



Things to think about ahead of your retirement

You're approaching a new phase in your life - you're going to retire as a pensioner. Regardless of whether you're looking forward to it or not, it's going to make a major change for you. To help ease the transition, we've put together a checklist featuring a number of practical questions you should think about regarding your pension.

SHOULD I REVIEW MY SAVINGS AHEAD OF RETIREMENT?

Yes. You should avoid high-risk savings as you approach retirement age. A good rule of thumb is to not have more than one-quarter of your savings in shares when you retire.

WHEN MAY I START DRAWING MY RETIREMENT PENSION?

The earliest you can start drawing your retirement pension, partly or fully, is from the age of 63. You can work at the same time as you draw your retirement pension.

If you were born in 1963 or later, you will be able to start receiving public pension payments from the age of 64.

WHEN MAY I START DRAWING MY OCCUPATIONAL PENSION?

You can draw your occupational pension when your pension agreement allows you to do so. If you have worked within several sectors, you may have more than one occupational pension.

WHAT HAPPENS IF I CONTINUE WORKING AFTER I TURN 65?

As long as you continue working, you continue paying into the retirement pension fund. If you postpone the start of your pension payments, you will receive a higher pension for every year to choose to postpone drawing your pension. If you continue to work, then from the year you turn 66 you will pay lower income tax on your earnings, and you will benefit from a higher tax-free income allowance.

HOW MUCH OF MY PENSION SHOULD I DRAW BEARING IN MIND THE TAX I HAVE TO PAY?

The Swedish Tax Agency website will show you how your income tax will be impacted by the size of the pension you plan to withdraw. The cut-off point for 20% state income tax is at an annual income of SEK 643,100 up to the age of 66. If you have turned 66 at this year's entry the cut-off point is at SEK 733,200. The cut-off points refer to the income year 2025.

From the year you turn 67, you receive an increased basic deduction that lowers the tax on your pension payments.

The above applies to those born in 1957-1959. Those born in 1960 will receive the increased basic deduction from January of the year you turn 68.

WHO DO I CONTACT TO OBTAIN MY PAYMENTS?

When you want to start drawing your retirement pension you should contact the Swedish Pensions Agency and send in your application no later than three months before you want your first payment. Your insurance company(s) will automatically send you a pension application form to your home address a few months before you reach retirement age.

WILL MY PENSION LAST THE REST OF MY LIFE?

The Swedish Consumer Agency estimates that we are pensioners for approximately one-fifth of our lives. You can draw up a budget for your life as a pensioner on the Swedish Consumer Agency website. On the minPension website you can see your total pension and make calculations for different pension withdrawal rates.

CAN I TEMPORARILY PAUSE MY PENSION PAYMENTS?

It is possible to temporarily pause payments of your retirement pension and to restart payments later on. However, it is not possible to pause payments of your occupational pension and private pension insurance.

From 2025-01-01, more flexible rules will be introduced regarding the payment of occupational pensions, which means that it will be possible to pause the payment from an occupational pension insurance during the first five payment years.

At the beginning of the year (2025), we will look at the possibility of offering our insured persons to pause a pension payment that has already begun.

WHAT IS THE SHORTEST PAYMENT PERIOD?

For the occupational pension and private pension, the shortest payment period is generally 5 years and payments may only start in the month after you turn 55. If payments end in the month you turn 65, the shortest period for your private pension payment is 3 years. The shortest payment period for VFF Pension's occupational pensions is 5 years.

WHAT IS THE SITUATION REGARDING REPAYMENT COVER?

If you have insurance with repayment cover your beneficiaries will receive your money if you pass away before your entire pension has been paid to you. After payment has commenced, it is not possible to add or delete repayment protection. However, you may alter the sequence of your beneficiaries after payment has commenced.

If you have a pension insurance without repayment cover it may be a good idea to draw this first, before you start drawing your pension insurance with repayment cover. If you do not have repayment protection, you get a higher pension.

WHAT HAPPENS TO MY UNEMPLOYMENT BENEFIT WHEN I START DRAWING MY PENSION?

Unemployment benefit is coordinated when you start drawing your retirement pension and occupational pension. This means that your unemployment benefit will be reduced by the amount that you receive in the form of your pension. However, there is no coordination with any private pension insurance you may have.

AM I ENTITLED TO ANY INCOME SUPPORT?

To be entitled to housing supplement, you must withdraw your entire public pension including the premium pension. It doesn't matter if you rent or own your home. On the Swedish Pensions Agency website you can read more about housing supplement and income support and make calculations to see if you are entitled to a housing supplement.

WHAT HAPPENS IF I MOVE ABROAD?

If you are thinking of moving abroad, bear in mind that you are not entitled to a guaranteed pension if you live abroad.

If you do not have any significant connection to Sweden, taxation is 25 % or lower (under the rules for Special Income Tax on Non-Residents or SINK) if Sweden has an agreement with the country to which you want to move.

HOW DO I GET ANSWERS TO OTHER QUESTIONS ABOUT MY PENSION?

Contact any of our insurance administrators by calling +46 (0)31-66 12 10. Also contact your other insurance providers.

MORE INFORMATION

Swedish Pensions Agency website: www.pensionsmyndigheten.se

minPension website: www.minpension.se

Consumer Association website:

<https://www.konsumentverket.se/for-konsument/>