EUROMOD

COUNTRY REPORT

EUROMOD Country Report

SWEDEN

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June 2001
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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:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BFPGRP</td>
<td>GROUP OF NATIONAL BASIC PENSION</td>
</tr>
<tr>
<td>BREDFB</td>
<td>REDUCTION FACTOR</td>
</tr>
<tr>
<td>BUPPFB</td>
<td>ENUMERATION FACTOR</td>
</tr>
<tr>
<td>BFPMANB</td>
<td>NUMBER OF MONTHS WITH NATIONAL BASIC PENSION</td>
</tr>
<tr>
<td>BHELHALV</td>
<td>FULL/ONE-HALF RETIREMENT PENSION</td>
</tr>
</tbody>
</table>
BHALVA F  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 BFPGRP 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 BHALVA F in (2 4 5 6 7) then PUAAFPB = PUAAFPB / 4
else if BHALVA F 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:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BFPGRP</td>
<td>GROUP OF NATIONAL BASIC PENSION</td>
</tr>
<tr>
<td>BREDFB</td>
<td>REDUCTION FACTOR</td>
</tr>
<tr>
<td>BUPPFB</td>
<td>ENUMERATION FACTOR</td>
</tr>
<tr>
<td>BFPMANB</td>
<td>NUMBER OF MONTHS WITH NATIONAL BASIC PENSION</td>
</tr>
</tbody>
</table>

Parameters:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>XBASMS</td>
<td>SPECIAL BASIC AMOUNT, 35 672 SEK</td>
</tr>
</tbody>
</table>

Variables created:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUFFPB</td>
<td>DISABILITY PENSION FROM NATIONAL BASIC PENSION</td>
</tr>
</tbody>
</table>

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 is single.

Else if BFPGRP in (511 512 513 521 522 523 531 532 533) 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)\leq 34 then wife supplement will be calculated.

Variables needed:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHFP</td>
<td>MAIN BENEFIT NATIONAL BASIC PENSION</td>
</tr>
<tr>
<td>BFPMANB</td>
<td>NUMBER OF MONTHS WITH NATIONAL BASIC PENSION</td>
</tr>
<tr>
<td>BBST</td>
<td>HOUSING ALLOWANCE WILL BE PAID</td>
</tr>
</tbody>
</table>

Parameters

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>XAAPM</td>
<td>SHARE OF FULL RETIREMENT PENSION FOR SPOUCES, 0.785</td>
</tr>
<tr>
<td>XPTSM</td>
<td>SHARE OF FULL PENSION SUPPLEMENT FOR SPOUCES, 0.5550</td>
</tr>
<tr>
<td>XAAPE</td>
<td>SHARE OF FULL RETIREMENT PENSION FOR SINGLES, 0.96</td>
</tr>
<tr>
<td>XPTSE</td>
<td>SHARE OF FULL PENSION SUPPLEMENT FOR SINGLES, 0.550</td>
</tr>
<tr>
<td>XBASM</td>
<td>BASIC AMOUNT, 36 400 SEK</td>
</tr>
<tr>
<td>XBASMS</td>
<td>SPECIAL BASIC AMOUNT, 35 672 SEK</td>
</tr>
</tbody>
</table>

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 spouses.

\[ \text{PUHTB} = \left(2 \times (\text{XAAPM} + \text{XPTSM}) - (\text{XAAPE} + \text{XPTSE})\right) \times \text{XBASMS} \]

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

\[ \text{PUHTB} = \text{PUHTB} \times \frac{\text{BFPMANB}}{12} \]

### 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.

<table>
<thead>
<tr>
<th>Size of allowance</th>
<th>Per cent of basic amount</th>
<th>SEK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full</td>
<td>250</td>
<td>91 000</td>
</tr>
<tr>
<td>Three-quarter</td>
<td>187.5</td>
<td>68 250</td>
</tr>
<tr>
<td>One-half</td>
<td>125</td>
<td>45 500</td>
</tr>
<tr>
<td>One-quarter</td>
<td>62.5</td>
<td>22 750</td>
</tr>
</tbody>
</table>

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
- **BVDELF**  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 ADDITIONAL 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 ADDITIONAL BENEFIT NATIONAL BASIC PENSION  
BANTBT NUMBER 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  
BUPFFB 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.

\[ PUBTB = XBTAND \times (BANTBT + BHALVBT / 2) \times XBASMS \]

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

\[ PUBTB = BREDFB \times BUPPFB \times (BFPMANB + BFPMANBT) / 12 \times PUBTB \]

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 * 3/4
- 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: REDUCTION 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:
BSPFR=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.

\[ PSPTB = \text{MAX} ( (BSPTVAR - 5), 10) \times \frac{5}{100} \times XBASM \]

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

\[ PSPTB = \text{BREDFB} \times \text{BUPPFB} \times \text{BSPTMAN} / 12 \times PSPTB \]

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

If \( \text{BHELHALV}=2 \) then:

- If \( \text{BHALVAAF} \) in \( 2 4 5 6 7 \) then \( PSPTB = PSPTB/4 \)
- Else if \( \text{BHALVAAF} \) in \( 3 9 \) then \( PSPTB = PSPTB \times 3/4 \)
- 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 1\(^{st}\) 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
- **BAEFPPFR** 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 PENSION
- 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 $BAEFPPR > XREGAR \times 100$ then $BAEPMANB=XREGAR*100+13-BAEFPPR$

If $BAEFPTO > BAEFPFR$ then:

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

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.

$PUAEFPB = XAEFPKOF \times BAEP15D / 15 \times XBASMS$

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.

$PUAEFPB = BREDFB \times BUPPFB \times BAEPMANB / 12 \times PUAEFPB$

### 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.

\[ PUOPFPB = XOPFPKO * XBASMS \]

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

\[ PUOPFPB = BREDFB \times BUPPFB \times BOPMANB / 12 \times PUOPFPB \]

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:

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<td>BBPTYP</td>
<td>NUMBER OF DECEASED PARENTS</td>
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<tr>
<td>BBPFPR</td>
<td>TIME OF START FOR CHILD PENSION FROM NATIONAL BASIC PENSION</td>
</tr>
<tr>
<td>BBPFPTO</td>
<td>ENDING TIME FOR CHILD PENSION FROM NATIONAL BASIC PENSION</td>
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<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
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<td>XBASMS</td>
<td>SPECIAL BASIC AMOUNT, 35 672 SEK</td>
</tr>
<tr>
<td>XREGAR</td>
<td>REGISTER YEAR 97</td>
</tr>
<tr>
<td>XBPFPKOF</td>
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<th>Variable</th>
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<tr>
<td>BBPMANB</td>
<td>NUMBER OF MONTHS WITH CHILD’S PENSION</td>
</tr>
<tr>
<td>PUBPFPB</td>
<td>CHILD PENSION FROM NATIONAL BASIC PENSION</td>
</tr>
</tbody>
</table>

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:

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

Then you can calculate the size of the ATP:

\[60\% \left(\frac{A \times B \times C}{B}\right)\]

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 half 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 half 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:**

- BTPBEG: START TIME FOR THE OWN PENSION
- BTOMTIDE: ENDING TIME FOR THE OWN PENSION
- BATID: TIME OF WITHDRAWAL OF ALL BENEFITS
- BFPG96: 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:**
Variables created:

BTPMANB   NUMBER OF MONTHS WITH ATP
PAATPB    RETIREMENT PENSION FROM ATP
PFFTPB    DISABILITY PENSION 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, see 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, BTPMANB 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.

\[ PAATPB = XTPKOF \times XBASMS \times BTPEMP \times BTPET/BTPEN \times 10 \]

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

\[ PAATPB = BREFDB \times BUPPFB \times BTPMANB/12 \times PAATPB \]

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

\[ PFFTPB = XTPKOF \times XBASMS \times BTPEMP \times BTPET/BTPEN \times 10 \]
\[ PFFTPB = BREFDB \times BUPPFB \times BTPMANB/12 \times PFFTPB \]

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 \( PAATPB = PAATPB/2 \)

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 \( PFFTPB = PFFTPB*2/3 \)

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 \( PYLTPB>0 \) then \( PAATPB = \max((PAATPB – PYLTPB \times XBASKOF),0) \)
If \( PYLTPB>0 \) then \( PFFTPB = \max((PFFTPB – PYLTPB \times XBASKOF),0) \)

Retirement pension from National basic pension can be reduced with no more than \( 1/4 \).

If \( PYLAAFP>0 \) then:

\[ PUAAFPB = \max((PUAAFPB – PYLAAFP \times XBASKOF),0.75*PUAAFPB) \]
Disability pension from National basic pension can be reduced with no more than $\frac{3}{4}$.

If $\text{PYLFFP}>0$ then:

$$ \text{PUFFPB} = \max((\text{PUFFPB} - \text{PYLFFP} \times \text{XBASKOF}), 0.25 \times \text{PUFFPB}) $$

### 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

#### 1.2.5.1 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 FROM TP
- **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.

$$ \text{BAETMANB} = 12 $$

---

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 $BAETPFR > XREGAR \times 100$ then $BAETMANB = XREGAR \times 100 + 13 - BAETPFR$

If $BAETPTO > BAETPFR$ then:

If $BAETPTO > XREGAR \times 100$ then:
$BAETMANB = BAETMANB - (XREGAR \times 100 + 12 - BAETPTO)$

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 $BATID > XREGAR \times 100$ then $BAETMANB = BAETMANB - (XREGAR \times 100 + 12 - BATID)$

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 $(BAEMP \times XTPEMP) > 6.5$ then $BAEMP = 6.5$
Else $BAEMP = XTPEMP \times BAEMP$

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

If $XTPET > 0$ then:

If $(BAET \times XTPET) > BAEN/10$ then $BAET = BAEN/10$
Else $BAET = XTPET \times BAET$

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.

