

minimum for that year. The point may vary between 0.02 and 6.50 each year. For example, if, in a given year, minimum contributory earnings were 4,000 crowns, the maximum 30,000 crowns, and a person earned, according to his income tax return, 30,000 or more crowns, he would accumulate

$$\frac{30,000 - 4,000}{4,000}$$

4,000

or 6.50 points. If he earned 7,500 crowns he would accumulate 0.875 points.

To qualify for a supplemental old-age pension a Swedish citizen must have been credited with pension points for at least three years. An alien must have a record of ten years of pension-earning income. To qualify for a "full" pension rather than a partial one, a claimant must normally have been credited with pension points in at least 30 years. For the first decades of the new system, however, the 30-year requirement is replaced by one of 20 years, and during the third decade the qualifying period will rise gradually from 20 to 30 years.

The supplemental pension formula takes into account the earnings record, i.e., the number of pension points earned each year, and the number of years of contributions under the scheme, and applies these to the basic amount applicable at the time of the applicant's claim. The formula provides for the drop-out of years of low or nil earnings in that pension points are averaged only for a maximum of 15 years.

Supplemental old-age pensions are calculated as follows. The number of years of pension-earning income is divided by 30 (after 1990). The result, which can never exceed one, is multiplied by the average number of pension points acquired during the claimant's best 15 years (the average is computed for the whole period when the period is 15 years or less). The resulting number of points is multiplied by 60 per cent of the then current minimum and the result is the pension rate. If the minimum pension in a year were 4,800 crowns, a man with 25 years of contributions at least 15 years of them at the maximum

25

contributory level would receive $\frac{25}{30} \times 6.5 \times 2,880$ or 15,600 crowns.

30

Disability Pensions

To qualify for a supplemental disability pension an insured person must have earned pension points either during at least one year and, at the time that he became incapacitated, have been earning an income exceeding 1,800 crowns a year, or during at least three of the four years immediately preceding incapacitation. A full disability pension is equal to the supplemental old age pension which the insured would have received at the age of 67 if he had continued acquiring pension points until age 65 at his average rate. In calculating the average pension points years of lowest or no earnings, up to half the insured's total, are not taken into account. This provision has great practical significance for the disabled.

For those persons who suffer a loss of earning capacity between 67 and 83 per cent, the rate of the supplemental disability pension is equal to two-thirds of the maximum disability pension. Disabled persons who have suffered between 50 and 66 per cent loss of earnings capacity may claim a supplemental disability pension equal to one-third of a full pension.

Survivors Pensions

A supplemental widow's benefit is payable to the widow of a deceased worker or pensioner, if she had been married to her deceased husband for at least 5 years and if the marriage had occurred before her husband reached age 60. Widows pensions are paid to a widow at age 65 or, if she is an invalid, as early as age 60. The rights to these widow's benefits cease on remarriage.