

Your entire working life counts.



Every year of your working life counts towards your national pension. This is also true when you have small children, do military service or study.

Everything you earn becomes pension entitlements, which in turn become Inkomstpension and Premiepension. Inkomstpension forms the greater part of your national pension, while Premiepension is the smaller part, which you invest in funds. There is also a third part, which is called guarantee pension. This provides basic protection for those who have had a low or no income.

How you can influence your pension

Put simply, we can say that there are three ways of influencing the size of your national pension:

- Every year of income counts towards your national pension. This means that the more years you work, the higher your pension. Working for a few years beyond the pension age you originally intended can also make a big difference.
- How you choose to invest your Premiepension money also plays a part. Although the Premiepension is a fairly small part of the national pension, fluctuations in the value of your investment funds are important for the size of your pension.
- Your income also counts – the more you earn and thus pay into the pension system, the more you take out when you retire.

Occupational pension and individual pension saving are not described here, although they increase the amount of your over-all pension.

The Insurance Office and PPM

Explanations of terms can be found on the back of this page. They may come in handy when you read your annual statement, since we have sometimes had to use a number of complicated words and concepts.



Acquisition value for the Premiension account

The balance of payments to and from the account. The value is counted from the deposit of the first Premiension entitlement to the date given on the account statement.

Acquisition value per investment fund

The purchase price of the fund units you hold.

Amount from unit-linked insurance/ Amount for traditional insurance

The value on the sale of all investment fund units in the Premiension account if a switch is made to traditional insurance.

Change in Premiension entitlement

The change decision of the Insurance Office which entails a deposit to or withdrawal from the Premiension account. The decision may be a result of a change in assessed income.

Change in value for Inkomstpension

A form of interest on the money set aside for your Inkomstpension. It is sometimes called an index change and is calculated as the growth of average income in Sweden.

Change in value of traditional insurance

Depends on the bonus interest used during the period. The bonus interest reflects the return on the assets managed by PPM as part of its traditional life insurance business.

Change in value for unit-linked insurance

Arises because of changes in the values of the investment funds during the period.

Charge for administrative expenses

The Insurance Office charges an annual fee for administering the national pension.

Charge for PPM's operating expenses

The premium pension authority (PPM) charges an annual fee for administering the Premiension. This fee does not include any charges made by the investment fund managers to cover costs.

Child years

Pension entitlement which you may have because you have small children.

Disability pension

You may receive pension entitlement for disability pension.

Forecast

An estimate of how much pension you can receive on the basis of the income you had in 2001. In the event of zero per cent growth, we have assumed that your Premiension investment funds increase in value by 3.5 per cent each year. In the event of 2 per cent growth, we have assumed that your investment funds increase by 6 per cent.

Guarantee pension

That part of the national pension which provides basic protection for those who have had a low or no income during their life. It is paid out at the earliest from the age of 65.

Growth

A measure of economic growth. In the forecast we have used the growth of average income in Sweden.

Inheritance gain

Pension money from deceased persons which is divided among the other pension savers.

The inheritance gain for the Premiension includes money which comes from a decrease in the transferred Premiension entitlement.

Inkomstpension

This is part of the national pension and is based on your total lifetime earnings.

Interest

Interest on the Premiension money until it is invested in your Premiension account.

Military service

You can have a pension entitlement if you have done military service.

The national pension

Sweden's national pension system, which consists of Inkomstpension, Premiension and guarantee pension. If you were born between 1938 and 1953, you will also, as a rule, receive supplementary pension.

National pension fee

The part of the pension contribution that you pay yourself. The fee is deducted with your preliminary income tax and for 2001 amounts to 7 per cent of your income up to about SEK 25,300 per month.

Occupational pension

Pension which many persons receive on top of the national pension as a result of an agreement between the employer and the union. It provides about 10 per cent of your income.

Pensionable amount

Can be given to anyone who has been a student, done military service, had small children or received disability pension and who has not earned more than SEK 282,750 in 2001. The pensionable amounts form part of the basis for calculating pension entitlement.

Pension capital

The total of how much you have earned up until now for your Inkomstpension.

Pension entitlement for Inkomstpension

Equivalent to 16 per cent of your total pensionable income and is what is paid towards your Inkomstpension for a particular year.

Pension entitlement for Premiension

Equivalent to 2.5 per cent of your pensionable salary and is what is paid towards your Premiension for a particular year.

Pensionable income

Your annual income less the national pension fee. There is a ceiling, however, which for 2001 is SEK 283,750.

Pension points

Used when calculating supplementary pension, disability pension, temporary disability pension and survivor's pension. The maximum number of pension points is 6.5 for 2001.

Premiension

Unit-linked insurance: Part of the national pension. 2.5 per cent of your total pensionable income is invested in securities ("funds"), and the size of the Premiension depends on the changes in the value of your fund units. You can choose what fund(s) the money is to be invested in.

Traditional insurance: A form of Premiension under which you receive a fixed monthly amount during your lifetime. The earliest time you can choose this option is when you start drawing your pension. You cannot change back to unit-linked insurance.

