

# Rules for partial retirement at Karolinska Institutet

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**Karolinska  
Institutet**



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## **1. General concerning partial pensions**

Partial pensions have existed as an opportunity, but not a right, in the government sector since 2003. These guidelines are intended for employees born before 1988 who are covered by PA 16 Section II and thereby the partial pension agreement.

In PA16 Section I, which covers employees born in 1988 or later, the benefit-determined pension has been replaced by a premium-determined flexible pension. The pension agreement does not apply to Section I and these guidelines will not take up the rules concerning flexible pensions.

## **2. The agreement's purpose and prerequisites**

The purpose of the partial pension agreement is to enable the employer, under the terms of the agreement, to give older employees better opportunities to continue to work up to normal retirement age. Fewer early retirements among other things make it easier to transfer competence in conjunction with a generational shift.

As in all other operational decisions, in decisions on partial retirement the employer's primary consideration has to be the needs of the organisation and its financial prerequisites. In making a decision on partial retirement, account has to be taken of the prerequisites of the organisation, including both financial scope and the employee's situation. The partial pension agreement assumes that decisions on partial pensions are made after individual assessment.

The agreement on partial pensions for government employees, Circular 2003: A 4, 2003-11-12, and comments on the partial pension agreement can be found on The Swedish Agency for Government Employers website, [www.arbetsgivarverket.se](http://www.arbetsgivarverket.se).

## **3. Conditions for partial pensions**

It is the employer who determines whether an employee is to be granted a partial pension or not.

The condition is that the employee had pension rights under a collective agreement for a total of 120 months prior to the reduction in working hours. Partial pension may be paid from and including the month in which the employee turns 61 or later and at most until the month preceding the month in which the employee turns 65 (Section 2 of the partial pension agreement).

If the employer so permits, the working hours for partial pension may be reduced by up to a maximum of half of full-time work (Section 3 of the partial pension agreement). When you reduce your working hours you receive your payment from the National Government Employee Pensions Board, Statens Tjänstepensionsverk (SPV). You receive 60 per cent of what you lose in salary in partial pension when you reduce your working hours (Section 4 of the partial pension agreement).

Below you can see how much an employee receives in total in partial pension and salary. The table assumes that the employee has full-time employment before partial retirement.

*How much an employee receives in total in partial pension and salary depends on how many percents the employee works.*

<b>If the employee works</b>	<b>The person receives in total in partial pension and salary</b>
50 %	80 % of the salary before partial pension
60 %	84 % of the salary before partial pension
70 %	88 % of the salary before partial pension
80 %	92 % of the salary before partial pension
90 %	96 % of the salary before partial pension

Under the Employment Protection Act (1982:80), also known as LAS, an employee has the right, but no obligation, to remain in their position until the end of the month in which he or she turns 67. The possibility for partial pension ceases when the employee turns 65.

#### **4. KI's bases for assessment**

Decisions on partial retirement are made after individual assessment. When making a decision on partial retirement, account has to be taken of the prerequisites of the organisation, including both financial scope and the employee's situation.

If the operational needs and requirements are met and the financial prerequisites exist, at least one of the following conditions must also be met for partial pension to be granted.

- Redundancy exists and a decision on partial retirement prevents dismissal of other employees.
- Partial retirement facilitates transfer competence in conjunction with a generational shift.
- Partial retirement means that the employee does not need to be replaced by another employee to the extent concerned by the partial retirement.
- The partial retirement takes into account personal reasons such as health reasons that mean that employee is judged to be able to continue to work until normal retirement age. However, partial pension is not to be granted where grounds exist for sick leave/sickness benefit.

## **5. Financing**

The main rule is that the department finances partial pensions. Should a shortage of work situation exist, partial retirement may be part of a transition and be financed by means of the parties' common transition funds.

## **6. Application, opinion and decision**

Application for partial pension is made via the PA web by the employee, using the special absence request form. The applicant is to give the reason for his/her application. A complete application for partial pension must be submitted in as good time as possible but no later than two months before the desired time of retirement.

Every application is to be examined individually on the basis of an overall assessment (including any secondary occupation) and a decision on partial pension be made by the head of department after consulting the HR director. The decision is to state how the partial pension is to be financed.

The employer reports the decision on partial pension to SPV using the designated form, after which SPV invoices the employer for the cost of the partial pension plus special payroll tax. Calculation and payment of partial pension are made by SPV and sent to the employee.

A copy of the decision on partial pension is to be sent to the employee and the relevant officials for financial administration.

## **7. Duties and working time**

Partial retirement may involve changes to the person's duties. Alternative tasks are to be discussed before the application is granted. Decisions on changes to duties are taken by the employer after a dialogue with the employee. Where appropriate, negotiations are to be held with the employee organisation concerned.

Working hours are to be set according to operational needs.

## **8. Review of decision on partial pension**

A person who has applied for and been granted partial pension cannot unilaterally change their mind. The decision applies until the normal retirement age and can only be changed in exceptional cases.

Abuse of the absence benefit may constitute grounds for re-examination.

Partial retirement means that the employee is granted a reduction in working hours in order to be a pensioner during the freed-up time. It is not permitted to

take gainful employment during this period other than to a very limited extent and subject to approval by the employer.

An employee who has been granted partial pension is obliged to inform the employer of any other gainful employment or secondary occupations. The partial pension may be reconsidered if the gainful employment or secondary occupation in the employer's opinion is not permitted.

### **9. Partial pension in relation to other pensions**

If the employee receives full sickness benefit or activity compensation from Försäkringskassan and must end his/her employment before retirement age, he/she is entitled to a disability pension from SPV. Partial pension is not to be regarded as an alternative to a disability pension. An employee receiving a disability pension of 50 per cent or more cannot be granted a partial pension because the partial pension agreement requires the employee to work at least 50 per cent of normal full-time.

The employee's benefits in respect of occupational pension schemes are not affected. Partial pension does not constitute pensionable income in the general social insurance system and the employee's general pension may therefore be affected. Partial pension does not increase income pension, premium pension or supplementary pension.