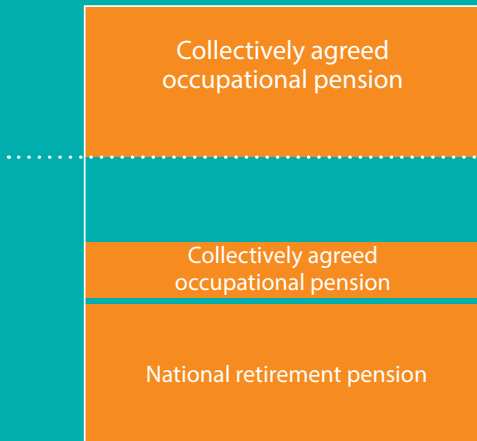
Unions and employers have agreed on collectively agreed occupational pensions as a supplement to the national retirement pension system. The occupational pension provides extra pension contributions for pay below the income ceiling. However, your occupational pension primarily comprises your entire pension contribution for pay above the income ceiling, because the national retirement pension system does not provide any entitlement to pension above the ceiling. This means that, for many professionals, the collectively agreed occupational pension is a considerable part – or even a greater part – of total income than the national retirement pension.

There are differences between the various occupational pensions for academics. For example, the agreements have different age limits for when you make pension contributions and different contribution principles. The majority of agreements for younger employees are entirely based on continual earning of pension contributions based on the size of your pay. The contributions are invested in funds and build capital for your future pension. However, older professionals often have defined-benefit retirement pensions. In a defined-benefit system individuals are guaranteed a pension that is equivalent to a certain share of their final salary. How much this is depends on the length of employment within that agreement. Which occupational pension agreement you are covered by depends on your age and the sector in which you work. Talk to your local union.

For many professionals, the collectively agreed occupational pension is a considerable part – or even a greater part – of their total income.

### General chart of pension components

Income ceiling for national retirement pension (SEK 49,970 per month in 2023)



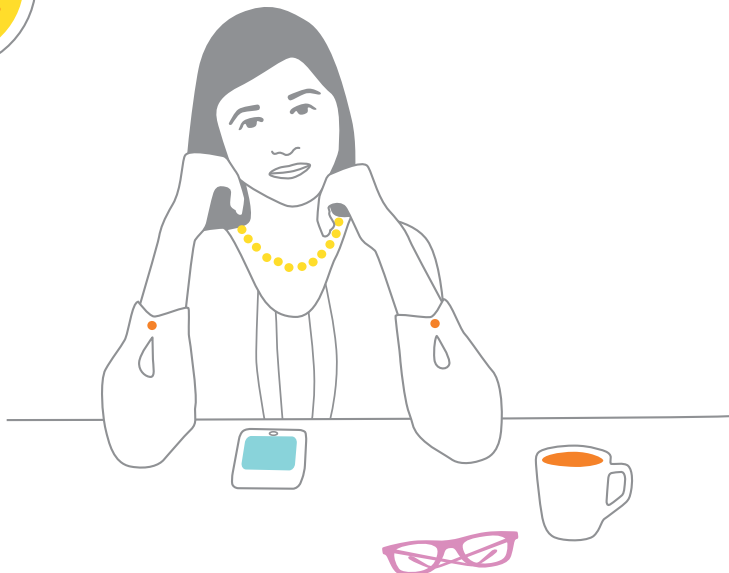
## If you lose your job

If you are a member of an unemployment insurance fund (a-kassa) you have financial coverage if you lose your job. The insurance conditions are legally regulated. The insurance is managed by various “a-kassa”; the Saco unions have a shared a-kassa, Akademikernas a-kassa.

If you are a member of an a-kassa you can receive compensation up to a pay ceiling of SEK 33,000 per month or SEK 1 200 per day. This means that you get SEK 26,400 per month if you have a pay that is equivalent to or higher than the pay ceiling. If you are not a member of an a-kassa you can only receive basic payments of no more than SEK 11,200 per month or SEK 510 per day. In other words, if you have chosen to join an a-kassa you can get SEK 15,200 more in compensation per month than if you are not a member. The compensation level from a-kassa is 80% for the first 200 days and 70% from day 201 to 300. Parents to children under the age of 18 also have the opportunity to receive a further 150 days. You must have worked for a certain period of time to receive either compensation from a-kassa or the basic payment.

Read more on [saco.se](https://saco.se) and [aea.se](https://aea.se)

Income insurance gives you 80% of your pay if you lose your job. This makes a big difference for many professionals.



## With a collective agreement and income insurance

Because unemployment insurance does not cover the loss of salary above the ceiling of SEK 33,000 per month, there is potential to take out insurance above the ceiling. Saco's unions have therefore produced insurance policies via collective agreements and partly via their own income insurance policies for unemployment. The collective agreements that the Saco unions draw up are called "omställningsavtal" (transition agreements) or "trygghetsavtal" (security agreements). They not only supplement lost salary, but in most cases they also include supportive actions to help you find new work. They may offer careers coaching, educations and placements.

