

IAF

Inspektionen för  
arbetslöshetsförsäkringen

*Swedish Unemployment Insurance Board*

# Annual Report 2015

## Extract

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## Foreword by the Director-General

During the 2015 financial year, our overarching objective was to develop IAF's organization such that we can make a difference. By that, we mean that our task is to ensure that our initiatives can serve as important frameworks for our clients and the bodies we supervise. They must be designed for use by the government in policy development and in organizational development by those over whom we exercise supervision. Our contribution to a legally certain and efficient system of unemployment insurance is largely about placing the spotlight on areas for development and, in some cases, highlighting examples of good practice. Did we make a difference?

The first area was to establish what we contribute to. In autumn 2015, we met executives from all the unemployment insurance funds and the Employment Service to get their views on how they benefit from our actions in aid of their own improvement activities. This was the second consecutive year that we held seminars on that theme. The overall picture from the unemployment insurance funds is that they use our reports to develop as an organization, sometimes because the report focuses on that particular fund, but just as often because the report deals with other funds. At our seminars, we also invited suggestions as to how we should improve in performing our supervisory role. We at the Board worked on the suggestions received with a view to implementing them in day-to-day activities during 2016.

The second area was to develop our procedures. For example, during the year we produced a model to identify issues that we think need to be tested at an administrative court. The pilot project was carried out at one unemployment insurance fund. We chose one of the major funds to obtain a sufficiently large body of material to decide whether the model is functional. We then decided to continue using the model in the project.

To quote another example, during one of our assignments we conducted interviews in groups of 5-6 representatives from as many funds. There, the seminar served both to enable us to gather information and as an occasion for benchmarking among the funds involved. This fed through into adjustments and improvements at the funds while the assignment was in progress. We will be following up this work during 2016.

We also focused on developing our methods for management and control, as well as for employeeship. Everyone was committed to the work of applying the values that we want to characterize the organization, so that these values live in our daily work.

Time spent on services rose during the year but, with several assignments not yet completed, this is not reflected in the statistics in the annual report. As a result, productivity appears to have declined, whereas in practice it has risen. The table *Assignments in progress* on page 48 lists the assignments concerned, and the hours spent. The overall impression is that we have made good progress along our chosen path. Commitment is high among all our people. I look back on a successful year for IAF.

Jan-Olof Dahlgren  
Director-General

## Events during the past year

The past year brought many new developments, both in unemployment insurance in general, and for us at IAF.

### *Eventful year in unemployment insurance*

In September, the government raised the maximum daily allowance, for the first time since 2002. The unemployment benefit is now a maximum of SEK 910 for the first 100 benefit days and subsequently a maximum of SEK 760. A similar increase applies to those in receipt of activity support. As a result, more unemployed people can receive benefit equating to 80 percent of their previous income.

Following the major decline in membership in 2007, the numbers of members in the unemployment insurance funds have been rising, especially in 2014, when the unemployment fee was abolished. However, the increase in membership in 2015 was slightly lower than in 2014, and, relative to the number of people in the work force, the number of members is still lower than before the changes. Membership numbers vary considerably from one fund to another. The three largest accounted for more than half of all members, while the three smallest represent just one thousandth of the total membership.

### *Positive proposals from the Swedish Parliamentary Social Insurance Committee*

A major event was the presentation of the Swedish Parliamentary Social Insurance Committee's final report. In our statement of opinion, we welcomed the proposals for e-income, which would enable the same data to be used for both unemployment benefit and The Social Insurance Agency benefits. IAF also looks favourably on the proposal that the daily allowance payment should be aligned with the trend of prices. On the other hand, we oppose the notion of allowing the unemployed to limit their job search to their former occupation and their region. The Committee proposes that such limitations should be permissible for 100 benefit days.