$PAETPB = XAETPKOF \times XBASMS \times BAETPPR / 10000 \times BAEMP \times BAET / BAEN \times 10$

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

$PAETPB = BAETMANB / 12 \times PAETPB$

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

If $PAEYLTTP > 0$ then $PAETPB = \text{MAX}(PAETPB - PAEYLTTP \times XBASKOF, 0)$

If $Pylaefp > 0$ then $PUAEFPB = \text{MAX}(PUAEFPB - Pylaefp \times XBASKOF, 0)$

### 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:

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<td>NUMBER OF CHILDREN UNDER 12 YEARS</td>
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<th>Description</th>
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<td>NUMBER OF MONTHS WITH ATP</td>
</tr>
<tr>
<td>POPTPB</td>
<td>ADJUSTMENT PENSION FROM ATP</td>
</tr>
</tbody>
</table>

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 \((BOPMP \times XTPEMP) > 6.5\) then \( BOPMP = 6.5 \)
Else \( BOPMP = XTPEMP \times BOPMP \)

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

If \( XTPET \) >0 then:

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

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.

\[
POPTPB = XOPTPKOF \times XBASMS \times BOPTPPR/10000 \times BOPMP \times BOPT / BOPN \times 10
\]

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

\[
POPTPB = BOPTMANB/12 \times POPTPB
\]

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

If \( PYLOPTP \) >0 then \( POPTPB = \text{MAX}( (POPTPB – PYLOPTP \times XBASKOF),0) \)
If \( PYLOPFP >0 \) then \( PUOPFPB = \text{MAX}( (PUOPFPB – PYLOPFP \times XBASKOF),0) \)

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:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBPTPF1</td>
<td>START TIME FOR CHILD PENSION FROM ATP, PARENT 1</td>
</tr>
<tr>
<td>BBPTPT01</td>
<td>ENDING TIME FOR CHILD PENSION FROM ATP, PARENT 1</td>
</tr>
<tr>
<td>BBPTPF2</td>
<td>START TIME FOR CHILD PENSION FROM ATP, PARENT 2</td>
</tr>
<tr>
<td>BBPTPT02</td>
<td>ENDING TIME FOR CHILD PENSION FROM ATP, PARENT 2</td>
</tr>
<tr>
<td>BATID</td>
<td>TIME OF WITHDRAWAL OF ALL BENEFITS</td>
</tr>
<tr>
<td>BBTP</td>
<td>CODE FOR CHILD PENSION FROM ATP</td>
</tr>
<tr>
<td>BBPTPT</td>
<td>CODE FOR CHILD PENSION FROM ATP, PARENT 1</td>
</tr>
</tbody>
</table>
BBPT 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
BBT1 NUMBER OF YEARS WITH CHILD PENSION FROM ATP, PARENT 1
BBT2 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
PBPLYTP WORK INJURY ANNUITY DEDUCTION FROM CHILD PENSION FROM ATP
PBPLYFP WORK INJURY ANNUITY DEDUCTION FROM ADJUSTMENT PENSION FROM NATIONAL BASIC PENSION
BBPFP CODE FOR CHILD PENSION FROM NATIONAL BASIC PENSION
PBFPFB 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*BBT1/BBPN1*10
Then you consider number of months with child pension from ATP for parent 1.

\[ PBPTPBB1 = BBPTMNBB1 / 12 \times PBPTPBB1 \]

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

\[ BBPTMNBB2 = 12 \]

If \( BBPTPFR2 > XREGAR \times 100 \) then \( BBPTMNBB2 = XREGAR \times 100 + 13 - BBPTPFR2 \)

If \( BBPTPTO2 > BBPTPFR2 \) then:

- If \( BBPTPTO2 > XREGAR \times 100 \) then \( BBPTMNBB2 = BBPTMNBB2 - (XREGAR \times 100 + 12 - BBPTPTO2) \)
  Else \( BBPTMNBB2 = 0 \)

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 \( BBPTPTO2 \), \( BBPTMNBB2 \) is corrected below.

If \( BATID > XREGAR \times 100 \) then \( BBPTMNBB2 = BBPTMNBB2 - (XREGAR \times 100 + 12 - BATID) \)

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

\[ PBPTPBB2 = XBPTPKOF \times XBASMS \times BBPTPFR2 / 10000 \times BBPMP2 \times BBPT2 / BBPN2 \times 10 \]

\[ PBPTPBB2 = BBPTMNBB2 / 12 \times PBPTPBB2 \]

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 \( PBPTPBB = \text{MAX} \left( PBPTPBB - PBPYLTP \times XBASKOF, 0 \right) \)

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 \((PUBPFPB + PBPTPBB) < BBPTYP \times 0.4 \times XBASM \) then:

\[ PUBPFPB = BBPTYP \times 0.4 \times XBASM - PBPTPBB \]

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

If \( PYLBFPF > 0 \) and \( BBPTP = 1 \) then:

\[ PUBPFPB = \text{MAX} \left( PUBPFPB - PYLBFPF \times XBASKOF, 0.25 \times PUBPFPB \right) \]
Child pension from National basic pension and ATP is divided into one taxable part and one tax-free part.

\[ PBARNSP = PUBPFPB + PBPTPBB \]

If \( BBFP = 1 \) then:

\[ PBARNSF = \text{MIN}(PBARNSP, BBPTYP \times 0.4 \times XBASM \times BBPMANB / 12) \]
\[ PBARNSP = \text{MAX}(PBARNSP - PBARNSF, 0) \]

### 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 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 REDUCTION 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 \( B\text{HELHALV}=1 \) then \( K=1 \)

If \( B\text{HELHALV}=2 \) then \( K=2 \)

If \( B\text{HALVAAF} \) in \( 2 4 5 6 7 \) then \( X\text{PTSKOF}(K)=X\text{PTSKOF}(1)/4 \)

If \( B\text{HALVAAF} \) in \( 3 9 \) then \( X\text{PTSKOF}(K)=X\text{PTSKOF}(1)*3/4 \)

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

\[
PA\text{APTSB} = X\text{PTSKOF}(K) \times XB\text{ASMS}
\]

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

\[
PA\text{APTSB} = BREDFB \times BUPPFB \times BFPMANB/12 \times PA\text{APTSB}
\]

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 \( X\text{TPB} \), containing a person’s sum of ATP.

If \( X\text{TPB}>0 \) then \( PA\text{APTSB} = \text{MAX} (PA\text{APTSB}-X\text{TPB},0) \)

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

If \( PYL\text{AAFP}>0 \) then \( PA\text{APTSB} = \text{MAX} (PA\text{APTSB}-PYL\text{AAFP}*XB\text{ASKOF},0) \)
1.3.2 Calculation of supplements to disability pension and temporary disability pension, in the model.

Variables needed:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BFPGRP</td>
<td>GROUP OF NATIONAL BASIC PENSION</td>
</tr>
<tr>
<td>BREDFB</td>
<td>REDUCTION FACTOR</td>
</tr>
<tr>
<td>BUPPFB</td>
<td>ENUMERATION FACTOR</td>
</tr>
<tr>
<td>BFPMANB</td>
<td>NUMBER OF MONTHS WITH NATIONAL BASIC PENSION</td>
</tr>
<tr>
<td>BHALVAAF</td>
<td>RETIREMENT PENSION OR DISABILITY PENSION, LESS THAN FULL TIME</td>
</tr>
<tr>
<td>PYLFFP</td>
<td>WORK INJURY ANNUITY DEDUCTION FROM DISABILITY PENSION, NATIONAL BASIC PENSION</td>
</tr>
</tbody>
</table>

Parameters:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>XBASMS</td>
<td>SPECIAL BASIC AMOUNT, 35 672 SEK</td>
</tr>
<tr>
<td>XTPB</td>
<td>AMOUNT REDUCING THE SUPPLEMENT TO PENSION</td>
</tr>
<tr>
<td>XBASKOF</td>
<td>BASIC AMOUNT COEFFICIENT FOR PROJECTING, BASIC AMOUNT MODEL YEAR IN RELATION</td>
</tr>
<tr>
<td></td>
<td>TO BASIC AMOUNT BASE YEAR</td>
</tr>
</tbody>
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Variables created:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>PFPPTSB</td>
<td>SUPPLEMENT TO DISABILITY PENSION / TEMPORARY DISABILITY PENSION</td>
</tr>
</tbody>
</table>

Below it is decided if it is disability pension or temporary disability pension, and if it is 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)*3/4
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)*3/4
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.

\[ \text{PFPPTSB} = \text{BREDFB} \times \text{BUPPFB} \times \text{BFPMANB}/12 \times \text{PFPPTSB} \]

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 \( \text{XTPB} > 0 \) then \( \text{PFPPTSB} = \max (\text{PFPPTSB} - \text{XTPB}, 0) \)

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

If \( \text{PYLFFP} > 0 \) then \( \text{PFPPTSB} = \max (\text{PFPPTSB} - \text{PYLFFP} \times \text{XBASKOF}, 0) \)

