



**KÅPAN**  
PENSIONER

**STATUTES**

Adopted on 1 January 2021

## § 1 The name of the Society

The name of the Society is Kåpan tjänstepensionsförening, hereinafter called the Society.

## § 2 Activity

The object of the Society's activity is to offer occupational pension insurance in the form of life insurance in insurance class 1 a to people covered by a pension agreement concluded between on the one hand the Swedish Agency for Government Employers and on the other hand the three trade union organisations OFR/S, P och O (the Public Employees' Negotiation Council), Saco-S (the Swedish Confederation of Professional Associations) and Seko (the Union of Service and Communication Employees), or following special review between other parties who have concluded a pension agreement linked to one of these agreements. The Society's financial year is 1 January to 31 December. The Society shall not conduct activity outside EEA or accept reinsurance.

## § 3 Membership

Membership of the Society is granted to every employee covered by a pension agreement referred to in § 2 and who has been credited with premiums for occupational pension insurance.

## § 4 Pension statement

At least once a year, the Society shall provide each insured individual with information about their pension benefits.

## § 5 Council of Administration

1. The Council of Administration is the Society's highest decision-making body and comprises thirty members with personal deputies. Fifteen members are appointed by the trade union organisations. OFR/S, P and O, Saco-S and Seko in proportion to the number of members they have and fifteen members are appointed by the Swedish Agency for Government Employers. Members are appointed for a mandate period of one year by the respective organisation and must be members of the Society.
2. An Annual General Meeting of the Council of Administration is held once a year, no later than June.

## § 6 Annual General Meeting of Council of Administration

1. The following business shall be transacted at the Annual General Meeting:
  - a) Determination that the Meeting has been duly convened.
  - b) Preparation of the list of voters.
  - c) Election of a chairman for the meeting.
  - d) Election of at least three members who, in addition to the chairman, adjust the minutes.
  - e) Presentation of the annual report and audit report.
  - f) Adoption of the income statement and balance sheet.
  - g) Resolution on disposition or profit or loss according to the adopted balance sheet.
  - h) Resolution on discharge from liability for the Board of Directors and the President.
  - i) Resolution on fees to board members and auditors.
  - j) Election of members of the board.
  - k) Election of auditors together with deputies.

Other business raised by the Board of Directors, auditors or individual members shall be notified in writing to the Board of Directors at least four weeks prior to the Annual General Meeting of the Council of Administration.

2. Every member has one vote. A member may not vote through a proxy. Resolutions are determined by a simple majority, unless otherwise provided in legislation. In the event of an equal number of votes, an election shall be determined by drawing of lots and in other matters the view supported by the chairman shall prevail.
3. Notice convening the meeting of the Council of Administration shall be given by letter or digital message and shall be sent at least two weeks prior to the meeting.

## § 7 Board of Directors and signatories

1. The business of the Society shall be managed by a board, based in Stockholm.
2. The Board of Directors of the Society comprises six to twelve members. Six of the members are to be nominated by the employee side, two by Saco-S, two by Seko and two jointly by OFR/S, P and O. Six of the members are to be appointed by the Swedish Agency for Government Employers. Board members may not be members of the Council of Administration.
3. The mandate period for board members is one year. The mandate period is calculated with effect from the Annual General Meeting of the Council of Administration at which the election is made until the Annual General Meeting in the following year has been held. Retiring board members may be re-elected.
4. The Board of Directors appoints a chairman and vice chairman from among its members. The chairman is nominated by the employer's side and the vice chairman by the employees' side.
5. The Board of Directors appoints a president.
6. The Board of Directors is a quorum when at least three members from the employer's and employees' side respectively are present. The view supported by the majority shall prevail as the decision of the Board of Directors. In the event of an equal number of votes, the view supported by the chairman at the meeting shall prevail. Minutes shall be kept at meetings of the Board of Directors.
7. The person or persons within or outside the Board of Directors who have been appointed by the Board of Directors to do so may sign in the name of the Society.
8. The Board of Directors shall adopt and monitor the Society's budget at least once a year.
9. The Board of Directors or the person authorised by the Board decides on the allocation of bonuses monthly in arrears.