### *Our remit was expanded*

On 1 March, our supervisory remit was expanded: How sanctions are applied by the Employment Service and The Social Insurance Agency (Försäkringskassan) for individuals in receipt of activity support when participating in labour market policy programmes. The sanctions apply to those who do not seek work actively or who are in some other way in breach of the rules. The Employment Service investigates and applies the sanctions, while The Social Insurance Agency ensures that the decisions are implemented in the payments made.

### *IAF shall make a difference*

We are continuing to strive to make a bigger difference in the unemployment insurance system. Against that background, management maintains regular dialogue with the Employment Service and the 28 unemployment insurance funds in order to gather comments on how we can best contribute to improvements.

We are continuing to develop the analysis and conclusions in the reports to ensure that the findings are clear to those receiving them.

*The unemployment insurance funds shall not have excessive capital reserves*

One issue on which we took a position during the year was the level of the funds' capital reserves. In a report published<sup>1</sup> in April, we wrote that unemployment insurance funds shall not normally maintain a capital reserve greater than is needed to cover a year's expenditure. This view was based on the Swedish Unemployment Insurance Funds Act. In 2014, the capital reserves of the funds totalled in all approximately SEK 2 billion.

*Vulnerable groups more likely to have sanctions imposed than other groups*

A follow-up on the effects of the sanction system – known as the enforcement scale – also attracted widespread attention. The report *Vem missköter sitt arbetssökande?* (Who is failing to meet job search obligations?)<sup>2</sup> indicated that groups less securely established in the labour market were over-represented among those who had sanctions applied. We will be examining this bias in representation in greater detail.

*Statistikdatabasen (Statistics Database) offers services to the public and the bodies we supervise*

Details of the capital reserves of the unemployment insurance funds and other key figures are available in *Statistikdatabasen* via our website at iaf.se. During the year, we continued to develop the database, which is fed with relevant information on the payments of unemployment benefits, the trends of membership of the funds, their financial management and general administration and much more.

*New regulations are keeping up with developments*

We issued six regulations during the year. One regulation defined exactly when acceptable grounds exist for participants in labour market programmes with activity support not to seek work. The fee at Alfabassan was reduced, via a regulation amendment, to SEK 20 per benefit day for those who are in receipt of the basic amount under the unemployment insurance and who are not affiliated to the fund.

In the regulation on registration with the Employment Service, a possibility for exemption from the requirement to register in person was introduced, which made it possible for the Employment Service to conduct its trial of registration online.<sup>3</sup> In this way, we are playing a part in enabling the government to fulfil its ambition to extend access to digital services for citizens.

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<sup>1</sup> 2015:9 Arbetslöshetskassornas eget kapital (Unemployment insurance funds' capital reserves)