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

#### Variables needed:

- \( \text{BAEPFP} \): CODE FOR WIDOW’S PENSION
- \( \text{BOPFP} \): CODE FOR ADJUSTMENT PENSION FROM NATIONAL BASIC PENSION
- \( \text{BAEP15D} \): NUMBER OF FIFTEENTH PARTS FOR WIDOW’S PENSION
- \( \text{PYLAEFP} \): WORK INJURY ANNUITY DEDUCTION FROM WIDOW’S PENSION, NATIONAL BASIC PENSION

#### Parameters:

- \( \text{XBASMS} \): SPECIAL BASIC AMOUNT, 35 672 SEK
- \( \text{XAEPTSKO} \): SUPPLEMENT’S SHARE OF BASIC AMOUNT – WIDOW’S PENSION
- \( \text{XTPB} \): AMOUNT REDUCING THE SUPPLEMENT TO PENSION
- \( \text{XBASKOF} \): BASIC AMOUNT COEFFICIENT FOR PROJECTING, BASIC AMOUNT MODEL YEAR IN RELATION TO BASIC AMOUNT BASE YEAR

#### Variables created:

- \( \text{PAEPTSB} \): SUPPLEMENT TO WIDOW’S PENSION

If \( \text{BAEPFP} = 1 \) and \( \text{BOPFP} = 0 \) 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.

\[ \text{PAEPTSB} = \text{XAEPTSKO} \times \text{BAEP15D}/15 \times \text{XBASMS} \]

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

\[ \text{PAEPTSB} = \text{BREDFB} \times \text{BUPPFB} \times \text{BFPMANB}/12 \times \text{PAEPTSB} \]
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 $PAEPTS = \max (PAEPTS - XTPB, 0)$

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

If $PYLAEF > 0$ then $PAEPTS = \max (PAEPTS - PYLAEF \times XBASKOF, 0)$

### 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:**

- **POPPTS**: 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.

$$POPPTS = XOPPTSKO \times XBASMS$$

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

$$POPPTS = BREDFB \times BUPPFB \times BOPMANB/12 \times POPPTS$$

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

If $BOPTYP = 3$ and $BOPSEPD = 1$ then $POPPTS = POPPTS/2$
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 + PUFPB + PUAEFPB + PUOPFPB + PUHTB + PUBTB
PPTS  = PAAPTSB + PFPPPTS + 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.

TPENSSXM = 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:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>WDKOD</td>
<td>SHARE OF FULLTIME WORK</td>
</tr>
<tr>
<td>WCSGI</td>
<td>INCOME QUALIFYING FOR PENSION, THE MODELLED YEAR</td>
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<tr>
<td>ZKARENS</td>
<td>SHARE OF 5 WAITING DAYS</td>
</tr>
<tr>
<td>TKASSA</td>
<td>BENEFIT FROM UNEMPLOYMENT INSURANCE FOND, A-KASSA</td>
</tr>
<tr>
<td>WDAGEAK</td>
<td>NUMBER OF DAYS AS UNEMPLOYD, A-KASSA</td>
</tr>
<tr>
<td>TKUALU</td>
<td>BENEFIT FROM WORK EXPERIENCE SHHEME, ALU</td>
</tr>
<tr>
<td>WDAGALU</td>
<td>NUMBER OF DAYS AS UNEMPLOYD, ALU</td>
</tr>
<tr>
<td>TARBUT</td>
<td>BENEFIT FROM EMPLOYMENT TRAINING, AMU</td>
</tr>
<tr>
<td>WDAGUTB</td>
<td>NUMBER OF DAYS AS UNEMPLOYD, AMU</td>
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Parameters needed:

<table>
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<th>Parameter</th>
<th>Description</th>
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<td>XKARENSD</td>
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<tr>
<td>XEAKMAX</td>
<td>MAXIMUM PER DIEM ALLOWANCE A-KASSA, 580 SEK</td>
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<tr>
<td>XEAKMIN</td>
<td>MINIMUM PER DIEM ALLOWANCE A-KASSA, 240 SEK</td>
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<td>XEAKPROC</td>
<td>PER CENT COMPENSATION OF ORDINARY INCOME, A-KASSA, 0.80</td>
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<td>MAXIMUM PER DIEM ALLOWANCE ALU, 580 SEK</td>
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<td>XALUMIN</td>
<td>MINIMUM PER DIEM ALLOWANCE ALU, 240 SEK</td>
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<td>XUTBMAX</td>
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<tr>
<td>XUTBMIN</td>
<td>MINIMUM PER DIEM ALLOWANCE AMI ETC., 240 SEK</td>
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<td>XUTBUNG</td>
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Variables created:

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<tr>
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<tr>
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</tr>
<tr>
<td>TKUALU</td>
<td>BENEFIT FROM WORK EXPERIENCE SCHEME, ALU</td>
</tr>
<tr>
<td>TARBUT</td>
<td>BENEFIT FROM EMPLOYMENT TRAINING, AMU</td>
</tr>
<tr>
<td>TARBST</td>
<td>TOTAL UNEMPLOYMENT BENEFIT</td>
</tr>
<tr>
<td>XARBLDAG</td>
<td>NUMBER OF DAYS AS UNEMPLOYED</td>
</tr>
<tr>
<td>BARBLMAN</td>
<td>NUMBER OF MONTHS AS UNEMPLOYED</td>
</tr>
</tbody>
</table>

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.

\[ \text{DAGMAX} = \text{WDKOD} \times \text{XEAKMAX} \]
\[ \text{DAGMIN} = \text{WDKOD} \times \text{XEAKMIN} \]

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).

\[ \text{DAGERS} = \text{XEAKPROC} \times \text{WDKOD} \times \text{WCSGI} / 264 \]

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

\[ \text{DAGERS} = \text{MIN}(\text{DAGMAX}, \text{DAGERS}) \]
\[ \text{DAGERS} = \text{MAX}(\text{DAGMIN}, \text{DAGERS}) \]

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

\[ \text{TKASSA} = \text{MAX}(0, (\text{WDAGEAK} – \text{ZKARENS} \times \text{XKARENSD})) \times \text{DAGERS} \]

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,

\[ \text{DAGMAX} = \text{WDKOD} \times \text{XALUMAX} \]
\[ \text{DAGMIN} = \text{WDKOD} \times \text{XALUMIN} \]

\[ \text{DAGERS} = \text{XEAKPROC} \times \text{WDKOD} \times \text{WCSGI} / 264 \]

\[ \text{DAGERS} = \text{MIN}(\text{DAGMAX}, \text{DAGERS}) \]
\[ \text{DAGERS} = \text{MAX}(\text{DAGMIN}, \text{DAGERS}) \]
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,

\[
\begin{align*}
\text{DAGMAX} &= \text{XUTBMAX} \\
\text{DAGMIN} &= \text{XUTBMIN} \\
\text{DAGERS} &= \text{XEAKPROC} \times \frac{\text{WCGSI}}{264} \\
\text{DAGERS} &= \text{MIN} (\text{DAGMAX}, \text{DAGERS}) \\
\text{DAGERS} &= \text{MAX} (\text{DAGMIN}, \text{DAGERS})
\end{align*}
\]

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

If BALD<20 then DAGERS = XUTBUNG

\[
\text{TARBUT} = \text{WDAGUTB} \times \text{DAGERS}
\]

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.

\[
\text{TARBST} = \text{TKASSA} + \text{TKUALU} + \text{TARBUT}
\]

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.

\[
\begin{align*}
\text{XARBLDAG} &= \text{WDAGEAK} + \text{WDAGALU} + \text{WDAGUTB} \\
\text{BARBLMAN} &= \text{MIN} (\text{XARBLDAG} / 22, 12)
\end{align*}
\]

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 than 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:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>TFORH</td>
<td>PREGNANCY ALLOWANCE</td>
</tr>
<tr>
<td>CSGIMA</td>
<td>MAX INCOME QUALIFYING FOR SICKNESS ALLOWANCE</td>
</tr>
<tr>
<td>BHP</td>
<td>NUMBER OF DAYS WITH PREGNANCY ALLOWANCE DURING THE YEAR</td>
</tr>
</tbody>
</table>

Parameters:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>XHP</td>
<td>DEGREE OF COMPENSATION, PREGNANCY ALLOWANCE, 0.80</td>
</tr>
<tr>
<td>XBARN2</td>
<td>CHANGE IN NUMBER OF CHILDREN, FROM YEAR OF INCOME TO MODEL YEAR, AGE 0-2</td>
</tr>
</tbody>
</table>

Calculation:

\[
\text{TFORH} = \text{TFORH} + \frac{\text{CSGIMA}}{365} \times \text{BHP} \times \text{XHP} \times \text{XBARN2}
\]

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:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>TFORPF</td>
<td>PARENTAL ALLOWANCE BIRTH OR ADOPTION</td>
</tr>
<tr>
<td>CSGIMAR</td>
<td>MAX INCOME QUALIFYING FOR SICKNESS ALLOWANCE ACCORDING TO THE NATIONAL SOCIAL INSURANCE BOARD</td>
</tr>
<tr>
<td>BFA(I)</td>
<td>NUMBER OF DAYS WITH PARENTAL ALLOWANCE DURING THE YEAR</td>
</tr>
<tr>
<td>BFSJ(I)</td>
<td>NUMBER OF DAYS, PARENTAL ALLOWANCE WITH GUARANTEE LEVEL DURING THE YEAR</td>
</tr>
<tr>
<td>BFGAR(I)</td>
<td>NUMBER OF DAYS WITH GUARANTEE LEVEL (MAX 90) DURING THE YEAR</td>
</tr>
</tbody>
</table>