## § 8 Audit

1. At least one authorised public accountant and at least one authorised public accountant deputy shall be appointed annually at the Annual General Meeting of the Council of Administration for the period up to and including the immediately following annual meeting, to examine the administration by the Board of Directors and the financial statements.

## § 9 The Society's equity reserves

1. The Society's equity reserves comprise the balance in the collective reserve and the premium adjustment reserve. Losses may be covered by the balance in the collective reserve.
2. The collective reserve is the capital that remains after actuarial provisions have been made according to applicable regulations.

## § 10 Investments

1. The Society's assets shall be invested in a manner that best benefits the interests of its members.
2. Caution shall be applied and the Society's assets shall be invested in accordance with applicable legislation and regulations issued pursuant to the same as well as in a manner that achieves a suitable spread of risks.
3. The Board shall annually adopt investment guidelines and monitor the development of results and risks on an ongoing basis.

## § 11 Dissolution of the Society

If the Society has entered into liquidation and a portfolio transfer will not be effected according to applicable regulations, then after the date of appearance referred to in the notice to the Society's unknown creditors has passed and all known debts have been paid, the assets remaining upon the dissolution of the Society shall be shared among all those insured in proportion to the total of their respective share of technical liabilities and accumulated bonus for each individual. The amount that each individual thereby receives shall be used to purchase corresponding insurance with a Swedish insurance provider.

## General Insurance Conditions

### § 12 Benefits

1. Pension insurance comprises elective occupational pension (Kåpan Valbar) and mandatory occupational pension (Kåpan Tjänste and Kåpan Flex) under a central agreement as well as a pension under a local agreement (Kåpan Extra).
2. The pension is determined as follows:
  - a) The premiums credited to the member.
  - b) The guaranteed increase in value of premiums achieved as regards interest and assumptions on life expectancy and overheads referred to in § 20.
  - c) In addition to the guaranteed increase in value members are entitled to a bonus in accordance with § 23. Bonus is payable in cases where the actual growth in value was more favourable than the guaranteed.

### § 13 Premiums and premium payments

1. Premiums are paid as lump-sum premiums or as a series of lump-sum premiums.
2. The employer pays premiums for occupational pension insurance for employee members. The amount of the premium is governed by the relevant pension agreement.
3. In the event of delayed payment of premiums or charges, compensation interest shall be paid to the Society. Interest is payable at the applicable government lending rate plus 8 per cent.

### § 14 Surrender

If the surrender value of an insurance at the date when the retirement pension or repayment cover shall start to be paid is less than the maximum amount allowed for surrender pursuant to the Income Tax Act, the Society may surrender the insurance. There is no right to surrender in other cases except for payments to the Kåpan Valbar pension insurance after 30 June 2016 with the aim of transferring pension capital to another insurance provider, according to the terms for pension agreements concluded in accordance with § 2.

### § 15 Repayment cover

1. Insurance can be taken out with or without repayment cover. The conditions for occupational pension insurance are stated in the collective agreement on which the insurance is based.
2. If the insurance is agreed without repayment cover, the member may within one year following a change in family circumstances as shown below have the insurance amended to apply with repayment cover:
  - the member gets married
  - the member enters into a cohabitation relationship
  - the member has children entitled to inherit.

Insurance agreed to apply with repayment cover can be amended to apply without repayment cover.