Premiension entitlement

See *Premium entitlement for Premiension*.

Price

The value in SEK of an investment fund unit.

Reduction in transferred Premiension entitlement

In the event of a transfer of Premiension entitlement, the entitlement is reduced by 14 per cent for the recipient. This money is divided as inheritance gain between all pension savers.

Repaid fund charges

An allocation arising when the fund managers pay back part of the investment fund fees they have charged.

Returned pension capital

If you have cancelled your income pension during the year, its value is recomputed as pension capital. This increases your total pension capital.

Supplementary pension

The new term for what was previously known as retirement pension and national supplementary pension (ATP).

Studies

You can receive pension entitlement when you study with study assistance.

Total pensionable income

Your pensionable income plus your pensionable amount.

Transferred Premiension entitlement

A deposit to the Premiension account as a result of your spouse or registered partner transferring his or her Premiension entitlement to you.

Withdrawn pension capital

Shows whether you have drawn all or part of your Inkomstpension during the year. The capital withdrawn has been recomputed as the pension you drew in 2001.



Estimate of your national pension

The size of your future pension benefit depends on how long you work, how much you earn and the growth of the Swedish economy. It will also depend on how you invest your Premium Pension funds. In this estimate we have assumed that your income grows in line with the average income in Sweden. We have started with the income you had in 2001, since this is the most recent information available to us.

You can receive a pension from more than one source

In addition to the national pension, you may also receive pension benefits from other sources. This may be an occupational pension from your employer or perhaps a pension from your own private pension savings. Such benefits are not described here.

If you draw your national pension from

age 61:	With 0% growth you receive SEK 8,800 per month	With 2% growth you receive SEK 13,000 per month
age 65:	With 0% growth you receive SEK 11,600 per month	With 2% growth you receive SEK 18,400 per month
age 70:	With 0% growth you receive SEK 16,700 per month	With 2% growth you receive SEK 29,300 per month

Example: Your national pension at age 65 and zero per cent growth consists of: SEK 9,400 Inkomstpension and SEK 2,200 Premium Pension (for the calculation assumptions for Premium Pension, see *Estimate* in the Glossary).

Make your own estimate on the internet

Go to www.pension.nu and use the amounts below, which come from pages 2 and 5 of this annual statement:

SEK 702 476

SEK 18 385

Would you like more information?

Visit www.pension.nu (the Insurance Office) or www.ppm.nu (the Premium Pension Authority). You can also phone the Insurance Office's help line on 020 – 524 524.

The Insurance Office,
Stockholm County

Johanna Johansson
Vägen 12
123 45 Stadsorten

Account statement from the Insurance Office: your Inkomstpension

Changes in your pension account for Inkomstpension in 2002	Amount (SEK)
Account balance on 31 December 2001	628,167
Inkomstpension entitlement 2001	+ 40,728
Inheritance gain	+ 520
Indexation	+33,293
Charge for administrative costs	-232
Closing balance on 31 December 2002	702,476

How to read the table:

The amount of *the account balance* on 31 December 2001 is in most cases the same amount reported as *Closing balance* on your value statement from the Insurance Office last year.

Your new *Inkomstpension entitlement* has been calculated based on your earnings in 2001.

Inheritance gain is your share of account balances of those in your age group who have died during the year. Indexation is the revaluation of your pension account, a form of interest. In percent this interest is equal to the growth rate of the average income in Sweden. We make a *charge for administrative costs*.

The last line of the table (*Closing balance in 2002*) tells you how much pension asset you have earned up until now for your Inkomstpension.

The Insurance Office, Stockholm County
107 23 Stockholm

DECISION 2002-12-15

610701-1243
Johanna Johansson
Vägen 12
123 45 Stadsorten



Decision: your earned pension entitlement for 2001

The Tax Authority has determined *your pension qualifying income* (income after deduction of national pension fee) for 2001 as follows:

Income from employment	SEK	238,900
Income from other occupation	SEK	0

The Insurance Office has determined *your pension qualifying amounts* for 2001:

Disability pension	SEK	0
Military service	SEK	0
Studies	SEK	0
Child years	SEK	15,650
Pension qualifying income and amounts	SEK	254,550

On the basis of your pension qualifying income and amounts, the Insurance Office has determined your pension entitlement as follows:

Inkomstpension entitlement 2001

SEK 40,728

Premium Pension entitlement 2001

SEK 6,364

More information on our decision on your pension entitlement

You can find explanations of how we calculate your pension qualifying income and amounts on page 6, where you also can find more information about where to address questions or what to do if you want the decision to be reviewed. The Glossary may be useful when you read about how we made the calculations.