Parameters:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>XGARATI</td>
<td>DAILY CASH BENEFIT, GUARANTEE LEVEL, 60 SEK</td>
</tr>
<tr>
<td>XFPN</td>
<td>DEGREE OF COMPENSATION, PARENTAL ALLOWANCE, 0.80</td>
</tr>
<tr>
<td>XBARN2</td>
<td>CHANGE IN NUMBER OF CHILDREN, FROM YEAR OF INCOME TO MODEL YEAR, AGE 0-2</td>
</tr>
</tbody>
</table>

Calculation:

The model sums up to 3 children.

\[
TFORPF = TFORPF + (\max(CSGIMAR/365, XGARATI/XFPN) \times \max(BFA(I) - BFSJ(I) - BFGAR(I), 0) \times XFPN + XGARATI \times BFSJ(I) - BFGAR(I), 0) \times XFPN + XGARATI \times BFS(1) + XGARATI \times BFGAR(1) \times XBARN2
\]

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).

\[
TFORF = TFORF + \frac{CSGIMA}{260} \times BTF10(I) \times XTFP10 \times XBARN2
\]

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 BENEFIT, 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).

\[
TFORPT = TFORPT + \max\left(\frac{CSGIMA}{260}, \frac{XGARATI}{XTFPN}\right) \times BTF(I) \times XTFPN \times XBARN8
\]
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
+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 BENEFITS ADULTS
+TUTBDOK STUDY GRANTS POST GRADUATE STUDIES
+TBOBBY 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.
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:

\[ +N_{\text{akt}} \quad \text{INCOME FROM ACTIVE BUSINESS} \]
\[ +N_{\text{pas}} \quad \text{INCOME FROM PASSIVE BUSINESS} \]
\[ = \]
\[ N_{\text{rv}} \quad \text{INCOME FROM BUSINESS} \]

5.1.3 Assessed earning

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

Calculation of assessed earning:

\[ +T_{\text{tj}} \quad \text{INCOME FROM EMPLOYMENT} \]
\[ +N_{\text{rv}} \quad \text{INCOME FROM BUSINESS} \]
\[ -A_{\text{pens}} \quad \text{DEDUCTION PRIVATE PENSION INSURANCES} \]
\[ -A_{\text{peru}} \quad \text{DEDUCTION PERIODIC MAINTENANCE PAID} \]
\[ -A_{\text{anakt}} \quad \text{DEDUCTION NEW STARTED COMPANY} \]
\[ = \]
\[ C_{\text{txfv1}} \quad \text{ASSESSED EARNING} \]

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:

\[ +K_{\text{kurt}} \quad \text{BANK INTERESTS} \]
\[ +K_{\text{kuvp}} \quad \text{INTERESTS, BONDS AND OTHER SECURITIES} \]
\[ +K_{\text{kurbo}} \quad \text{INTEREST CONTRIBUTION, OWN HOME AND LEISURE HOUSE} \]
\[ +K_{\text{kuitd}} \quad \text{DIVIDENDS} \]
\[ +K_{\text{irrest}} \quad \text{RESIDUAL INTERESTS} \]
Kiranta = Total taxable interest received

Kirarest 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:

\[
+KASKUEG \quad \text{PaID INTEREST OWN HOME} \\
+KASKUFK \quad \text{PAID INTEREST LEISURE HOUSE} \\
+KASKUBR \quad \text{PAID INTEREST COOPERATIVE FLAT} \\
+KATOMT \quad \text{PAID INTEREST SITE-LEASEHOLD RIGHT} \\
+KAREST \quad \text{RESIDUAL PAID INTERESTS} \\
= \\
\text{KASKU \quad PAID INTERESTS} \\
\]

Karest is created in the model. KASKU and KATOMT are collected from external registers. KASKU is divided into KASKUEG, KASKUFK 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:

\[
\begin{align*}
KVOBLMM & \quad \text{CAPITAL GAIN, BONDS} \\
KFODBMM & \quad \text{CAPITAL LOSS, BONDS} \\
KVPERS & \quad \text{CAPITAL GAIN, OTHER PERSONAL PROPERTY FOR OWN USE} \\
KFPERS & \quad \text{CAPITAL LOSS, OTHER PERSONAL PROPERTY FOR OWN USE} \\
KVPEJPER & \quad \text{CAPITAL GAIN, OTHER PERSONAL PROPERTY NOT FOR OWN USE} \\
KFEJPER & \quad \text{CAPITAL LOSS, OTHER PERSONAL PROPERTY NOT FOR OWN USE} \\
KVVAL & \quad \text{CAPITAL GAIN, FOREIGN CURRENCY} \\
KFVAL & \quad \text{CAPITAL LOSS, FOREIGN CURRENCY} \\
KVHB & \quad \text{CAPITAL GAIN WHEN SELLING SHARES IN TRADING COMPANY} \\
KFHB & \quad \text{CAPITAL LOSS WHEN SELLING SHARES IN TRADING COMPANY} \\
KVOVR & \quad \text{RESIDUAL CAPITAL GAINS} \\
KFOVR & \quad \text{RESIDUAL CAPITAL LOSSES} \\
ZKV & \quad \text{TEMPORARY VARIABLE, TAXABLE CAPITAL GAIN}
\end{align*}
\]
ZKF  TEMPORARY VARIABLE, DEDUCTIBLE CAPITAL LOSS

Calculation of taxable gain/loss:

\[ ZKV = KVOBLMM + \max(KVPERS-50000, 0) + KVEJPER + KVVAL + KVHB + KVOVR \]
\[ ZKF = KFOBLMM + KFEJPER + KFVAL + KFHB + KFOVR \]

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 \(ZAFO<0\):
\[ ZKF = ZKF + |ZAFO| \]

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:

\[ ZONO = KVENOT - KFENOT \]

If capital gain \(ZONO>0\):
\[ ZKVEM = ZONO \]
If capital loss $ZONO < 0$:
$ZKFEM = |ZONO|$

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:**

$+0.5 \times KVSMA \quad \text{CAPITAL GAIN, DWELLING HOUSE} = ZKVBO \quad \text{TAXABLE CAPITAL GAIN, DWELLING HOUSE}$

$+0.5 \times KFSMA \quad \text{CAPITAL LOSS, DWELLING HOUSE} = ZKFBO \quad \text{DEDUCTIBLE CAPITAL LOSS, DWELLING HOUSE}$

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

$+KVSMA \quad \text{CAPITAL GAIN, DWELLING HOUSE} = ZKVBO \quad \text{TAXABLE CAPITAL GAIN, DWELLING HOUSE}$

$+0.5 \times KFSMA \quad \text{CAPITAL LOSS, DWELLING HOUSE} = ZKFBO \quad \text{DEDUCTIBLE CAPITAL LOSS, DWELLING HOUSE}$

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:**

$+0.5 \times KVBR \quad \text{CAPITAL GAIN, COOPERATIVE FLAT} = ZKVBO \quad \text{TAXABLE CAPITAL GAIN, COOPERATIVE FLAT}$
+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:

\[
\begin{align*}
\text{+ZKVS} & \quad \text{TOTAL TAXABLE CAPITAL GAIN, STOCKS ETC.} \\
\text{-ZKFS} & \quad \text{TOTAL TAXABLE CAPITAL LOSS, STOCKS ETC.} \\
\text{+ZKVBO} & \quad \text{TAXABLE CAPITAL GAIN, OWN HOME} \\
\text{-ZKFBO} & \quad \text{DEDUCTIBLE CAPITAL LOSS, OWN HOME} \\
\text{+ZKVNA} & \quad \text{TAXABLE CAPITAL GAIN, BUSINESS BUILDING} \\
\text{-ZKFNA} & \quad \text{DEDUCTIBLE CAPITAL LOSS, BUSINESS BUILDING} \\
\end{align*}
\]

\[= \text{ZKAPREA} \quad \text{TOTAL TAXABLE/DEDUCTIBLE CAPITAL GAINS/LOSSES}\]

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

5.2.4 Capital income

Calculation of capital income:

\[
\begin{align*}
\text{+KIRANTA} & \quad \text{TOTAL TAXABLE INTERESTS RECEIVED} \\
\text{+KUTHYR} & \quad \text{INCOME FROM HIRING OUT DWELLING} \\
\text{+KIRFOR} & \quad \text{POSITIVE INTERESTS DEVIDED HOME AND COMPANY} \\
\text{+KV} & \quad \text{TOTAL TAXABLE CAPITAL GAINS} \\
\text{-KASKU} & \quad \text{PAID INTERESTS} \\
\text{-KAFORV} & \quad \text{ADMINISTRATION COSTS CAPITAL} \\
\text{-KARFOR} & \quad \text{NEGATIVE INTERESTS DEVIDED HOME AND COMPANY} \\
\text{-KF} & \quad \text{DEDUCTIBLE CAPITAL LOSSES} \\
\end{align*}
\]

\[= \text{KKAP} \quad \text{CAPITAL INCOME}\]

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.

