

A photograph of a woman and two children swimming in a lake. The woman is in the center, smiling, with a young boy hugging her from behind. A young girl is to the right, also smiling. The background shows a calm lake, distant trees, and a blue sky with white clouds. The image is framed by a blue curved border at the top and bottom.

**alecta**

DEFINED CONTRIBUTION  
OCCUPATIONAL PENSION, ITP 1

# Your occupational pension with Alecta

The information in this brochure is intended for people who have a defined contribution occupational pension plan with Alecta.



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You are welcome to contact us if you have any questions

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Alecta has been an occupational pensions specialist since 1917. We support our customers by working with a single focus in mind – to offer security both during and after your working life.

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# Your occupational pension

Your occupational pension plan with Alecta is paid for by your employer and benefits you by providing security both during and after your working life.

## Retirement pension

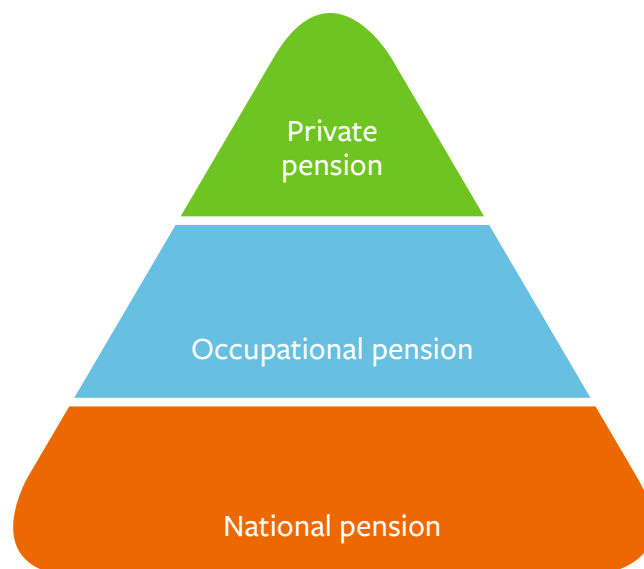
When you retire, you will receive a retirement pension in accordance with ITP (supplementary pension plan for salaried employees in industry and commerce). Your employer pays the premiums. If you have chosen Alecta, or if you have refrained from actively making a decision, Alecta will manage these premiums and pay out the pension.

## Disability Pension

In addition to a retirement pension, ITP also includes a disability pension that provides you with compensation if you are unable to work due to a long-term sickness.

## Protection for those closest to you

You will also receive pension payments from other sources. In addition to your occupational pension, you will receive a national retirement pension from the Swedish Social Insurance Agency. If you have taken out your own private pension insurance plan, you will also receive pension payments from there or from the insurance companies with which you have taken out the plan.



# Alecta Optimal Pension - Your retirement pension

Your retirement pension is called Alecta Optimal Pension. This is a modern, simple and flexible occupational pension that combines the best of traditional management and funds. You are guaranteed a pension with the possibility of high returns.

## A defined contribution pension

Alecta Optimal Pension is a defined contribution pension plan. This means that the amount paid as a premium by your employer, on a monthly basis, corresponds to a certain percentage of your salary.

## What will the size of the pension be?

The size of your pension is dependent on several factors, including;

- the amount paid in as premiums
- the return on the money
- the amount of tax deducted
- the fees charged by the insurance company.

## Alecta's low fees

You pay an amount of 0.09 percent of the capital in administrative fees (maximum SEK 50 per month and agreement) and maximum 0.03 percent in asset management fees. This means that we have the lowest charges among comparable ITP insurance companies. The lower the fees, the larger the pension you will receive.

## Good returns

Modern, traditional insurance includes a mix of equities, fixed income and real estate, which is equivalent to the contents of many fund portfolios. Consequently, returns are competitive and the extremely low fees provide you with a larger pension for your money.

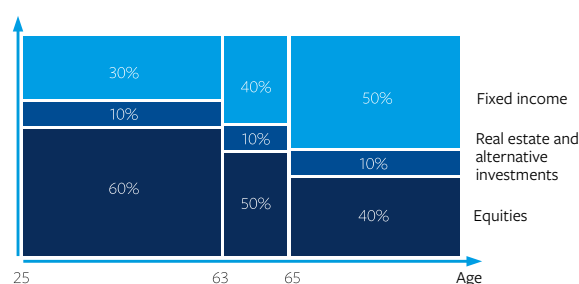
## Investment strategy with a high proportion of equities

Alecta Optimal Pension has a pre-determined investment focus with approximately 60 percent equities, 10 percent real estate and 30 percent fixed income. This is an investment focus suiting the majority of pension savers and is intended to provide your pension capital with a good return, without assuming unnecessary risks and with regard to the fact that pension savings comprise a long-term investment.

