

The background of the entire page is a photograph of an older woman with short grey hair and glasses, wearing a vibrant purple cardigan and dark trousers. She is walking a black dog, possibly a French Bulldog, on a black leash. They are on a wooden pier or boardwalk. The background shows a calm body of water under a soft, hazy sky, suggesting a sunset or sunrise. The overall mood is peaceful and serene.

alecta

DEFINED BENEFIT OCCUPATIONAL
PENSION, ITP 2

Your occupational pension plan with Alecta

The information in this brochure is intended for people who have a defined benefit occupational pension 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.

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 and disability 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 and Alecta manages them and pays out the pension.

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

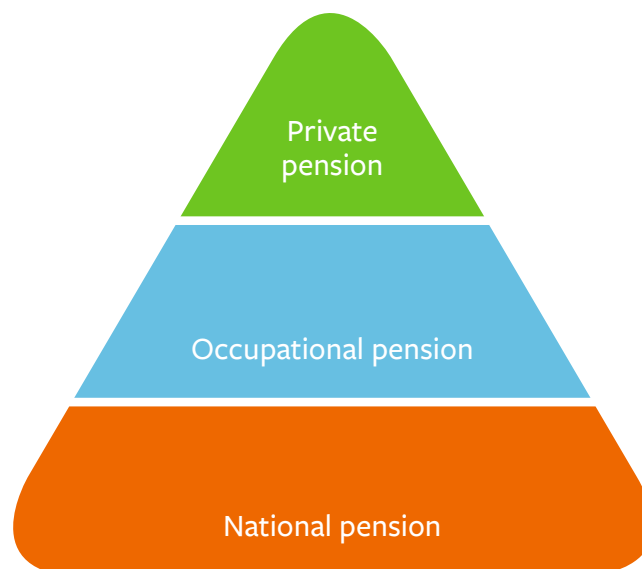
Protection for those closest to you

ITP family pension provides protection for those closest to you in the event that you pass away.

You can choose to add additional survivors' cover. With this cover, you arrange for your pension to be paid out to those closest to you if you should pass away.

Pension from several sources

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.



Retirement pension

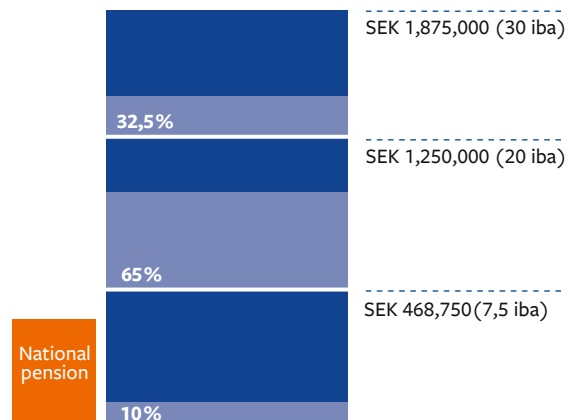
Your retirement pension with Alecta is a defined benefit pension. This means that you are guaranteed a certain percentage of your final salary as pension.

Your employer pays premiums for your retirement pension from Alecta. Your retirement pension consists, in part, of a defined benefit ITP 2 and, in part, of a defined contribution ITPK (see further details under “What is ITPK?”).

Your salary matters

How much you receive from your pension depends on how much you earn in salary when you stop working. See illustration below.

Retirement pension



iba = income base amount

Example:

With an annual salary of SEK 375,000, ITP will be $10\% \times 375,000 = \text{SEK } 37,500$ or SEK 3,125 per month.

If this salary were to be increased to SEK 475,000, ITP would be $10\% \times 474,750 + 65\% (475,000 - 468,750) = \text{SEK } 50,938$ or SEK 4,245 per month.

Condition: Full time, in addition to state pension

Your period of service is also relevant

In order to receive the maximum occupational pension when you retire, you are required to have a minimum period of service of 360 months, 30 years. When we calculate your period of service, we count the time you have had an occupational pension with Alecta or other type of occupational pension. For our calculations to be correct, it is important that you inform us of any previously held employments.

What is ITPK?

ITPK is a complementary retirement pension, to which 2 percent of your salary is allocated. You can choose who will manage your money and in what manner they will do so. The company that administers your choice of ITPK is called Collectum. You will receive information from them prior to the actual choice. The ultimate size of your pension depends on, for example, the amount that your employer has paid in, the manner in which you have chosen to invest your premium and the amount that has been paid in fees. You can always change your choice.

Alecta Optimal Pension

You can choose to invest your ITPK money in Alecta Optimal Pension, which combines the best of traditional management and funds. You receive a guaranteed pension with the possibility of high returns. In addition, we have the lowest fees in the industry, only 0.1 percent of the capital amount. The cost of managing the money is currently only 0.03 percent.

Retirement

Your pension is paid out from the age of 65 for life. You can start receiving your pension from a minimum age of 55. Your retirement pension will, then, not be as high as if you had worked until the normal retirement age.

If you stop working and retire, at the earliest, one month after you have turned 62, the premiums can be paid as if you had continued working with the same salary until the age of 65. This possibility is included in the agreement and the premiums are paid with collective funds at Alecta.



