

Amendments to the law of private medical insurance benefits

On May 16, 2018 the parliament voted in favor of a government proposal affecting the premium for private medical insurance. Specifically, private medical insurance premiums – typically borne by the employer - will be higher than before. For most employees, there is an additional cost of SEK 85 – 150 per month.

The new regulations will enter into effect on July 1, 2018. The benefit of the private medical insurance is considered to be in effect when the employer pays the premium to Euro Accident. Premiums paid before the new regulations are in effect, for insurance coverage effective after July 1, 2018, are not covered by the new regulations. The decision pertains solely to the benefit of healthcare in a private medical insurance. The parts relating to preventive treatment and rehabilitation in the insurance remain tax-free.

The insurance industry has made a joint assessment of the procedure and diagnoses codes which should be exempted from personal income tax, since neither the new law nor the Tax Agency currently gives any clear guidance. As of now there are no standard practices, tax definition or advance decisions to go by.

Euro Accident's preliminary assessment finds 83% of the PrivatAccess Bronze premium, 71% for PrivatAccess Silver and 68% for PrivatAccess Gold will be benefit taxed and included in the social security contributions of the employee. As a consequence, the entire insurance premium can now be deducted by the employer as a business expense. These percentages are meant to provide an indication of the potential implications of the new regulations and can be subject to change based on different interpretations by the Swedish Tax Agency. We recommend that you consult with a tax expert or the Tax Agency for more information.

The parliament decision does not affect the content of our private medical insurance. It is still an effective solution to ensure that employees do not need to be absent from work longer than necessary. For employees, it is comfortable to know that they can quickly and easily get professional help when needed.

At euroaccident.se you'll find a detailed FAQ (updated regularly) about the decision and an Excel spreadsheet which can be used to calculate an indication of the effect for both employers and employees.

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