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Questions concerning the budget for expenditure related to Members' pay and allowances

General information about the Riksdag and compensation to members

The Swedish Parliament – the Riksdag – has 349 members who are elected every four years. In addition to this there is a Speaker. Three of the members also serve as Deputy Speakers.

The members' basic pay is determined by the Riksdag Remunerations Board. Since October 2017, this pay has amounted to SEK 65,400 per month (approx EUR 6,500). The Speaker has the same pay as the Prime Minister, which is currently SEK 168,000 per month (approx. EUR 17,000). The Deputy Speakers have a supplement of 30 per cent in addition to their monthly pay. The Chair and Deputy Chair of a Committee or the Committee on European Union Affairs receive a supplement of 20 and 15 per cent in addition to their monthly pay respectively. Certain assignments, including serving as a member on the Riksdag Board, entitles individuals to special remuneration.

In addition to their pay, members are entitled to reimbursement for their official journeys, per diem, overnight accommodation or reimbursement for equivalent accommodation if the member lives further than 50 km from Stockholm, old-age, sickness and survivor's pension, insurance, temporary childcare services for their own children under the age of 12 and a parking space. Rules concerning this are laid down in the Act on Compensation to Members of the Riksdag (2016:1108).

A member who leaves the Riksdag is entitled – in certain circumstances – to a severance package in the form of guaranteed income (for members elected before 2014) or financial redeployment support (for members elected after 2014). In addition, they are entitled to adjustment measures to help them re-enter working life, for example help from a coach. Previous members are also entitled to one month of pay after they have left their position.

Anders Norin

Head of the Department for Administrative Services for Members • The Riksdag Administration

In certain circumstances, a member may be granted leave, for example parental leave or for illness. If this leave lasts longer than 30 days, an alternate member is called in to carry out the member's assignments during their leave. In principle, the alternate member has the same rights and obligations as an ordinary member.

The budget process

One of the Riksdag's most important tasks is to take decisions regarding expenditure and revenue in the central government budget. The Riksdag's work on the central government budget starts every year with a proposal from the Government. The Government presents its preliminary proposal - the Spring Fiscal Policy Bill - in April. This contains the guidelines for Sweden's economic policy. In September, the Government presents its second proposal - the Budget Bill - which contains the entire central government budget.

The Budget Bill is managed via a two-step process. The first step involves the Riksdag establishing an expenditure limit for each expenditure area at the request of the Committee on Finance. There are 27 expenditure areas, each of which contains different appropriations. Following this, the expenditure areas are considered by each parliamentary committee. Costs attributable to the pay of Riksdag members and other financial benefits are included in expenditure area 1 Governance.

Costs relating to the pay of Riksdag members and other financial conditions are contained in appropriation 2:1 Parties and members of the Riksdag, etc. This appropriation can be used for such things as costs for remuneration to which Riksdag members are entitled within the framework of their assignment as members as well as the Speaker's activities, trips and entertainment.

During the period 2015-2017, appropriation 2:1 amounted to a total of SEK 880,000,000 per year, or around EUR 88,000,000. In 2018, the total amount is SEK 894,711,000, or around EUR 89,500,000.

To this can be added the costs linked to the Riksdag Administration's administrative expenses, such as employees' salaries, rents and similar items. These costs are included in appropriation 2:2. Appropriation 2:3 relates to the Riksdag's properties, while appropriation 2:4 concerns the Parliamentary Ombudsmen.