Income insurance is included in the membership fee for members of most of Saco's unions. Members in other Saco unions have the opportunity to take out private insurance alongside their union membership. The ceiling for income insurance depends on which union you belong to. Some unions cover salary up to SEK 100,000 and others up to SEK 50,000. Compensation is up to 80 per cent of your pay. Combined with a-kassa, income insurance provides 80% of your pay in compensation. Compensation from income insurance is usually paid out for 120 days, but it is also possible to take out insurance that extends that period. To be covered by income insurance you must be a member of both a union and an a-kassa. The qualification period is 12–18 months, depending on the union.

### Example

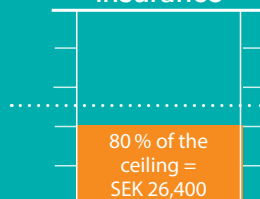
Combined with a-kassa, income insurance provides 80% of your pay in compensation. For monthly pay of SEK 50,000, income insurance will give you SEK 40,000, i.e. an additional SEK 13,600 on top of compensation from your a-kassa.

For monthly pay of SEK 35,000, income insurance will give you SEK 28,000, i.e. an additional SEK 1,600 on top of compensation from your a-kassa.

Pay (SEK 50,000 per month)

A-kassa ceiling (SEK 33 000 per month)

Without income insurance



With income insurance



## Your family's economy if you die

What happens to your family's economy if you die before you have turned 65? Your family has a legal right to a transitional pension for one year. This pension is based on your previous income.

If you have children under the age of 18, they are entitled to an extended transitional pension. Additionally, a child pension is normally paid until the child has finished upper secondary education. The level of the transitional pension is around half of the retirement pension that you would have received. There is also a pay ceiling here, SEK 49,970 per month in 2023.

## With a collective agreement

Unions and employers have, via collective agreements, agreed on different benefits for your relatives or survivors after your death.

All the major occupational pension agreements include the opportunity to receive a transitional benefit or survivor's pension. The compensation is paid, for a limited period, to your closest relatives who are then the surviving benefit holder. The terms and the level of the compensation differs between the various agreements, but what they have in common is that they provide compensation above the pay ceiling. In most cases the benefit has two components. One is for the surviving adult partner and the other for the deceased's children until they have turned 20. In some agreements this coverage is obligatory, but in the private sector you may be able to choose this coverage.

Unions and employers have drawn up a collective agreement on occupation-based life insurance. If you die, a one-off sum of that is a maximum of six price base amounts, i.e. SEK 315,000 in 2023, is paid to the surviving adult. In addition to this, there is a payment to children under the age of 20.

You can also choose repayment cover in your collectively agreed occupational pension, which provides extra financial security for your family and relatives. Whether or not you are covered by a collective agreement is of great important to your family's financial security if you should die.



“Collective agreements are drawn up between unions and employers. The majority of Swedish workplaces have collective agreements, but not all. You should therefore check whether there is a collective agreement at the workplace when you apply for a job or change employer. It has a major impact on your personal finances.”

## Do you want to know more...?

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AFA insures employees in the private sector and municipalities, county councils, regions and some municipal companies.  
Read more on [afaforsakring.se](http://afaforsakring.se)

Akademikernas a-kassa provides unemployment insurance (a-kassa) for all Saco unions.  
Read more on [saco.se](http://saco.se) and [akademikernasakassa.se](http://akademikernasakassa.se)

Alecta insures white collar workers in the private sector.  
Read more on [alecta.se](http://alecta.se)

Collectum administers occupational pensions, ITP, for the private sector.  
Read more on [collectum.se](http://collectum.se)

Collectively agreed benefits: Read more on [saco.se](http://saco.se), [avtalat.se](http://avtalat.se), [collectum.se](http://collectum.se), [minpension.se](http://minpension.se), and [pensionsmyndigheten.se](http://pensionsmyndigheten.se).

KPA pension administers occupational pensions for municipalities and county councils.  
Read more on [kpa.se](http://kpa.se)

Statens tjänstepensionsverk (SPV – the National Government Employee Pensions Board) calculates and pays occupational pensions and other benefits to employees of the state and stateowned companies. Read more on [spv.se](http://spv.se)

What does a collective agreement provide?  
Try it out yourself on [www.saco.se/collectiveagreement](http://www.saco.se/collectiveagreement)

## Saco, the Swedish Confederation of Professional Associations

Saco, is the umbrella organisation for Sweden's professionals. We are a politically independent union organisation. Saco's 21 independent unions represent professional and graduate groups from the entire labour market, including business owners. What our member unions have in common is higher education, knowledge, expertise and professional pride. In total, our membership is 960,000 professionals. As a representative of Sweden's professionals it is natural for Saco to exert a constant influence on the level of knowledge in Sweden. Education and research generate knowledge, which is an investment in both society and the individual - and is one of the most important factors in society's growth and development.



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