

1. Government requirements

Registration requirements

Establishing a company

Legal entities are registered at the Swedish Companies Registration Office (Bolagsverket). And all legal entities (and private persons) who intend to act as an employer and to pay out salaries need to register as an employer at the Swedish Tax Agency (STA), known as Skatteverket in Swedish.

Registration as an employer is done using form SKV 4620 ("Företagsregistrering") which can be found at:

<https://www.skatteverket.se/privat/sjalvservice/blanketterbroschyrer/blanketter/info/4620.4.39f16f103821c58f680006704.html?q=f> The Swedish Tax Agency registers and deregisters legal entities as an employer. There is no registration fee applicable.

Ongoing compliance requirements

Monthly payroll taxes

Monthly payment of withheld taxes and social security fees is due on the 12th of the month after salary payment.

As of January 2019, monthly filings also include data at employee level, so no annual reporting is done by the employer regarding the employee's annual tax return or income to the Swedish Tax Agency. This monthly reporting is called "Arbetsgivardeklaration" and is a requirement from STA for all companies that are registered as an employer. Filing is done electronically (this needs to be done by a person with a Swedish social security number and appointed by the company) or on forms from the STA that are then signed by an authorized signatory and sent to the STA by post. Withheld taxes are based on the employee's personal tax-card. Regarding social security fees, it is only paid by the employer (no employee part) and is more of a general tax, designed to benefit all residents of Sweden rather than specific employees. The usual percentage applied is 31.42% of the total gross salary plus benefits in kind.

There are also several different statistics reports that are mandatory, which the company may be chosen to participate in.

2. Pension requirements

Registration requirements

Terms for additional pension contributions (apart from the statutory pension paid by the government in Sweden) are regulated by a Collective Bargaining Agreement (CBA) if one is signed by the company. More details are provided in section 3 of this chapter.

Terms for additional pension solutions can also be agreed upon between the individual employee and the employer, if a CBA has not been signed.

Each pension provider company has its own process.

Generally, the following is what needs to be reported to the pension provider each month for white collar employees: joiners, leavers, salaries, salary changes, parental leave and long-term sick leave (new employees, new salaries and employees that leave the company, etc., need to be reported). For blue-collar employees and for a company with a CBA, pension reporting is normally done annually.

3. Employment obligations

Labor law

There are a number of different labor laws in Sweden:

- “Lagen om anställningsskydd (LAS)”: Employment Protection Act
- “Arbetsmiljölagen”: Work Environment Act
- “Semesterlagen”: Annual Leave Act.
- “Föräldraledighetslagen”: Parental Leave Act
- “Lag om sjuklön”: Act on sickness payments

Labor law, is handled by a separate court – “Arbetsdomstolen” (Swedish Labor Court)

But, as an example, there are no laws that regulate minimum wages. Instead of a detailed law regarding such, 83% of all private sector employees and 100% of all public sector employees are covered by a CBA, where trade unions and employer organizations agree on salary levels, pension conditions, remuneration, etc. Thus, it is the applicable CBA that will set the framework for a company.

There can be significant differences between the CBA's of industries and between those of blue- and white-collarworkers. There are more than 680 different CBAs in Sweden.

4. Payroll requirements

Generally, monthly payments are made on the 25th of each month, covering the present month. Any salary adjustments (such as for absence) and salary for hourlyemployed staff are paid out on the following month.

Payslips shall be shared with the employee, stating gross- and net amounts and withheld taxes.

5. Banking requirements relatedto payroll

There are no restrictions on payment to international accounts or currency to the employees, however taxes andsocial security cost shall be paid in Swedish Krona (SEK).