In order that the pension is less sensitive to swings in the financial market as you approach retirement age,

we decrease the portion of equities automatically in two stages:

1. When you turn 63 – from 60 percent to 50 percent.
2. When you retire, but no later than at 65 – from 50 percent to 40 percent.



## Money back guarantee

When it is time to retire, we calculate your combined pension capital into a monthly pension. You are guaranteed to receive a pension which is based on the highest amount of paid in premiums and 70 percent of your pension capital on the first payment. We also guarantee 70 percent of the current pension capital even one and two years after the first payment. If there is a positive development in your pension capital, it entails that we will raise the guaranteed pension on these occasions.

When you transfer your pension capital to us, the guarantee is based on your age at the time of transfer. The portion of the capital inflow on which we calculate the guaranteed pension successively decreases in relation to your age and when the pension capital is transferred to Alecta.

Your age when Alecta receives the transferred capital	Guaranteed portion
Up to and including 50	100 %
51 or older	70 %



### Your choices at retirement

- Alecta Optimal Pension is normally paid out starting at the age of 65. It can be withdrawn earlier, however, but no earlier than the age of 55.
- You can choose to have the pension paid for the rest of your life, or for a limited period of a minimum of 5 years.
- You can choose to divide the payment into various amounts and between different time periods.

Once your pension payments (or portions of the pension) have been initiated, you cannot change the payment period.

### If you wish to withdraw your pension prior to the age of 65

If you wish to withdraw your pension prior to the age of 65, you are obliged, in accordance with the ITP agreement, to stop working to the equivalent degree as your pension payments cover.

# If you were to suffer from long-term sickness

If you have an occupational pension with Alecta, you are covered by a disability pension from and including the age of 18. If you were to suffer from long-term sickness and receive a disability pension from us, your retirement pension will still continue to accumulate as if you had been working.

## Sickness of more than 90 days

When you have been sick for more than 90 days, you receive disability pension through your occupational pension in Alecta, in addition to sickness allowance from the Swedish Social Insurance Agency. The table shows the amounts which you can receive after three months' full sick leave during the first year. The compensation is calculated on the basis of your gross salary paid in the twelve months directly prior to the sick leave.

Monthly salary in SEK*	Disability pension from Alecta
20,000	2,000
25,000	2,500
30,000	3,000
35,000	6,067
45,000	12,566

\* The example illustrates the amount which you will receive per month compared to your ordinary salary.

## What happens when you have been sick for an entire year?

As of day 361 of sick leave, compensation from Alecta ceases for the portion of salary below 8 price base amounts, that is, SEK 364,000 (2018) per year. After 365 days of sickness allowance, the amount received from the Swedish Social Insurance Agency is also reduced.



## Period with sickness or activity compensation

If you receive sickness or activity compensation from the Swedish Social Insurance Agency, you are entitled to a disability pension from Alecta.

This example illustrates the amount you will receive in disability pension from Alecta per month. The amount which is paid out by the Swedish Social Insurance Agency in sickness benefit is calculated individually for each claimant. Contact them if this is relevant for you.

Monthly salary in SEK	Disability pension from Alecta
20,000	3,000
25,000	3,750
30,000	5,282
35,000	8,531
45,000	15,031

## Important to know

Compensation from Alecta decreases if you receive occupational injury annuity from the Swedish Social Insurance Agency.

## What happens if you are unable to work?

Should you fall ill for a period of longer than two weeks, take parental leave for a maximum of 13 months, or take time off to care for your child, your pension premiums will be paid regardless. This is thanks to the waiver of premium insurance included in ITP.

**Your employer files for your notification of illness.**





## You receive compensation from different sources if you suffer from long-term sickness

Absence days	What type of compensation will you receive?	Paid by
Day 1 is the qualifying day	None	–
Days 2–14	Sickness benefit	Employer
Days 15–90	Sickness allowance	The Swedish Social Insurance Agency
	Sickness benefit	Employer
Days 91–360	Sickness benefit	The Swedish Social Insurance Agency
	ITP disability pension	Alecta
Days 361–	Sickness benefit	The Swedish Social Insurance Agency
	ITP disability pension	Alecta
If you receive	Sickness or activity compensation	The Swedish Social Insurance Agency
	ITP disability pension	Alecta

## Your salary affects the amount which you receive in compensation

### With sickness benefit from the Swedish Social Insurance Agency

Base amount	Annual salary 2018, SEK	ITP disability pension during absence days 91–360	ITP disability pension during absence days 361–
0–8 pba	Up to 364,000	10%	0%
8 pba–20 iba	364,000–1,250,000	65%	65%
20–30 iba	1,250,000–1,875,000	32.5%	32.5%

### With sickness or activity compensation from the Swedish Social Insurance Agency

Base amount	Annual salary 2018, SEK	ITP disability pension with sickness or activity compensation
0–7.5 pba	Up to 341,250	15%
7.5 pba–20 iba	341,250–1,250,000	65%
20–30 iba	1,250,000–1,875,000	32.5%

pba = price base amount. iba = income base amount. Read more about base amounts on page 10.

