

New rules for Social Security Agreement

This information applies to those who

- are employed by a foreign company which has no permanent establishment in Sweden
- have an agreement (social security agreement) with their employer to pay the individual social security contributions themselves.

If you do not belong to this group, you are not affected by the information and may disregard this letter.

New rules on 1 January 2013

Those who have a social security agreement shall no longer pay individual social security contributions. Instead, you shall report and pay employer's contributions. This means that you shall report salaries and prospective benefits in an employer's declaration and pay employer's contributions. N.B. This applies even if the income is not taxed in Sweden.

The new rules do not imply that you take over your employer's basic obligation to report and pay employer's contributions completely. If you do not report and pay according to the agreement, the Swedish Tax Agency will instead address a claim directly to your employer.

The rules shall apply to remunerations that are paid out after 31 December 2012.

Registration

If you already have a social security agreement when the new rules go into effect, you shall enrol for registration with the Swedish Tax Agency no later than 1 February 2013.

If you conclude an agreement with your employer, you are liable to enrol for registration with the Swedish Tax Agency. Your application for registration must have been received by the Swedish Tax Agency no later than two weeks from the date that the social security agreement was made.

Registration shall be made on the attached form "Anmälan – om skyldighet att redovisa och betala arbetsgivaravgifter på egen lön" (SKV 4738) ("Registration – the obligation to report and pay employer's contributions on one's own salary").

Preliminary income tax return

N.B. You must submit a new preliminary income tax return as, from 2013, you are to pay employer's contributions instead of individual social security contributions. If fail to do so, there is a risk that you will be charged excessive preliminary tax, as the individual social security contributions were included in your previous preliminary tax.

You shall report the income in the box "Inkomst där arbetsgivaren betalar arbetsgivaravgifter eller där socialavgiftsavtal finns". ("Income in which the employer pays employer's contributions or where a social security agreement exists") The easiest and quickest way to submit a new preliminary income tax return is to use the online services "Preliminary income tax return". You can also download the form (SKV 4314) at www.skatteverket.se/blanketter.

Further information

For further information, see the brochure "Arbetstagares skyldighet att betala socialavgifter vid socialavgiftsavtal 2013" (SKV 411) (Employees' obligation to pay social security contributions with social security agreements 2013) that will be available at www.skatteverket.se/broschyrer as from mid-January.

*Kind regards,
The Swedish Tax Agency*