Once the Riksdag has taken a decision on the expenditure limit, expenditure areas and appropriations in December of each year, a decision is then taken on the exact distribution of the amounts contained in the Riksdag Administration's internal budget. This takes place in February of each year. A decision has not yet been taken on the internal budget for 2018. With respect to pay and trips, pensions, severance packages and individual official trips abroad, appropriation 2:1 was distributed as follows in the internal budget for 2017:

Members' pay	SEK 361,600,000 (aprox. EUR 36,160,000)
Travels in Sweden	SEK 56,000,000 (aprox. EUR 5,600,000)
Climate offsetting	SEK 500,000 (aprox. EUR 50,000)
Pensions	SEK 100,000,000 (aprox. EUR 10,000,000)
Administration of pensions	SEK 850,000 (aprox. EUR 85,000)
Adjustments measures	SEK 500,000 (aprox. EUR 50,000)
Guaranteed income	SEK 30,000,000 (aprox. EUR 3,000,000)
Financial redeployment support	SEK 1,000,000 (aprox. EUR 100,000)
Administration of severance packages	SEK 800,000 (aprox. EUR 80,000)
Individual official trips abroad	SEK 6,107,000 (aprox. EUR 611,000)
Total	SEK 557,357,000 (aprox. EUR 55,736,000)

As specified, expenditure area 1 and appropriations 2:1 and 2:2 are included in the Government's Budget Bill. However, calculations, texts and supporting documents are produced at the Riksdag Administration, which is the authority under the Riksdag tasked with supporting the work of the Riksdag. The Finance Department has principle responsibility for this work. Relevant departments within the Administration also contribute supporting documentation and calculations, however.

The supporting documents to the aforementioned parts of appropriation 2:1 are produced by the Department for Administrative Services. This work takes place at the beginning of each year.

With respect to **pay**, a calculation is produced based on the number of members and taking into consideration such factors as pay increments, an

estimate of how many members are expected to leave their position during the budget year and the fact that pay is normally increased by around 2 per cent each autumn. The Speaker's pay and employers' social security contributions can be added to this. Of major significance to the calculation is whether the coming year is an election year or not. The results of the past two years have exceeded the budgeted amount by around SEK 1,000,000 - 2,000,000.

With respect to **trips within Sweden**, an estimate is made of the cost on the basis of previous years' results and travel patterns, as well as by taking into account whether the budget year is an election year or not. Experience shows that members' travel increases during an election year, as well as by other modes of transport. An assessment of any future hikes in ticket prices or similar rises is included in the calculation, along with the cost of the travel company the Administration uses. Results from the past two years have fallen below the budgeted amount, or SEK 55,000,000, by several million kronor.

Each member may use a total of SEK 50,000 for **individual official trips abroad** for each electoral period. The total cost per electoral period of four years therefore amounts to SEK 17,450,000. This total amount is distributed across the four-year period, taking into account experience of the travel patterns that tend to characterise work at the Riksdag during an electoral period. So far, a lower amount of SEK 2,617,500 has thus been set aside for years 1 and 4, that is, 2015 and 2018, while a higher amount of SEK 6,107,000 has been set aside for years 2 and 3, that is, 2016 and 2017. Results usually fall below the budgeted amount by one or several million SEK.

The budget heading **pensions** includes old-age pension, disability pension and survivor's pension. The current pension system was introduced through a reform in 2010. Due to different transition rules, previous pension reforms may also be relevant. It is hard to calculate pension costs with any certainty. The assessment is made based on previous results, as well as assumptions of how many people will be taking out some form of pension over the coming years. In recent years, results have largely corresponded to or fallen somewhat below budgeted amounts. The trend is for pension costs to increase slightly each year, which is linked to the formulation of the new regulations that were introduced in 2010.

Costs of **severance packages** such as guaranteed income and financial redeployment support are hard to estimate and calculate, as the results are dependent upon how many members will leave the Riksdag over the

coming year and it is not possible to know in advance how many of these previous members will request a severance package. Aspects such as the age, length of service at the Riksdag and the applicable severance package system of each previous member are also significant. Another factor of uncertainty is that the guaranteed income system will be gradually replaced by a system that was introduced in 2014 – financial redeployment support – which is less financially beneficial. The calculation is based on previous results and an assessment of the aforementioned factors. With respect to guaranteed income, results from previous years have fallen below the budgeted amount. Since the financial redeployment support severance package is new, the results have so far been modest.