3. Repayment cover applies in the event of death occurring no later than by the end of the month in which the insured would have attained the age of 75 or prior to the end of the applicable payment period determined for a temporary pension.
4. The repayment cover comprises a temporary survivors' pension which is payable for 5 years from the first day of the month of death. In the case of temporary pension following a fixed pension age, payments will be made under the repayment cover for the remaining payment period. However, payment is only made for as long as there is a beneficiary according to item 5.
5. Survivors who according to applicable legislation may be a beneficiary are:
  - a) Husband/wife or former husband/wife.
  - b) Cohabitee or former cohabitee.
  - c) Children/stepchildren/foster children of the insured or of any person under a) or b).
6. The annual amount of the repayment cover is determined so that the surrender value of the insurance immediately upon the death is equal to the insurance's surrender value immediately prior to the death. In addition to the agreed annual amount there is a bonus, the amount of which depends on the share of the insurance in the bonus funds of the insurance stock.

**§ 16 Amendment of insurance agreement**

In the event of an amendment to the insurance, a recalculation of the pension amount will be made applying the actuarial bases of the Society specified in § 20.

**§ 17 Excess payment of pension**

If a pension has been paid to someone who was not entitled thereto or paid at an amount that was too great, the Society may request that the erroneous or excess amount paid should be repaid if the recipient caused or ought to have realised the error.

**§ 18 Withdrawal age and payment period**

A member is entitled – subject to the restrictions in legislation and in the collective agreement on which the insurance is based – to have the insurance amended as regards the age when pension payments start and the length of the payment period.

**Special conditions for Kåpan Extra  
(locally agreed occupational pension)****§ 19 Right to take out insurance**

The employer shall submit an admission notification to the Society according to a special standard form for insurance according to a local agreement. The insurance enters into force for the employees listed in the notification as and when the notification is confirmed by the Society. The employer shall continuously notify the Society of all changes concerning the scope of the insurance.

## Actuarial bases

### § 20 Bases for calculating pension

#### 1. Guaranteed interest

In the case of insurance, the interest rate is assumed to be 1% before deduction for tax on returns.

#### 2. Assumed remaining life expectancy

When estimating remaining life expectancy it is assumed that the mortality rate  $\mu_x$  at the age of  $x$  will correspond to the following formula:

$$1000\mu_x = 0.35 + 0.000125 * e^{0.147 * X}$$

Mortality is not taken into account in the case of insurance with repayment cover.

#### 3. Overheads

Payments to an insurance are deducted first through a deduction for overheads on the guaranteed interest of at most 0.2%, second through a deduction for a solvency contribution of at most 20% for the gross amount of each individual payment.

### § 21 Bases for calculating premium reserve

The premium reserve is to be calculated on the basis of cautious assumptions and the applicable ordinances, together with the guidelines and instructions issued by the regulatory authority. The parameters used are specified in the actuarial calculation data.

### § 22 Bases for calculation in the case of surrender and amendment

1. The surrender value of an insurance is equal to the capital value calculated on the basis of assumptions regarding mortality and interest, after deduction of tax, overheads and any other charges, according to the principles applicable for calculation of pension at the time it was taken out. The surrender value is zero for premium waiver insurance.
2. If surrender is allowed by the Society according to § 14, the surrender value of the insurance plus any bonus shall be paid out.
3. If the insurance is amended, a recalculation shall be performed to equalise the surrender value of the insurance before and after the amendment.
4. Surrender of the insurance Kåpan Valbar according to § 14 can be allowed at a value corresponding to the current pension capital with a deduction for any administrative expenses.

### § 23 Bases for calculation and allocation of bonus

1. The pension capital of an insurance comprises the difference between the accrued value of premiums paid and the accrued value of the expenses for the insurance during the time that the insurance was in force.

Interest will accrue at a bonus interest rate to be determined monthly. The expenses of the insurance comprise first the payments, including bonus amount, second the share of the insurance in the Society's costs. If the pension capital of the insurance exceeds the value of the guaranteed pension, there is a surplus. Surpluses that are added to the insurance are however not guaranteed and may be withdrawn and used to cover losses.

2. When the payment has started and annually thereafter, a calculation shall be made of the pension that can be paid out.

