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Swedish unemployment insurance

Method to determine unemployment benefit's amount

- Which are the different unemployment benefits?

There are two different unemployment benefits. One is the basic insurance and the other one is the income loss-insurance. Compensation under basic insurance is provided to those who are not members of an unemployment insurance fund, or are members of an unemployment insurance fund but do not meet the conditions for entitlement to an income-related benefit. Compensation under income loss-insurance is provided to those who have been members of an unemployment insurance fund for at least twelve months, provided that the member after the last entry in the fund fulfilled the work requirement.

About the amount of each kind of unemployment benefit:

- What are the lower and the higher amounts of benefit?

Compensation under basic insurance is provided by an amount per day which is not based on previous income (basic amount benefit). It is a maximum of 320 SEK and the amount depends on the applicant's calculated average working hours per week. If the amount of the benefit is less than 10 SEK per day it doesn't get paid to the applicant.

Compensation under income loss-insurance is provided by an amount per day based on previous income (income-related benefits). Income-related benefit is determined based on the applicant's daily earnings and average working hours. The maximum amount is 680 SEK per day.

- May someone hold concurrently several unemployment benefits or an employment benefit and another income?

An applicant can work part time or have a side-line job and at the same time uphold unemployment benefit that corresponds to the number of unemployed hours per week. The unemployment benefit is then determined by the government-set adjustment table.

- Replacement rate of the previous salary and its degression?

Income related benefit is the following percentage of the applicant's daily earnings: It is 80 percent during the first 200 days of the benefit period, and 70 percent for the remainder of the benefit period. However, the daily payment can never be more than 680 SEK per day.

- Method to calculate benefits' amount (linked to the previous salary, to the duration of the previous work?)

The basic amount benefit depends on the applicant's calculated average working hours per week. The applicant's average working hours are his or hers average working hours per week during the time frame. The total number of hours the applicant has worked during the time frame is divided by the number of weeks in a year which is 51.96 (4.33 weeks per month). 40 hours per week is the maximum (full time) of the average working hour. For example if the applicant's calculated average working hours is 40, the basic amount benefit is 320 SEK. If the average working hours is 20, the basic amount benefit is 160 SEK per day.

In this case, your compensation is based on how much you have worked during the time frame. Did you work on average 40 hours per week (full time) during the time frame is your daily allowance as basic insurance 320 SEK.

Did you work less than that on average we calculated daily allowance as follows:

$$\frac{320 \times \text{normal working hours}}{40}$$

The income-related benefit is based on the applicant's daily earnings and average working hours. The total of earnings during the working-frame period of 12 months is then divided by the number of hours worked in a year.

Wages per hour when multiply with your normal working hours. We divide the sum by five, the number of working days in a week. We then get your daily earnings. The daily benefit is 80% of daily earnings but a maximum of 680 SEK.

Example 1: You have been working full time with no absences. You have worked full-time for twelve months before becoming unemployed. Full-time is equivalent to 176 hours a month (22 days x 8 hours). Your salary was 16 700 SEK. You have not been sick or had other absence from work.

Average working hours:

$$176 \times 12 = 2112 \text{ hours in a year.}$$

$$2112 / 51.96 = 40$$

$$\text{Average weekly hours} = 40$$

Income:

$$16\,700 \times 12 = 200\,400 \text{ SEK}$$

$$200\,400 / 2112 = 94.89 \text{ SEK/hour}$$

$$94.89 \times 40 = 3\,795.6 \text{ SEK/week}$$

$$3\,795.6 / 5 = 759.12$$

Daily earnings are 759.12 SEK

The daily allowance is 608 SEK (759.12×0.8)

Example 2: You have worked full-time for ten months before becoming unemployed. Two months you have not worked and those months have to be included in the time frame even though there is no income and no working hours in either month. Your salary at work was 16 700 SEK. You have not been ill or had other absence from work.

Average working hours

$176 \times 10 = 1760$ hours in a year

$1760 / 51.96 = 34$

Average weekly hours = 34

Income

$16\,700 \times 10 = 167\,000$ SEK

$167\,000 / 1760 = 94.89$ SEK/hour

$94.89 \times 34 = 3\,226.26$ SEK/week

$3\,226.26 / 5 \text{ days} = 645.25$

Daily earnings are 645.25 SEK

The daily benefit is 517 SEK

- **Allocated time of benefits**

The benefit time is a total of 300 days. If the applicant has a child under 18 years old by the end of the 300th day he or she automatically gets 150 more days of benefit with 70 per cent of the previous salary of daily earnings.

- **Are these benefits paid every day, or just from Monday to Friday?**

It's week based insurance. The benefits are paid for a fulltime unemployed applicant, five days a week.

- **Are there taxes on those benefits?**

Yes.

- **Are there adjustments, regarding personal situations of unemployed persons (for example, family context, part-time work)? If yes, which are they?**

In assessing whether there is a suitable job we adjust to conditions such as medical barriers, geographic location, family reasons, housing, labour conflicts, contracts of other work and labour wage.

- **In case of a part-time work, is there a wage upper limit to be allowed to receive unemployment benefits?**

No, it's not the wage limit that determines the right. The right to benefit while working part-time is determined by the adjustment table. On the adjustment table

you can find out how many benefit days you are entitled too. The number of benefit days depends on what your calculated average working hours are and the number of hours per week that you are unemployed and not in any way hindered to seek work or to work.

Rules to be allowed to receive unemployment benefits, for each kind of allowance:

- **Age**

The basic amount benefit can be paid at the earliest on the day that the unemployed person turns 20 years old. The income-related benefit has no age limit as long as the other requirements are fulfilled.

- **minimum duration of work and minimum duration of subscription**

To be entitled to unemployment benefits a person has to fulfill the following requirements during a time frame of twelve months immediately preceding the commencement of unemployment

1. been gainfully employed for at least 6 months and have performed work for a minimum of 80 hours per calendar month, or

2. been gainfully employed for at least 480 hours during a continuous period of six calendar months and done the work for at least 50 hours during each of these months (working).

This is called the work requirement.

In order to be entitled to income-related benefits, applicants must have met the work requirements since his or her latest entry into the unemployment fund.

In evaluating whether the working condition is met, the unemployment insurance fund takes into account any membership time in another fund, immediately prior to entry into the current one. Compensation under income loss insurance is provided to those who have been members of an unemployment fund for at least twelve months.

- **Particular rules in relation to personal situations of unemployed people (family etc.)**

The rules about suitable job, prolongation of the number of benefit days and the termination of an employment due to valid reasons are some which considers personal situations.