<table>
<thead>
<tr>
<th>Assessed earning, SEK</th>
<th>Basic deduction, SEK</th>
</tr>
</thead>
<tbody>
<tr>
<td>67 900</td>
<td>8 700</td>
</tr>
<tr>
<td>68 000-105 100*</td>
<td>8 800-18 000</td>
</tr>
<tr>
<td>105 200-110 700</td>
<td>18 100</td>
</tr>
<tr>
<td>110 800-203 700**</td>
<td>18 000-8 800</td>
</tr>
<tr>
<td>203 800-</td>
<td>8 700</td>
</tr>
</tbody>
</table>

*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 basic 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
XPROC PEN 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:

$$+SKFVI \quad \text{LOCAL INCOME TAX}$$

$$+SSFVI \quad \text{NATIONAL INCOME TAX}$$

$$= SFORV \quad \text{NATIONAL AND LOCAL INCOME TAX}$$

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
- $FFSTEGI$: PROPERTY TAXATION VALUE, FARMERS HOUSE
- $BANDEG1, BANDEG2$: SHARE IN OWNED HOME
- $BANDFR1, BANDFR2$: SHARE IN LEISURE HOUSE
- $BANDEG$: SHARE IN FARMERS HOUSE
- $BALDEG1, BALDEG2$: AGE OF OWNED HOME
- $BALDEG$: 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
- $SEG$: 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:

\[
\begin{align*}
SEG1 &= \text{FTAXEG1} \times \text{BANDEG1}/100 \times \text{XFASTP1} \\
SEG2 &= \text{FTAXEG2} \times \text{BANDEG2}/100 \times \text{XFASTP1}
\end{align*}
\]

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

\[
\begin{align*}
SEG1 &= \text{FTAXEG1} \times \text{BANDEG1}/100 \times \text{XFASTP2} \\
SEG2 &= \text{FTAXEG2} \times \text{BANDEG2}/100 \times \text{XFASTP2}
\end{align*}
\]

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:

\[
\begin{align*}
SFR1 &= \text{FTAXFR1} \times \text{BANDFR1}/100 \times \text{XFASTP1} \\
SFR2 &= \text{FTAXFR2} \times \text{BANDFR2}/100 \times \text{XFASTP1}
\end{align*}
\]

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

\[
\begin{align*}
SFR1 &= \text{FTAXFR1} \times \text{BANDFR1}/100 \times \text{XFASTP2} \\
SFR2 &= \text{FTAXFR2} \times \text{BANDFR2}/100 \times \text{XFASTP2}
\end{align*}
\]

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:

\[
\begin{align*}
SEGJ &= \text{FFSTEGJ} \times \text{BANDEGI}/100 \times \text{XFASTP1}
\end{align*}
\]

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

\[
\begin{align*}
SEGJ &= \text{FFSTEGJ} \times \text{BANDEGI}/100 \times \text{XFASTP2}
\end{align*}
\]
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:

\[ \text{SHY} = \text{AHY085}\times \text{XFASTPH1} + \text{AHY17}\times \text{XFASTPH2} + \text{AHYL1}\times 0.01 + \text{AIND05}\times 0.005 \]

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:

\[\begin{align*}
+\text{SEG1} & \quad \text{REAL ESTATE TAX, OWNED HOME 1} \\
+\text{SEG2} & \quad \text{REAL ESTATE TAX, OWNED HOME 2} \\
+\text{SFR1} & \quad \text{REAL ESTATE TAX, LEISURE HOUSE 1} \\
+\text{SFR2} & \quad \text{REAL ESTATE TAX, LEISURE HOUSE 2} \\
+\text{SEGJ} & \quad \text{REAL ESTATE TAX, FARMERS HOUSE} \\
+\text{SHY} & \quad \text{REAL ESTATE TAX, APARTMENT BUILDINGS} \\
= & \\
\text{SFAST} & \quad \text{TOTAL REAL ESTATE TAX}
\end{align*}\]

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:

\[\begin{align*}
\text{KKAP} & \quad \text{CAPITAL INCOME} \\
\text{SFORV} & \quad \text{NATIONAL AND LOCAL INCOME TAX} \\
\text{SFAST} & \quad \text{TOTAL REAL ESTATE TAX}
\end{align*}\]

Parameters:

\[\begin{align*}
\text{XKSATS} & \quad \text{TAX RATE ON CAPITAL, 0.30} \\
\text{XGRANSV} & \quad \text{LIMIT FOR DEDUCTION OF INTEREST, 100 000} \\
\text{XGRANSP} & \quad \text{DEDUCTION OF INTEREST, PERCENTAGE , 0.70}
\end{align*}\]

Variables created:

\[\begin{align*}
\text{SKAP} & \quad \text{TAX ON CAPITAL} \\
\text{SREDKAP} & \quad \text{TAX-REDUCTION ON CAPITAL}
\end{align*}\]

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. 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
SFORMV  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
XFGR    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:
Calculation of the tax amount:

\[ Z_{\text{SPRR}} = \text{INT}(X_{\text{SPARP}} \times (\text{CBEFVI} + \text{MAX}(0, \text{KKAP})) \]

\[ = \text{ZSUMMA} \text{ THE TAX AMOUNT} \]

Calculation of tax reduction:

\[ + \text{ZSUMMA} \text{ THE TAX AMOUNT} \]
\[ - \text{ZSPRR} \text{ THE TAX LIMIT} \]
\[ = \text{ZNEDS} \text{ TAX REDUCTION} \]

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:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BALD</td>
<td>AGE</td>
</tr>
<tr>
<td>THOBBY</td>
<td>INCOME FROM HOBBY</td>
</tr>
<tr>
<td>NAKT</td>
<td>INCOME FROM ACTIVE BUSINESS</td>
</tr>
<tr>
<td>NPAS</td>
<td>INCOME FROM PASSIVE BUSINESS</td>
</tr>
<tr>
<td>NSJUKPF</td>
<td>SICKNESS ALLOWANCE, SELFEMPLOYED</td>
</tr>
</tbody>
</table>

Parameters:

- \( X_{\text{SFPAVG}} \) BASIC PENSION FEE, 6.83 %
- \( X_{\text{STPAVG}} \) SUPPLEMENTARY PENSION FEE, 6.40 %
- \( X_{\text{SDPAVG}} \) PARTIAL PENSION FEE, 0.20 %
- \( X_{\text{SSJUAVG}} \) HEALTH INSURANCE FEE:
  - 0 WAITING DAYS, 8.66 %
  - 3 WAITING DAYS, 7.48 %
  - 30 WAITING DAYS, 6.30 %
- \( X_{\text{SARBSEG}} \) OCCUPATIONAL INJURIES FEE, 1.38 %
- \( X_{\text{SAMAVG}} \) LABOUR-MARKET FEE, 3.30 %
- \( X_{\text{SLONAVG}} \) 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 * XSFPNAVG
STPAVG = ZEGEN * XSTPAVG
SDPAVG = ZEGEN * XSDPAVG
SSJUAVG = ZEGEN * XSSJUAVG
SARBSEG = ZEGEN * XSARBSEG
SAMAVG = ZEGEN * XSAMAVG

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:

\[ +NPAS \]
\[ +NAKT \text{ INCOME FROM ACTIVE BUSINESS} \]
\[ +THOBBY \text{ INCOME FROM HOBBY} \]
\[ −\text{NSJUKPF SICKNESS ALLOWANCE, SELF-EMPLOYED} \]
\[ = \]
\[ ZLS \text{ BASIS FOR SPECIAL WAGE TAX} \]

Calculation of special wage tax:

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

\[ SSLONE = ZLS \times XSS Lone \]

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:

<table>
<thead>
<tr>
<th>BALD</th>
<th>AGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BYRKST</td>
<td>TYPE OF EMPLOYMENT</td>
</tr>
<tr>
<td>TLON</td>
<td>WAGES</td>
</tr>
<tr>
<td>TKULONF</td>
<td>CAR PRIVILEGES ETC</td>
</tr>
</tbody>
</table>

Parameters:

<table>
<thead>
<tr>
<th>XWFP AVG</th>
<th>STATE PENSION FEE, EMPLOYERS 6.83%</th>
</tr>
</thead>
<tbody>
<tr>
<td>XWT APA VG</td>
<td>SUPPLEMENTARY PENSION FEE, EMPLOYERS 6.40%</td>
</tr>
<tr>
<td>XWDPA VG</td>
<td>PARTIAL PENSION FEE, EMPLOYERS 0.20%</td>
</tr>
<tr>
<td>XWASKYDD</td>
<td>INDUSTRIAL WELFARE FEE, EMPLOYERS 0.17%</td>
</tr>
<tr>
<td>XWLON AG</td>
<td>GENERAL WAGE FEE, EMPLOYERS 0.25%</td>
</tr>
<tr>
<td>XWSJU AVG</td>
<td>HEALTH INSURANCE FEE, EMPLOYERS 7.90%</td>
</tr>
<tr>
<td>XWARBSEG</td>
<td>OCCUPATIONAL INJURIES FEE, EMPLOYERS 1.38%</td>
</tr>
<tr>
<td>XWAMA VG</td>
<td>LABOUR MARKET FEE, EMPLOYERS 5.42%</td>
</tr>
<tr>
<td>XWLONA VG</td>
<td>EU-FEE, EMPLOYERS 4.48%</td>
</tr>
</tbody>
</table>

Variables created:

| WSLONE | SPECIAL WAGE TAX, EMPLOYERS |
5.10.1 Employment taxes

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

\[ \text{ZARBL} = \text{TLO} + \text{TKULONF} \]

Calculation of employment taxes:
The basis is multiplied with the parameters if it is greater than 1 000 SEK.