The amount of the pension is based on the pension capital and an assumed future net yield (forecast interest) during the expected remaining payment period of the insurance. If the pension calculated in this way is greater than the guaranteed pension, the calculated pension shall be paid. If, however, the pension calculated is less than the pension that is guaranteed, the guaranteed pension shall be paid out. The forecast interest shall be determined one year at a time

3. The funding ratio should lie within the interval 95–105 %. The surplus or deficit funding respectively that arises is to be distributed by means of decisions concerning bonus interest rate or decisions concerning annulment of surpluses within a maximum equalisation period of three years.
4. Other principles for determining bonus interest rate together with regulation of the funding ratio are determined by the Board of Directors in a special policy document.

## § 24 Bases for calculating pension on insurance taken out previously

### Guaranteed interest on insurance taken out previously

Insurance product	Payment period for premiums	Guaranteed Interest	Assumed tax on returns	Assumed expenses yearly	on premiums
<b>Kåpan Tjänste</b>	1 Jan 2012– 30 Jun 2016	0.3%	0.04 %	0.2%	1.5%
	1 Jan 2007 – 31 Dec 2011	2.00%	0.30%	0.2%	1.5%
	1 Jan 2006 – 31 Dec 2006	1.50%	0.22%	0.2%	1.5%
	1 Jan 2004 – 31 Dec 2005	0.35%	0.05%	0.2%	3.0%
	1 Jan 2000 – 31 Dec 2003	3.00%	0.45%	0.2%	3.0%
	prior to 1 January 2000	5.30%	0.80%	0.4%	3.0%
<b>Kåpan Valbar</b>	1 Jan 2012– 30 Jun 2016	0.3%	0.04 %	0.2%	1.5%
	1 Jun 2009 – 31 Dec 2011	2.00%	0.30%	0.2%	1.5%
	1 Jan 2006 – 31 May 2009	2.75%	0.41%	0.2%	1.5%
	1 Jan 2004 – 31 Dec 2005	2.40%	0.36%	0.2%	3.0%
	prior to 31 December 2003	3.00%	0.45%	0.2%	3.0%
<b>Kåpan Extra and Plus</b>	1 Jan 2012– 30 Jun 2016	0.3%	0.04 %	0.2%	1.5%
	1 Jun 2009 – 31 Dec 2011	2.00%	0.30%	0.2%	1.5%
	1 Jan 2006 – 31 May 2009	2.75%	0.41%	0.2%	1.5%
	1 Jan 2004– 31 Dec 2005	2.40%	0.36%	0.2%	3.0%
	1 Jan 2000 – 31 Dec 2003	3.00%	0.45%	0.2%	3.0%
	prior to 1 January 2000	5.30%	0.80%	0.2%	3.0%

For insurance taken over, taken out with the Pension Insurance Society for Social Insurance Agency Employees (FFO)

<b>Kåpan Tjänste (FFO)</b>	after 1 January 2001	3.00%	0.45%	0.4%	3.0%
	prior to 1 January 2001	5.30%	0.80%	0.4%	3.0%
<b>Kåpan Privat (FFO)</b>	after 1 January 2001	3.00%	0.45%	0.4%	3.0%
	prior to 1 January 2001	5.30%	0.80%	0.4%	3.0%

### Mortality assumption for insurance taken out previously

For insurance taken out prior to 31 December 2009 when estimating the remaining life expectancy, it is assumed that the mortality rate  $\mu_x$  at the age of  $x$  years will correspond to the following formula:

$$1000\mu_x = 1.0 + 0.012 * 10^{0,044*(x-3)}$$

For insurance with Kåpan Plus prior to 31 December 2001 and also for Kåpan Privat taken out with FFO, an age reduction factor (f) was assumed, namely 0 for men and 6 for women.

For the insurance Kåpan Tjänste taken out with FFO, an age reduction factor (f) was assumed, namely 5.