

MATTIAS MUNTER

Sweden's pension balancing act

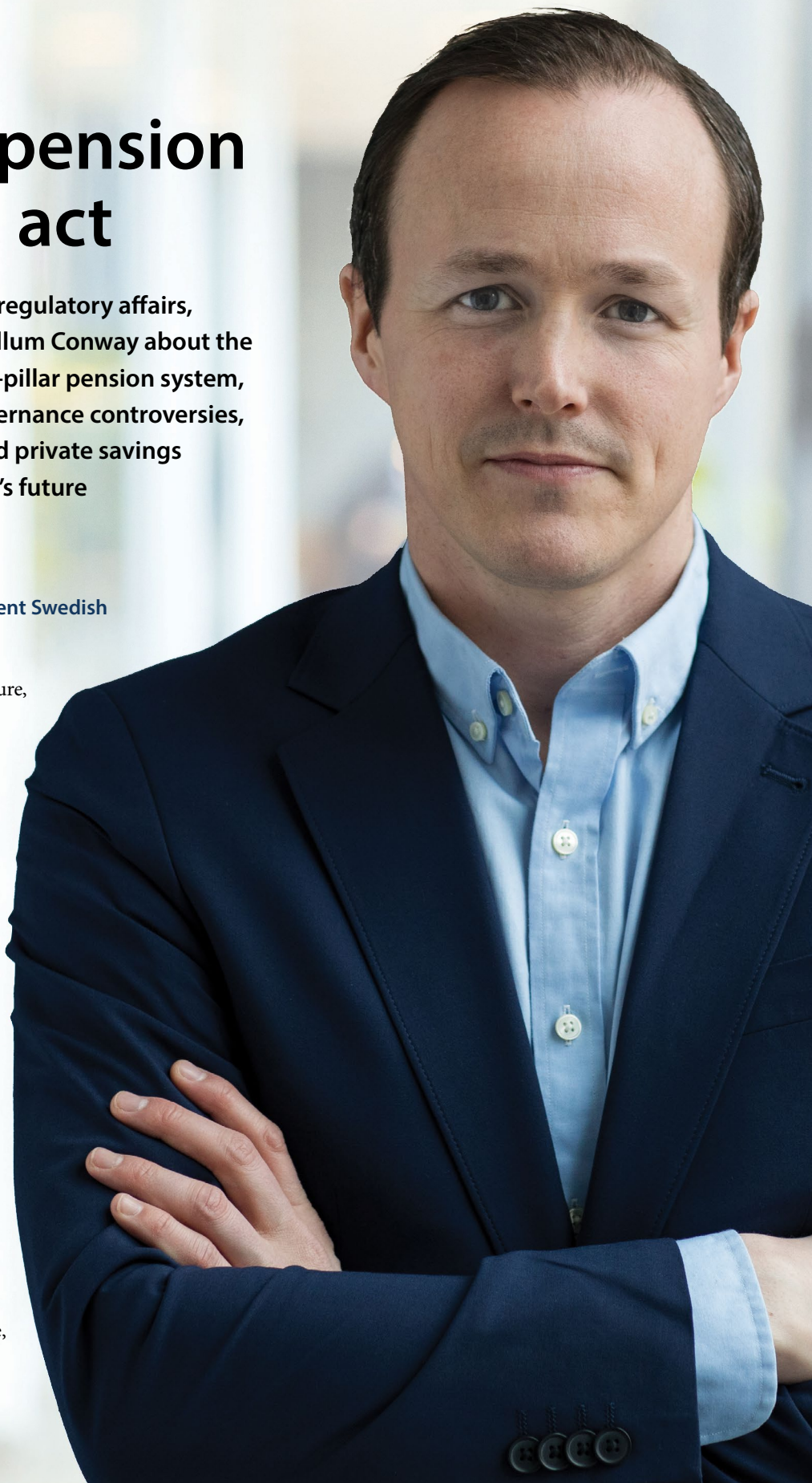
Skandia head of public and regulatory affairs, *Mattias Munter*, speaks to Callum Conway about the strengths of Sweden's multi-pillar pension system, the lessons from recent governance controversies, and why adequacy, trust and private savings reform will shape the sector's future

How would you describe the current Swedish pensions landscape?

■ The Swedish pension system is characterised by its multi-pillar structure, combining a public earnings-related system, a funded premium pension, and extensive occupational pensions negotiated through collective agreements. Together, these pillars create a relatively robust and diversified framework. However, outcomes still vary significantly depending on labour market attachment, income levels, and career patterns. The system is also shifting from one that guarantees predictability to one that requires individuals to absorb more responsibility and financial literacy.

Sweden is often viewed as having one of the more advanced pension systems in Europe. What could other markets learn from it?

■ Other markets could draw several lessons from Sweden, including the importance of automatic stabilisers to ensure long-term financial balance, the role of funded components



alongside pay-as-you-go systems, and the value of broad occupational pension coverage.

How significant has the role of the premium pension system become in shaping retirement outcomes in Sweden?

■ The premium pension plays an increasingly important role, particularly for younger generations with longer accumulation periods. While it still represents a smaller share of total pension income, investment performance within the premium pension can significantly influence future outcomes.

What are the biggest challenges currently facing Swedish pension savers?

■ Key challenges include ensuring adequate retirement income in the face of increasing life expectancy, navigating a more complex savings landscape, and managing market volatility. Structural issues such as gaps in lifetime earnings also remain a concern.

Have the Falcon Funds and Allra scandals permanently changed attitudes towards pension governance in Sweden?

■ The events triggered a substantial tightening of the regulatory framework within the premium pension system and strengthened fund selection criteria and oversight. More broadly, they reinforced the importance of governance, accountability, and consumer protection across the pensions sector.

What lessons should the industry take from the controversy?

■ It highlights that trust is a cornerstone of the pension system, and any perceived conflicts of interest or lack of oversight can quickly undermine confidence.

How important is transparency and communication in maintaining confidence in long-term pension saving?

■ Transparency and clear communication are fundamental. Given the complexity of pension savings, individuals need accessible, reliable information to make informed decisions.

How are schemes balancing long-term investment ambitions with short-term risks?

■ Swedish pension funds such as Skandia

typically take a long-term investment perspective with diversified portfolios across equities, fixed income, and alternative assets, while managing short-term risks through strong governance and dynamic asset allocation.

Has the conversation around sustainability and responsible investment evolved?

■ Yes, the focus has broadened from environmental, social and governance (ESG) integration and exclusion strategies to a deeper emphasis on real-world impact, climate transition, resilience and stewardship.

How are younger savers engaging with pensions in Sweden?

■ Engagement among younger savers is gradually improving, driven in part by digital tools and greater awareness of long-term financial planning. However, engagement remains uneven, particularly among mid-career individuals.

What more can be done to improve adequacy, particularly for lower earners or younger workers?

■ The uncomfortable truth is that adequacy cannot be solved within the pension system alone. It is deeply linked to labour market inclusion, wage development, and long-term career stability.

What developments in technology and digitalisation are having the biggest impact in Sweden?

■ Digital platforms such as minPension have transformed how individuals access and understand their pension savings through personalised projections and improved data integration.

What reforms or policy developments would you most like to see?

■ Further simplification of the system would be beneficial, alongside measures to strengthen adequacy, particularly for vulnerable groups. Another important area is private pension savings. Since the removal of tax incentives for individual pension saving in 2016, Sweden has lacked a clear framework for long-term private retirement saving. Reintroducing a simple and transparent savings vehicle could strengthen adequacy and complement the public and occupational pillars.