\[ \text{ZARBL} \times XWFPAVG = WFPAVG \]
\[ \text{ZARBL} \times XWTPAVG = WTPAVG \]
\[ \text{ZARBL} \times XDPAVG = WDPAVG \]
\[ \text{ZARBL} \times XWASKYDD = WASKYDD \]
\[ \text{ZARBL} \times XWLONAG = WLONAG \]
\[ \text{ZARBL} \times XWSJUAVG = WSJUAVG \]
\[ \text{ZARBL} \times XWARBSEG = WARBSEG \text{ if BYRKST}=1 \text{ then } WARBSEG=0 \]
\[ \text{ZARBL} \times XWAMAVG = WAMAVG \]
\[ \text{ZARBL} \times XWLONAVG = WLONAVG \]

The different employment taxes are summed up:

\[ \text{WARBAVG} = \text{WSJUAVG} + \text{WFPAVG} + \text{WTPAVG} + \text{WDPAVG} + \text{WARBSEG} + \text{WASKYDD} + \text{WLONAG} + \text{WAMAVG} + \text{WLONAVG} \]

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:

\[ \text{WSLONE} = \text{ZARBL} \times XWSLONE \]

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.

\[ ^4 \text{Not for government employees.} \]
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
- **SEXPN**: 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:

\[
SSLUT = \max(\text{SFORV} + \text{SFAST} - \text{SREDKAP} - \text{SREDFST} - \text{SREDBYG} - \text{SREDRSK}, 0) + \\
\text{SKAP} + \text{SFORM} + \text{SPENAVG} + \text{SEXPN} + \text{SLONAVG} + \\
\text{SSLPENA} + \text{SSLPENE} + \text{SEGEN} + \text{SSLONE} + \text{SAVKAST} + \\
\text{SMOMSOU} + \text{STILL} + \text{STILLR} + \text{SFORS}
\]

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:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBIOBEH</td>
<td>NUMBER OF BIOLOGICAL CHILDREN &lt; 18 YEARS OF AGE, NOT TOGETHER WITH COMMON LAW HUSBAND/WIFE</td>
</tr>
<tr>
<td>BMANI</td>
<td>NUMBER OF MONTHS WITH MAINTENANCE SUPPORT RECEIVED</td>
</tr>
<tr>
<td>BUTYPI</td>
<td>TYPE OF PAYMENT FROM THE SOCIAL INSURANCE OFFICE</td>
</tr>
<tr>
<td>BISTUD</td>
<td>= 1 18-19 YEARS OF AGE, STUDENT, LIVING WITH ONE PARENT</td>
</tr>
<tr>
<td>IBDFVM</td>
<td>SUPPLEMENTARY SUPPORT, LIVING ALTERNATELY, BOTH PARENTS</td>
</tr>
<tr>
<td>IUNBID</td>
<td>MAINTENANCE SUPPORT RECEIVED</td>
</tr>
</tbody>
</table>

Parameters:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>XUSMAX</td>
<td>MAXIMAL MONTHLY MAINTENANCE SUPPORT/CHILD, 1 173 SEK</td>
</tr>
<tr>
<td>XVAVEL</td>
<td>CHANGE OF MAINTENANCE SUPPORT, CHILD LIVING ALTERNATELY, 1.000</td>
</tr>
</tbody>
</table>

Calculations:

Children 0-18 years of age:

\[ IUNBID = BBIOBEH \times BMANI \times XUSMAX \]

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:

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

6.2.2 Income from capital

The next step is to calculate income from capital.

Calculation:

\[ +KIRANTAU \quad \text{TOTAL TAXABLE INTERESTS RECEIVED, 2 YEARS OLD} \]
\[ +KUTHYRU \quad \text{INCOME FROM HIRING OUT DWELLING, 2 YEARS OLD} \]
\[ +KIRFORU \quad \text{POS. INTERESTS DEVIDED HOME AND COMPANY, 2 YEARS OLD} \]
\[ +KVU \quad \text{TOTAL TAXABLE GAINS, 2 YEARS OLD} \]
\[ = \]
\[ ZKKAP \quad \text{INCOME FROM CAPITAL} \]
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:

\[
\text{MAX}(0, (\text{TTJU}+\text{ZNRV}+\text{ZKKAP}+\text{ZFSP}+\text{ISMBIDU})-\text{XFRIBEL}) = \text{ZBIDRINK}\]

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.
**6.2.6 Number of children where maintenance should be paid**

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

**Calculation:**

\[
\text{ZBIOG} = (\text{BBIOB} - \text{BBIOBS} - \text{BBIOBEH}) + (\text{BBIOBV} - \text{BBIOBSV} - \text{BBIOBEHV} - \text{BBIOBEJ})
\]

\[
\text{ZBIOG} = \text{NUMBER OF CHILDREN WHERE MAINTENANCE SHOULD BE PAID}
\]

**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:**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>XPROC1B</td>
<td>PERCENTAGE OF THE INCOME WHEN 1 CHILD=0.10</td>
</tr>
<tr>
<td>XPROC2B</td>
<td>PERCENTAGE OF THE INCOME WHEN 2 CHILDREN =0.065</td>
</tr>
<tr>
<td>XPROC3B</td>
<td>PERCENTAGE OF THE INCOME WHEN 3 CHILDREN =0.05</td>
</tr>
<tr>
<td>XTAL</td>
<td>NUMBER WHEN CALCULATING PERCENTAGE IF 4 OR MORE CHILDREN =15</td>
</tr>
</tbody>
</table>

**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:

\[
\text{ZPROCAND} = \frac{(\text{XTAL} + (\text{ZBIO} - 3))}{(\text{ZBIO} \times 100)}
\]
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 SUPPORT PAID

Parameters:

- XUSMAX: MAXIMAL MONTHLY MAINTENANCE SUPPORT/CHILD, 1 173 SEK

Calculations:

\[ UUNBID = \min(ZBIOG \times ZPROCAND \times ZBIDRINK \times BMANU \div 12, ZBIOG \times XUSMAX \times BMANU) \]

If respite:

\[ UUNBID = UUNBID \times BANSTD \]

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

\[ UUNBID = UUNBID \times BBETEJ \]

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 SUPPORT
- 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 government 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:**

\[
ZUUNBID = \min(ZBIOG \times ZPROCAND \times ZBIDRINK \times BMANU/12, ZBIOG \times XUSMAX \times BMANU) \\
RUBDFV = ZBIOG \times XUSMAX \times BMANU - ZUUNBID
\]

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:**

\[
+RUBDFUT \quad \text{The government expenses, for maximal maintenance support for persons living abroad} \\
+RUBDFU \quad \text{The government expenses, for supplementary maintenance support} \\
+RUBdff \quad \text{The government expenses, for maximal monthly maintenance support} \\
+RUBdfv \quad \text{The government expenses, for supplementary maintenance support for children living alternately} \\
= \quad \text{RUBDF} \quad \text{The government’s total expenses}
\]

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:**

\[ \text{RIBDFS} + \text{RIBDFU} = \text{RIBDF} \]

**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.

<table>
<thead>
<tr>
<th>Number of children</th>
<th>Child allowance per year</th>
<th>Large-family supplement per year</th>
<th>Total child allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>9 000</td>
<td>-</td>
<td>9 000</td>
</tr>
<tr>
<td>2</td>
<td>18 000</td>
<td>-</td>
<td>18 000</td>
</tr>
<tr>
<td>3</td>
<td>27 000</td>
<td>2 400</td>
<td>29 400</td>
</tr>
<tr>
<td>4</td>
<td>36 000</td>
<td>9 600 (2 400 + 7 200)</td>
<td>45 600</td>
</tr>
<tr>
<td>5</td>
<td>45 000</td>
<td>18 600 (2 400 + 7 200 + 9 000)</td>
<td>63 600</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBARN15</td>
<td>NUMBER OF CHILDREN 0-15 YEARS OF AGE</td>
</tr>
<tr>
<td>BANTBRNH</td>
<td>NUMBER OF CHILDREN</td>
</tr>
</tbody>
</table>

Parameters:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>XGRUNDB</td>
<td>BASE AMOUNT PER CHILD, 9 000 SEK</td>
</tr>
<tr>
<td>XTIIL3</td>
<td>LARGE-FAMILY SUPPLEMENT FOR 3 CHILDREN, 2 400 SEK</td>
</tr>
<tr>
<td>XTIIL4</td>
<td>LARGE-FAMILY SUPPLEMENT FOR 4 CHILDREN, 9 600 SEK</td>
</tr>
<tr>
<td>XTIIL5</td>
<td>LARGE-FAMILY SUPPLEMENT FOR 5 CHILDREN, 18 600 SEK</td>
</tr>
<tr>
<td>XTIIL6</td>
<td>LARGE-FAMILY SUPPLEMENT FOR 6 CHILDREN, 27 600 SEK</td>
</tr>
<tr>
<td>XTIIL7</td>
<td>LARGE-FAMILY SUPPLEMENT FOR 7 CHILDREN, 36 600 SEK</td>
</tr>
</tbody>
</table>

Calculations:

The total base amount is calculated first.

\[ \text{BBARN15} \times \text{XGRUNDB} = \text{IBARNH} \text{ TOTAL BASE AMOUNT} \]

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

If \( \text{BANTBRNH} = 3 \) then the large-family supplement is \( \text{XTIIL3} \), if \( \text{BANTBRNH} = 4 \) then the large-family supplement is \( \text{XTIIL4} \) etc.

