

June 20, 2019

## Private medical insurance benefits

### Information

At the request of Insurance Sweden, the Swedish Tax Agency has published a statement to clarify how large a proportion of the premium is benefit taxed for the employee when the employer pays the entire premium. This means that the taxable benefit of private medical insurance can be calculated as standard at 60 percent of the insurance premium.

According to the regulations that came into effect on July 1, 2018, the benefit of private medical insurance that is paid for entirely by the employer shall be assessed as an amount corresponding to the premium that the employer pays for the insurance. If the private medical insurance includes both taxable and tax-free elements, however, which is the case with most insurance policies, the premium shall be broken down into taxable and tax-free portions.

When the regulations came into effect, Euro Accident and the industry organisation Insurance Sweden undertook a preliminary assessment of the proportions, since neither the new law nor the Tax Agency provided any clear guidance.

Euro Accident's preliminary assessment found that 83% of the PrivatAccess Bronze premium, 71% of PrivatAccess Silver and 68% of PrivatAccess Gold would be benefit taxed.

Since then, Euro Accident and Insurance Sweden have worked on developing an industry-wide template and have asked the Swedish Tax Agency to issue a statement indicating how great a proportion of the premium for private medical insurance will be taxed.

In its statement, published on June 10, 2019, the Tax Agency confirms that 60% of the insurance premium forms the basis for taxation, while 40% of the premium constitutes a tax-free benefit.

The Tax Agency's statement applies from the date of publication on June 10, 2019, but can be applied from now back to the date when the new regulations came into effect on July 1, 2018. This is supported by the fact that no time limit was indicated in the statement.

At [euroaccident.se](http://euroaccident.se) you'll find detailed FAQs about the benefit tax on private medical insurance and an Excel spreadsheet which can be used to calculate an indication of the effect for both employers and employees. Regarding the effect of the tax, however, you should consult a tax expert or the Swedish Tax Agency.

If you have any further questions, please contact your insurance broker.