You can change the payment period

You can choose the manner in which you wish your pension to be paid out. The shortest period is 5 years for ITP and 2 years for ITPK. Once your pension payments start, you may not change the payment period.

You can divide your pension into different portions with different payment periods. This means that you can, for example, reduce your working hours and cover a portion of the loss of income by taking out part of your pension.

Have you considered reducing the number of hours you work towards the end of your working life?

Reducing your salary doesn't necessarily mean that you lose so much of your pension. Contact us for more information.

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.

Sick for 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.

Monthly salari in SEK	Disability pension from Alecta
20,000	2,033
25,000	2,542
30,000	3,141
35,000	6,446
45,000	13,054

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

As of day 361 of your sick leave, compensation from Alecta ceases for the portion of salary below 8 price base amounts, that is, SEK 364,000 (2018).

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 shows the amount which 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 salari in SEK	Disability pension from Alecta
20,000	3,050
25,000	3,813
30,000	5,606
35,000	8,911
45,000	15,519

Important to know

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



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	341,000–1,250,000	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 when you pass away?

Security is not only about getting a good pension. Ensuring that those closest to you receive compensation if you were to pass away is also security. This issue is also of importance to your employer, and, for this reason, your employment also provides protection for your family.

Family pension

If you have an annual salary exceeding SEK 468,750, or SEK 38,422 per month, you have a life-long survivors' pension in your occupational pension. Note that this does not apply if you have made an alternative ITP choice. Should you pass away, it is not retirement pension that is paid out, but a separate family pension.

If you have a family pension, you can waive future payments towards the family pension in order to increase your ITPK. To find out whether this is a good idea for you, you should first review what other survivors' cover you have, such as family cover and repayment cover.

You can add extra cover

When you make your ITPK choice, you can add additional cover for those closest to you by using two methods: you can choose to add a repayment cover to your ITPK and you can choose to take out a family cover with Alecta.

Family cover

The family cover gives those you are survived by a specific amount over a specific period if you were to pass away before the age of 65. You can choose between 1, 2, 3, or 4 price base amounts to be paid out over a period of either 5, 10, 15 or 20 years. Payments cease on the date on which you would have turned 70 years of age, at the latest. The cost of the cover is deducted from your ITPK premium and increases with age. Family cover is always taken out with Alecta.

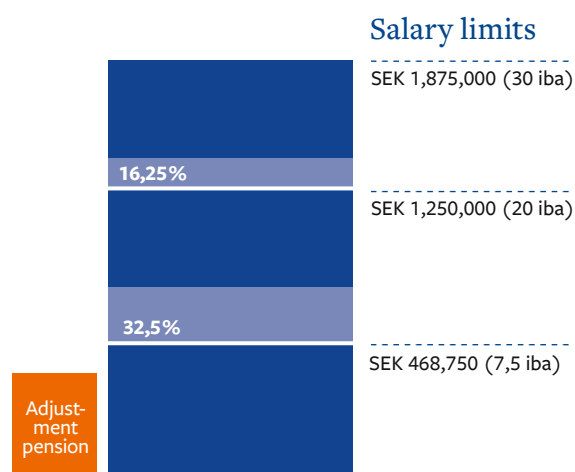
Repayment cover

If you have chosen to add a repayment cover to your ITPK, your survivors will receive the ITPK pension you have earned prior to your death. If you choose repayment cover, your own pension will be slightly lower.

NB!

If you chose family cover before 1 April 2008, you have a different type of family cover. In order to receive a choice of amounts and payment periods (family cover above), you must re-register. Otherwise you will retain the type of family cover which you already have.

Salary limits for receiving family pension



iba = income base amount

Example:

For salaries under 7.5 iba, no compensation is received from ITP.

If Hanna had a salary of SEK 550,000, ITP would be $32.5\% \times (550,000 - 468,750) = \text{SEK } 26,406$ or SEK 2,201 per month.

Adjustment pension from the Swedish Social Insurance Agency may also be payable.



Review your cover

By visiting Collectum's website, you can find more information regarding waiving the family cover, the cover for survivors and associated costs, as well as get an understanding of the circumstances under which acquiring or removing cover is beneficial.

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. The amount paid out depends on your age at the time you pass away.

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	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.

*** You shall keep the TGL if you work until the age of 65, but no longer than until the age of 70.

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. See table below.

In the family pension, you cannot determine who is to receive the money. You can, however, choose who is to receive the lump-sum payment from the occupational group life insurance, TGL. 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 through your employer or at 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 is an important limit for indicating the amount you will receive in various benefits. The state pension offers compensation up to this limit only.

Annual salary translated to monthly salary.

Your monthly salary is the amount you tend to remember. However, people are not always sure how much they earn in annual salary. For this reason, we have chosen to, predominantly, state monthly salaries in this brochure. The employer reports the monthly salary x 12.2, which includes a standard holiday pay supplement.

Monthly salary	Annual salary	Salary limit
SEK 27,971	SEK 341,250	7,5 price base amount
SEK 29,836	SEK 364,000	8,0 price base amount
SEK 38,422	SEK 468,750	7,5 income base amount

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.