An example:

\( \text{BANTBRNH} = 5 \)

\[ \text{XTIIL5} = \text{IBARNFH} \text{ THE LARGE-FAMILY SUPPLEMENT} \]

The total child allowance is calculated last.

\[ +\text{IBARNH} \text{ TOTAL BASE AMOUNT} +\text{IBARNFH} \text{ LARGE-FAMILY SUPPLEMENT} \]
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.

<table>
<thead>
<tr>
<th>Number of children in the family</th>
<th>Special allowance SEK/month</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>600</td>
</tr>
<tr>
<td>2</td>
<td>900</td>
</tr>
<tr>
<td>3 or more</td>
<td>1 200</td>
</tr>
</tbody>
</table>

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 m² for which housing allowance can be paid.

<table>
<thead>
<tr>
<th></th>
<th>Max m²</th>
<th>75 % of the cost</th>
<th>50 % of the cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youngsters without children, 18-29</td>
<td>60</td>
<td>1 800-2 600</td>
<td>2 600-3 600</td>
</tr>
<tr>
<td>Household, 1 child</td>
<td>80</td>
<td>2 000-3 000</td>
<td>3 000-5 300</td>
</tr>
</tbody>
</table>
A family with 2 children and a flat with 200 m² will get a reduced allowance. The allowance will be reduced with half the size, (100 m²/200 m²).

For families with children there are guarantee levels for the housing cost. If the housing cost is below certain levels the rule of m² is not considered.

<table>
<thead>
<tr>
<th>Number of children in the family</th>
<th>Guarantee level, SEK/month</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3 000</td>
</tr>
<tr>
<td>2</td>
<td>3 300</td>
</tr>
<tr>
<td>3</td>
<td>3 600</td>
</tr>
<tr>
<td>4</td>
<td>3 900</td>
</tr>
<tr>
<td>5 or more</td>
<td>4 200</td>
</tr>
</tbody>
</table>

### 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.

<table>
<thead>
<tr>
<th>Level of income</th>
<th>Reduction, per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth without children</td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>41 000</td>
</tr>
<tr>
<td>Married / cohabitant</td>
<td>58 000</td>
</tr>
<tr>
<td>Household with children</td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>117 000</td>
</tr>
<tr>
<td>Married / cohabitant</td>
<td>58 500 / person</td>
</tr>
</tbody>
</table>

### 8.5 An example

A married couple with 2 children in a flat on 100 m² 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 %: $(3300 - 2000) \times 0.75 = 975$ SEK

Allowance for housing costs, 50 %: $(5900 - 3300) \times 0.50 = 1300$ SEK

Total allowance, year: $(900 + 975 + 1300) \times 12 = 38100$ SEK

Reduction: $2 \times (100000 - 58500) \times 20\% = 16600$ SEK

Allowance after reduction: $38100 - 16600 = 21500$ SEK

8.6 Calculation of benefit carrying income in the model

Variables:

TTJ    INCOME FROM EMPLOYMENT
NRV    INCOME FROM BUSINESS
NOTNYT 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
FKUAHT  SHARES QUOTED ON THE A-LIST
FKUFON  EQUITY FUNDS
FKUOFC  BALANCED FUNDS
FKUOTC  SHARES QUOTED ON THE O-LIST
FKUOP   OPTIONS
FTAXFR PROPERTY TAXATION VALUE, LEISURE HOUSE
FSKUFN 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
ZNVR  ADJUSTED INCOME FROM BUSINESS FIRST ADULT
ZNVRM 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  WEALTH 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’ capital income from the household capital income. Then you deduct 1 000 SEK per child which is not considered benefit carrying income.

\[ ZKIRHUS = KIRANTAH + KVH + KUTHYRH + KIRFORH - KARFORH \]
\[ ZKIRBARN = \max \left( \left( ZKIRHUS - ZKIRVUX - ZKIRVUXM \right) - BANTBRNH \times XKAPINKB, 0 \right) \]

8.6.3 Income for self employed
Some adjustments are made for income for self employed.

\[ ZNRV = NRV + NOUTNYT + NSKPER + NSKEXP + \min \left( 0.5 \times XBASM, NSKPENS \right) - \min \left( 0.5 \times XBASM, NSKPENS \right) - NSIMIN - NSIPER \]
\[ ZNRVM = NRV + NOUTNYTM + NSKPERM + NSKEXP + \min \left( 0.5 \times XBASM, NSKPENS \right) - \min \left( 0.5 \times XBASM, NSKPENS \right) - NSIMINM - NSIPERM \]

8.6.4 Calculation of net wealth
First net wealth is calculated for adults.

\[ ZFORMNE = FKUBANK + FKUAKTI + FKURFON + FKUAKF + FKUBFON + FKUOTC + FKUOP + FTAXFR1 \times \frac{BANDFR1}{100} + FTAXFR2 \times \frac{BANDFR2}{100} - FSKUFR - FSKURST \]
\[ ZFORMNEM = FKUBANKM + FKUAKTIM + FKURFONM + FKUAKFM + FKUBFONM + FKUOTCM + FKUOPM + FTAXFR1M \times \frac{BANDFR1M}{100} + FTAXFR2M \times \frac{BANDFR2M}{100} - FSKUFRM - FSKURSTM \]

Then household net wealth is calculated.
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
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.

\[
ZBOST = \frac{UBOENDE}{12}
\]

### 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 \( ZZRANTA = \frac{KASKUBOH}{FSKUBOH} \)

If \( 0.085 < ZZRANTA < 0.165 \) then \( ZRANTA = ZZRANTA \)

\[
ZBOST = ZBOST - \left( \frac{XKASKU}{ZRANTA} \right) \times \frac{KASKUBOH}{12} \times (1 - XKSATS)
\]

### 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:

\[
ZBOST = \frac{XBOYTAU}{BBOYTA} \times ZBOST
\]

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

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

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

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

If ZBARNUM > 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
ZBARNUM    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 ZBARNUM > 0 it is a family with children.

Housing allowance for those who has a housing cost beneath the lower rent limit⁵ 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 \( ZBOST \leq ZM \) (\( ZBANTBRN \)) then
\[
IBOSTBH = 12 \times (ZG(ZBANTSAR) + (ZM(ZBANTBRN) - ZN(ZBANTBRN))) \times XAND1
\]

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

Else if \( ZBOST \leq ZO \) (\( ZBANTBRN \)) then
\[
IBOSTBH = 12 \times (ZG(ZBANTSAR) + (ZM(ZBANTBRN) - ZN(ZBANTBRN))) \times XAND1 + (ZBOST - ZM(ZBANTBRN)) \times XAND2
\]

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
\[
IBOSTBH = 12 \times (ZG(ZBANTSAR) + (ZM(ZBANTBRN) - ZN(ZBANTBRN))) \times XAND1 + (ZO(ZBANTBRN) - ZM(ZBANTBRN)) \times XAND2
\]

8.8.1.1 Income reduction

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

If \( CSBINK > XFMB \) and \( IBOSTBH > 0 \) then
\[
IBOSTBH = IBOSTBH - (XRFMB \times (CSBINK - XFMB))
\]

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

If \( CSBINK > XFMB / 2 \) and \( IBOSTBH > 0 \) then
\[
IBOSTBH = IBOSTBH - (XRFMB \times (CSBINK - XFMB / 2))
\]

If \( CSBINKM > XFMB / 2 \) and \( IBOSTBH > 0 \) then
\[
IBOSTBH = IBOSTBH - (XRFMB \times (CSBINKM - XFMB / 2))
\]

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.

\[ZBARNSUM = 0 \text{ and } BOFORM < 6 \text{ och } BALD < 29 \text{ and } BALDM < 29.\]

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
\[
IBOSTBH = 12 \times (ZBOST - XN5) \times XAND4
\]

Else if \( ZBOST < XO5 \) then
\[
IBOSTBH = 12 \times ((XM5 - XN5) \times XAND4 + (ZBOST - XM5) \times XAND5)
\]

Else
\[
IBOSTBH = 12 \times ((XM5 - XN5) \times XAND4 + (XO5 - XM5) \times XAND5)
\]
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/month⁶.

