

Fourth Study Commission – Questionnaire 2011

Unemployment benefits

Answers from Sweden

1. What means of improving the economic security of the unemployed are used in your country?

The origin of the unemployment benefits can be found in the unemployment benefit funds that were founded by some of the trade unions in the end of the 19th century. The funds were at that time financed through membership fees and participation was voluntary. In the 1930s the State began to assume responsibility for officially approved unemployment benefit funds, by contributing to the financing of the funds. Later on, the State's contributions increased, which meant that the membership fees could remain low.

The system of today is still based on the same principles. The unemployment benefit funds are financed through membership fees and taxes. In the last few years the proportion of financing through membership fees has increased. Most people are members in an unemployment benefit fund. If a member becomes unemployed, the amount of the unemployment benefits are based on the income he or she had as employed. The unemployment benefits are limited in time.

A person who is not a member of an unemployment benefit fund receives a basic compensation. The basic compensation is not based on previous income. They are also limited in time.

2. Have you got a social security system regarding unemployment?

Yes we have (see the answer to question 1).

3. Is this social system mandatory?

No, the system is voluntary. The question, whether the system should be mandatory or not, is, however, politically controversial. The background is that the conservative government that came into office in 2006 amended the unemployment benefit legislation in 2007, so that the unemployment benefit funds to a larger extent were to be financed through membership fees. As a result of the increased membership fees, many people left the funds. In order to counter this, the conservative government proposed to the Parliament that membership should be mandatory. So far, the government bill has not, however, been adopted by the Parliament.

4. Who pays contributions to this social security system?

The unemployment benefit funds are financed partially through membership fees and partially by taxes. The basic compensation is tax financed.

5. How high are these contributions?

In 2009 the membership fees of the unemployment benefit funds were slightly more than (7,5 billion SEK) 1 billion US dollars. This accounted for about 38 per cent of the financing of the funds. The remaining 62 per cent or almost (12 billion SEK) 2 billion US dollars were tax financed.

6. What are the conditions for entitlement to unemployment benefits?

In order to receive any compensation you have to be at least 20 year old, you have to be registered with the Employment Agency, you must have been employed for at least one year and you must be able and willing to take a new job.

Compensations from an unemployment benefit fund are only paid to members of the fund. In order to be entitled to compensation you have to have been a member of the fund for at least one year.

7. How high are unemployment benefits?

The basic compensation is 320 SEK a day (about 50 US dollars). The compensation from an unemployment benefit fund is 80 per cent of the previous income, up to a maximum of 680 SEK a day (about 100 US dollars). The fee to the fund varies; for a judge the fee is about 50 US dollars a month (slightly more than 300 SEK).

/Anna Flodin
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