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Factsheet for case **SE-2020-10/559**

Temporary reduction of employers' social security contributions

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Country	Sweden, applies nationwide
Time period	Temporary, 01 March 2020 - 30 June 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Direct subsidies (full or partial)
Case created	13 April 2020 (updated 29 April 2020)

Background information

In order to mitigate the economic impact of the COVID-19 outbreak for companies, a temporary reduction of employers' social security contributions has been introduced for the period 1 March to 30 June 2020. To provide equivalent relief to sole traders, a reduction of individual contributions was also introduced. This measure can also be used by companies that receive short-term work allowance, new-start job subsidies and other types of financial support from the central government.

Content of measure

The temporary reduction in employers' social security contributions means that employers are now only obliged to pay the old age pension contribution (ålderspensionsavgift) (10.21%). This reduction applies to up to 30 employees and on that portion of the employee's wage that does not exceed SEK 25 000 per month. This entails tax relief of up to SEK 5 300 per employee and month. To provide equivalent relief to sole traders, a reduction of individual contributions has also been introduced. The proposal's cost to public finances are estimated to SEK 33 billion.

The rules came into force on 6 April. But if tax returns were submitted before then, a new one can be submitted to receive the reduction.

Use of measure

As all companies can benefit from the reduction for up to 30 of their employees and the reduction is applied for (almost) automatically, the use of the measure will undoubtedly be widespread.

Actors, target groups and funding

Actors	Target groups	Funding
National government	All companies One person or microenterprises	National funds

Social partners

Role of social partners	Informed
Form of involvement	Unknown

N/A

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 06 April 2020: Tillfälligt sänkta socialavgifter med anledning av coronaviruset (www.regeringen.se)
- 16 April 2020: Information for companies in connection to the coronavirus (www.skatteverket.se)