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 than 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:

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FKUAKTI</td>
<td>SHARES QUOTED ON THE A-LIST</td>
</tr>
<tr>
<td>FKUAKF</td>
<td>EQUITY FUNDS</td>
</tr>
<tr>
<td>FKUOTC</td>
<td>SHARES QUOTED ON THE O-LIST</td>
</tr>
<tr>
<td>FKUOP</td>
<td>OPTIONS</td>
</tr>
<tr>
<td>FKUBANK</td>
<td>CASH IN BANKS</td>
</tr>
<tr>
<td>FTAXFR</td>
<td>PROPERTY TAXATION VALUE, LEISURE HOUSE</td>
</tr>
<tr>
<td>FSKUFR</td>
<td>DEBTS, LEISURE HOUSE</td>
</tr>
<tr>
<td>FFSTJB</td>
<td>PROPERTY TAXATION VALUE, FARMERS HOUSE</td>
</tr>
<tr>
<td>NRANTA</td>
<td>DEBT, FARMERS HOUSE</td>
</tr>
<tr>
<td>FSKULD</td>
<td>TOTAL DEBT</td>
</tr>
<tr>
<td>FSKUFST</td>
<td>DEBTS, REAL PROPERTY</td>
</tr>
<tr>
<td>FTAXFRT</td>
<td>PROPERTY TAXATION VALUE, LEISURE HOUSE</td>
</tr>
<tr>
<td>BANDFR</td>
<td>SHARE IN LEISURE HOUSE</td>
</tr>
<tr>
<td>BCIVBTP</td>
<td>CIVIL STATUS</td>
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</table>

Parameters:

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>XAKTFO</td>
<td>CHANGE OF STOCK AND FUND VALUE WHEN TAXING WEALTH, 1.0</td>
</tr>
</tbody>
</table>

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

Calculation:

\[(\text{FKUAKTI} + \text{FKUAKTIM}) / \text{XAKTFO} + (\text{FKUAKF} + \text{FKUAKFM}) / \text{XAKTFO} + (\text{FKUBFON} + \text{FKUBONM}) / \text{XAKTFO} + (\text{FKUATC} + \text{FKUATCM}) / \text{XAKTFO} + (\text{FKUOP} + \text{FKUOPM}) * \text{XAKTFO} + \text{FKUBANK} + \text{FKUBANKM} + \text{FTAXFRT1*BANDFR1} / 100 + \text{FTAXFR2*BANDFR2} / 100 + \text{FTAXFR1M*BANDFR1M} / 100 + \text{FTAXFR2M * BANDFR2M} / 100 \]

\[= \text{ZFBRUTTO GROSS WEALTH, OWN HOME NOT INCLUDED} \]
The debt is being calculated next. Debts on own home are not included.

Calculation:

\[ +\text{FSKULD} \quad \text{TOTAL DEBTS} \]
\[ +\text{FSKULDM} \quad \text{TOTAL DEBTS, HUSBAND/WIFE} \]
\[ -\text{FSKUFST} \quad \text{DEBTS, REAL PROPERTY} \]
\[ -\text{FSKUFSTM} \quad \text{DEBTS, REAL PROPERTY, HUSBAND/WIFE} \]
\[ +\text{FSKUFFR} \quad \text{DEBTS, LEISURE HOUSE} \]
\[ +\text{FSKUFFRM} \quad \text{DEBTS, LEISURE HOUSE, HUSBAND/WIFE} \]
\[ = \]
\[ \text{ZSKULD} \quad \text{DEBT, OWN HOME NOT INCLUDED} \]

The net wealth is calculated below.

Calculation:

\[ +\text{ZFBRUTTO} \quad \text{GROSS WEALTH, OWN HOME NOT INCLUDED} \]
\[ -\text{ZSKULD} \quad \text{DEBT, OWN HOME NOT INCLUDED} \]
\[ = \]
\[ \text{ZFNETTO} \quad \text{NET WEALTH} \]

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:

\[ \text{ZFNETTO} \quad \text{NET WEALTH} \]
\[ \times \text{XPRK} \quad \text{COEFFICIENT FOR CALCULATING PART OF WEALTH ADDED TO BENEFIT CARRYING INCOME, 0.05} \]
\[ = \]
\[ \text{ZFBTP} \quad \text{WEALTH THAT IS ADDED TO BENEFIT CARRYING INCOME} \]

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:

\[ \text{ZFNETTO} \quad \text{NET WEALTH} \]

Parameters:

\[ \text{XFGRANS} \quad \text{WEALTH-LIMIT FOR APPLYING THE MORE RIGOROUS RULE} \]
\[ \text{XSAVK} \quad \text{COEFFICIENT FOR CALCULATING WEALTH ADDED TO BENEFIT CARRYING INCOME, GREATER WEALTH, 0.10} \]
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:

\[\begin{align*}
+TTJ & \quad \text{INCOME FROM EMPLOYMENT} \\
+TTJM & \quad \text{INCOME FROM EMPLOYMENT, HUSBAND/WIFE} \\
+NAKT & \quad \text{INCOME FROM ACTIVE BUSINESS} \\
+NAKTM & \quad \text{INCOME FROM ACTIVE BUSINESS, HUSBAND/WIFE} \\
+IOVR & \quad \text{OTHER INCOMES, TAXFREE} \\
+IOVRM & \quad \text{OTHER INCOMES, TAXFREE, HUSBAND/WIFE} \\
-ZAVD & \quad \text{DEDUCTION FOR BASIC PENSION, PENSION SUPPLEMENT ETC.} \\
+WAEKRE & \quad \text{AN AMOUNT REDUCING WIDOW’S PENSION} \\
+WAEKREM & \quad \text{AN AMOUNT REDUCING WIDOW’S PENSION, HUSBAND/WIFE} \\
+ZFBTP & \quad \text{PROCEEDS FROM WEALTH} \\
+ZFBTPH & \quad \text{PROCEEDS FROM WEALTH OVER 75 000 OR 120 000 SEK} \\
\end{align*}\]

\[\text{IBTPINK = YEARLY BENEFIT CARRYING INCOME, BTP}\]

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

\[\text{IBTPINK=IBTPINK/2}\]

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:

\[\begin{align*}
\text{MAXBTP} & \quad \text{MAXIMAL BTP} \\
\text{IBTPINK} & \quad \text{YEARLY BENEFIT CARRYING INCOME, BTP} \\
\end{align*}\]

Parameters:

\[\begin{align*}
\text{XBASM} & \quad \text{BASIC AMOUNT} \\
\text{XRFAKT1} & \quad \text{FACTOR FOR REDUCING BTP IF < THAN 1.5 BASIC AMOUNT, 0.40} \\
\text{XRFAKT2} & \quad \text{FACTOR FOR REDUCING BTP IF > THAN 1.5 BASIC AMOUNT, 0.45} \\
\end{align*}\]

Calculations:

\[\begin{align*}
\text{MAX ( MAXBTP – IBTPINK * XRFAKT1, 0 ) = ZBTP} & \quad \text{CALCULATED BTP} \\
\end{align*}\]
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.

\[
\text{MAX(MAXBTP - 1.5 * XBASM * XRFAKT1-(IBTPINK - 1.5 * XBASM) * XRFAKT2, 0)}
\]
\[= \quad \text{ZBTP} \quad \text{CALCULATED BTP}\]

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

**Variable:**

BBTMAN \hspace{1em} \text{NUMBER OF MONTHS WITH BTP}

**Calculation:**

\[
\text{ZBTP*BBTMAN/12}
\]
\[= \quad \text{IBTPH} \quad \text{BTP}\]

### 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 \hspace{1em} \text{YEARLY HOUSING COST}

**Parameters:**

XBOREG \hspace{1em} \text{MAXIMAL HOUSING COST, 5 200 SEK}

**Calculation:**
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:**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>XNORMOG</td>
<td>THE NATIONAL SOCIAL WELFARE BOARD’S NORM FOR SINGLES, 1.22 BASIC AMOUNTS</td>
</tr>
<tr>
<td>XNORMG</td>
<td>THE NATIONAL SOCIAL WELFARE BOARD’S NORM FOR COUPLES, 2.02 BASIC AMOUNTS</td>
</tr>
<tr>
<td>XBASM</td>
<td>BASIC AMOUNT, 36 400 KRONOR</td>
</tr>
</tbody>
</table>

**Calculation:**

If single:

\[ XNORMOG \times XBASM = ZNORM \]

If cohabiting:

\[ XNORMG \times XBASM \times 0.5 = ZNORM \]

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:**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBTPINK</td>
<td>YEARLY BENEFIT CARRYING INCOME, BTP</td>
</tr>
<tr>
<td>ZBTP</td>
<td>CALCUALTED BTP</td>
</tr>
<tr>
<td>BBTPS</td>
<td>NUMBER FOR CONVERTING TO THE ACTUAL BASIC PENSION</td>
</tr>
<tr>
<td>BBTPSX</td>
<td>NUMBER FOR CONVERTING TO THE LOWEST BASIC PENSION</td>
</tr>
<tr>
<td>ZUBOENDE</td>
<td>YEARLY HOUSING COST</td>
</tr>
<tr>
<td>BFPMAN</td>
<td>NUMBER OF MONTHS WITH NATIONAL BASIC PENSION</td>
</tr>
</tbody>
</table>
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.

\[ \text{IBTPINK} \times 0.5 + ZBTP + \max(\text{BBTPS}, \text{BBPTSX}) \times \text{XBASMS} = ZINK \text{ BENEFIT CARRYING YEARLY INCOME, SBTP} \]

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

\[ ZINK = ZINK - XTFPRED \times \text{XBASMS} \]

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

\[ ZINK - ZUBOENDE = ZDISP \text{ REMAINING INCOME AFTER SUBTRACTION OF HOUSING COST} \]

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.

\[ ZNORM - ZDISP = ZBTPS \text{ CALCULATED SBTP} \]

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

\[ ZBTPS \times BFPMAN / 12 = IBTPSH \text{ SPECIAL HOUSING SUPPLEMENT FOR PENSIONERS, SBTP} \]
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

<table>
<thead>
<tr>
<th>Variable (variable name)</th>
<th>Micro-simulation results</th>
<th>National statistics</th>
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<tr>
<td>Wages (TLON)</td>
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<td>Supplementary pension (PATP)</td>
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<tr>
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<td>Private pensions (TPRIV+TLIVSP)</td>
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<tr>
<td>Total pensions (PPENS)</td>
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<tr>
<td>Total pension (PPENS)-private (TPRIV)-work injury (TSKADE)-partial pension (PDEL)</td>
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<tr>
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<tr>
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