Continued on page 6

The Premium Pension Authority
826 86 Söderhamn

Account number 500 900 800 4
Personal identity number 610701-1234

Johanna Johansson
Vägen 12
123 45 Stadsorten



Account statement from PPM: your investment fund holdings

Fund holdings on 31 December 2002

Fund number	Name of fund	Allocation chosen (per cent)	Units	Price (SEK)	Value (SEK)	Current allocation (per cent)	Acquisition value (SEK)	Value change (SEK)	Value change (per cent)
645952	AMF Pensions Aktiefond Världen	20	852,0662	4,30	3 666	20	7 168	-3 502	-49
928341	Roburs Aktiefond Medica	20	739,2335	6,34	4 690	25	7 169	-2 480	-35
283408	Roburs Aktiefond Contura	20	1211,8691	1,75	2 124	12	7 174	-5 050	-70
681783	AMF Pensions Aktiefond Sverige	20	855,7328	4,24	3 632	20	7 168	-3 536	-49
108506	Nordea Europafond	20	771,5693	5,54	4 273	23	7 169	-2 896	-40
Closing value on 31 December 2002					18 385				

Value change since the start of your Premium Pension account

Acquisition value (SEK)	Value change (SEK)	Value change (per cent)	Balance (SEK)
35 843	-17 458	-49	18 385

Information

The fund holding consists of the units you held on 31 December 2002, valued at the latest known prices. These are normally determined on the last bank day before 31 December 2002. The percentage and monetary values are given in whole numbers and small rounding errors may therefore occur.

The value change per fund has been calculated for the latest period up until 31 December 2002 during which you held fund units. The value change in your Premium Pension account occurs because the fund prices have changed between when your account was opened and 31 December 2002.

You can switch your funds at any time. You can do this either on www.ppm.nu, through our help line (Tel. 020 - 776 776) or on a form that you can order from PPM. If you would like to know more about the Premium Pension, you are welcome to contact PPM's customers service at 0771 - 776 776.

The Premium Pension Authority
826 86 Söderhamn

Account number 500 900 800 4
Personal identity number 610701-1243

Johanna Johansson
Vägen 12
123 45 Stadsorten

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Value statement from PPM: your Premium Pension – unit-linked insurance

Changes in your Premium Pension account
for the period 31 December 2001 – 31 December 2002

	Amount (SEK)
Account balance on 31 December 2001	23 850
Premium Pension entitlement 2000	+ 6 993
Interest	+ 545
Inheritance gain	+ 50
Repaid fund charges	+ 116
Charge for PPM's operating costs	- 85
Value change	- 13 084
Closing value on 31 December 2002	18 385
Premium Pension entitlement 2001 to be invested in 2003	6 364

Premium Pension entitlement 2001

The Insurance Office's decision on page 3 shows whether you have received Premium Pension entitlement in 2001. If so, it will be deposited into your Premium Pension account at the beginning of 2003. PPM will then invest your new Premium Pension entitlement plus interest in the funds previously chosen by you.

The entitlement is allocated between the funds according to the percentages set by you when you last chose funds (you can see the allocation on page 4). The current allocation may differ from the one you have chosen, due to changes in the value of your funds.

How we have made the calculations

Pension entitlement and pension points

The pension entitlement has been determined on the basis of the sum of your income and amounts of SEK 254,550.

Your pension qualifying income

Your pension qualifying income for 2001 has been determined to SEK 238,900 by the Tax Authority, based on your income particulars for the income year 2001. The ceiling for the total pension qualifying income and amounts is 7.5 income base amounts (SEK 282,750 for 2001). You can thus only receive Inkomstpension entitlement (minus the national pension fee) and any pensionable amounts up to SEK 282,750 for 2001).

Inkomstpension entitlement

Inkomstpension entitlement amounts to 16 per cent of your total pensionable income. In your case, this is 16 per cent of SEK 254,550 = SEK 40,728.

Premium Pension entitlement

Premium Pension entitlement amounts to 2.5 per cent of your total pension qualifying income and amounts. In your case, this is 2.5 per cent of SEK 254,550 = SEK 6,364.

Child years

You have received pension qualifying amounts for child years according to alternative 1. This means that your pension entitlement has been calculated as if your earnings were the same as in 2001, the year before the child was born.

Rules on which the decision is based

The rules governing pensionable income follow from chapter 2 of the Act (1998:674) relating to income-based retirement pension. The rules governing other pension qualifying amounts are contained in chapter 3 of the same Act. Chapter 4 contains rules governing the determination of pension entitlement and pension points.

You may request a review of the decision

If you want to request a review of the decision, please contact the Insurance Office by mail. State which decision is to be reviewed, how you want the decision to be changed and what reasons you have for changing the decision. Also give your name, personal identity number, address and phone number. You or your representative should sign the request. If your representative has signed, a power of attorney for him or her must be sent with the letter. If the pensionable income is to be reviewed, the Insurance Office will pass the matter on to the Tax Authority. The Insurance Office must receive the letter by 31 December 2003 or (if you have not been informed of the decision before 1 November 2003) within two months of the date on which you were notified of the decision.

Information

Do you have any questions about your pension statement? Visit www.pension.nu or phone the Insurance Office's help line on 020 – 524 524. On www.pension.nu you can also find the texts of existing laws.

Johanna Johansson
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123 45 Stadsorten