# What is paid out should you pass away?

Your retirement pension does not automatically include any survivor's protection; however, you may choose to add this to your policy. You can also add repayment cover and/or family cover.

## Repayment cover

Repayment cover means that the accumulated pension you have earned will be paid out to your family should you pass away. If you choose to add repayment cover, your retirement pension will be slightly lower.

## Family cover

Family cover means that you can provide an extra pension to those you are survived by for a limited period. You must make an active choice to combine your retirement pension with the separate family cover.

The premium for the family cover is deducted from the payment of your retirement pension. The family cover is paid out to those you are survived by if you pass away prior to the age of 65. You can choose between 1, 2, 3 or 4 price base amounts per year. You can also choose between payment periods of 5, 10, 15 or 20 years – with the restriction that the payments end no later than when you would have turned 70 years.

If you use part of your premium for family cover, your own retirement pension will be lower. The cost of family cover increases with age (see Collectum's website). If you wish to add repayment cover or family cover – this can be done on Collectum's website by means of E-legitimation. It is also possible to complete a form specifying your choices.

## Adapt your cover according to your family situation

Family cover and repayment cover are optional at the time of your ITP choice, see page 10. These products may be added to or removed from your policy. For more information, please visit [collectum.se](http://collectum.se).

## Occupational group life insurance, TGL

Employees who have an occupational pension with Alecta also have an occupational group life insurance, TGL, which is paid out in a lump sum if you pass away

before reaching retirement age. TGL is paid, in the first instance, to your spouse and, in the second instance, to your children, but is not paid to your cohabitating partner. The amount paid out depends on your age at the time you pass away.

If you have children who, at the time you pass away, have not reached the age of 20, a child supplement is added.

Age of the insured upon death	Number of pbb*	Basic amount**
18 - 54	6,0	273,000
55	5,5	250,250
56	5,0	227,500
57	4,5	204,750
58	4,0	182,000
59	3,5	159,250
60	3,0	136,500
61	2,5	113,750
62	2,0	91,000
63	1,5	68,250
64 but not 65	1,0	45,500

Age of the child upon the death of the insured	Number of pba*	Child supplement**
below 17	2,0	91,000
17-18	1,5	68,250
19	1,0	45,500

\* pba = price base amount

\*\* If you work 8 – 16 hours per week, half the amount.





### Who receives the money?

A beneficiary provision determines who receives compensation should you pass away. If no specific beneficiary provision has been made, the compensation will be divided between the survivors according to a general standard beneficiary provision. If you have a cohabitating partner, you can decide that the money from your TGL should be paid out to your cohabitating partner through a beneficiary provision. You can find the required form from your employer or at [collectum.se](https://collectum.se).

Family pension	to spouse, registered partner (not cohabitant) and children under 20
Repayment cover	in the first instance to spouse, registered partner or cohabitant.
Family cover	In the second instance, to children, regardless of age
Occupational group life insurance	in the first instance, to spouse, registered partner (not cohabitant). In the second instance, to children or grandchildren, thereafter, to parents.

# Other information

## Different base amounts

Base amounts are used in, for example, the calculation and index-linking of pensions. In your occupational pension with Alecta, the income base amount is used in order to calculate salary limits. One exception is your disability pension, for which the price base amount is used.

The income base amount tracks the income trend in Sweden and the price base amount tracks the price trend. The amounts change every year. 7.5 base amounts and 8.0 base amounts are important limits for indicating the amount you will receive in various benefits. The state pension offers compensation up to this limit only.



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## Welcome to Alecta.se

We have collected information regarding your occupational pension with Alecta on our website. Here, you can also download our brochures and the complete terms and conditions of the insurance.

Feel free to also visit our internet office. There, you will find a complete overview of your occupational pension with Alecta. You can log in using your e-legitimation.

If you would like to order a brochure or to ask about anything regarding your occupational pension, you are welcome to call our customer support on the number 020 -78 22 80.

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