<sup>2</sup> IAF 2015:1

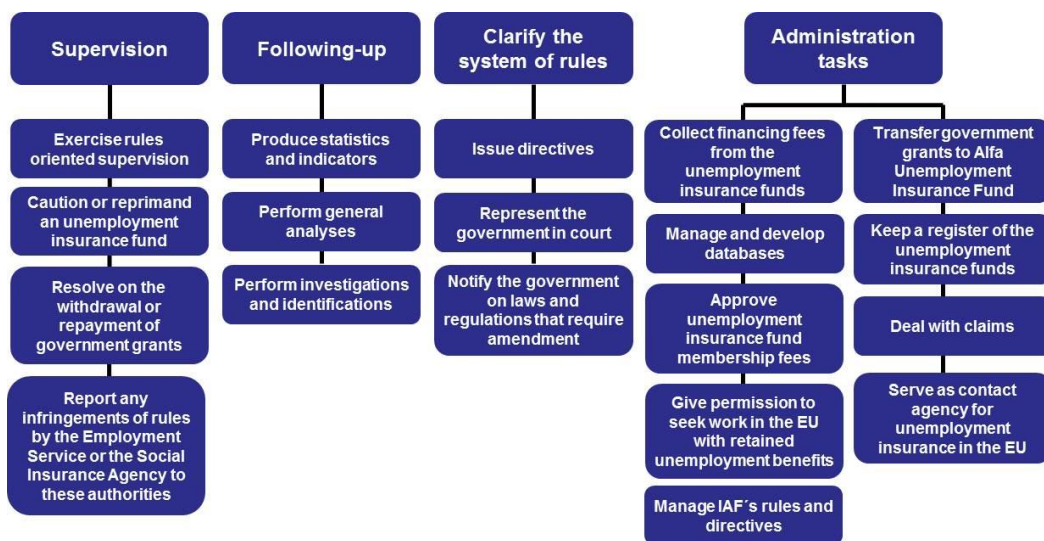
<sup>3</sup> IAFFS 2015:6

# 1 IAF's mandate

IAF's mandate is defined in the Swedish Ordinance (2007:906) defining the remit of the Swedish Unemployment Insurance Board. We receive assignments every year via government's appropriation directions. These two documents govern the organization's activities.

On the basis of our remit, the Swedish Unemployment Insurance Act (1997:238) and the Swedish Unemployment Insurance Funds Act (1997:239), we have divided our tasks into four operational sectors.

## IAF's four operational sectors and operational areas within them



## Supervision

Our mandate includes supervision of the unemployment insurance funds and how the Employment Service administers cases relating to unemployment insurance. Since March 2015, measures within labour market policy programmes have also been included. We exercise our supervision over the two areas by examining whether legally binding rules are adhered to. With regard to measures within labour market policy programmes, we supervise both the Employment Service and The Social Insurance Agency (Försäkringskassan).

If an unemployment insurance fund has been in breach of legally binding rules, we can issue cautions or order the fund to remedy the situation within a certain period of time. If the fund does not comply with such an order, we can rule that a government grant should be withdrawn. We can also demand that an unemployment insurance fund repay a government grant wrongly paid out.

If the Employment Service has breached legally binding rules, we are required to call this to the attention of the Employment Service.

The objective of this supervision is to ensure that risks and errors in the implementation of the regulations are identified and remedied.

### **Following-Up**

Our mandate also includes monitoring developments in unemployment insurance, together with measures within labour market policy programmes. This is done partly through analyzing the procedures used by unemployment insurance funds, the Employment Service and The Social Insurance Agency. IAF can also be commissioned by the government to investigate various specific issues relating to our area. In addition, we compile and analyze statistics in the field.

Our objective in this following-up role is to ensure that investigations and follow-ups take place in areas of importance.

### **Clarifying regulations**

We can play a part in clarifying the regulations in unemployment insurance by acting for the Swedish government in court, by issuing regulations and by advising the government that laws and ordinances need to be amended.

Our objective in this area is to ensure that the system of regulations is up-to-date and easily understood.

### **Administration**

We perform a number of administrative functions linked to the unemployment insurance system. Over and above the activities governed by IAF's mandate and appropriation directions, our activities also consists of certain functions stipulated in the Swedish Unemployment Insurance Act and the Swedish Unemployment Insurance Funds Act. These include the function of transferring fees from the unemployment insurance funds to central government. Another task is to issue certificates that enable unemployed people to seek work in other EU and EEA countries while still receiving unemployment benefit.

Our objective in Administration is that it should be efficient.

### **Organization of the report into categories**

Section 2 opens with a table showing the results for the operational sectors, with time series. The results for each activity or type of activity are described in continuous text.

Results are reported in sections 2.1-2.4, via the four operational sectors: Supervision, Following-Up, Clarifying Regulations and Administration.

Section 2.5 describes the basis for the calculations of costs.

Section 2.6 shows a classification of total revenue and expense for the whole of the organization according to the Board's classification of operations.

Section 2.7 reports on the activities within the operational sector via a table of time series. According to the rules of the Swedish National Financial Management Authority on annual accounts and budget documentation, reporting of results by public authorities must include time series so that it is possible to compare results from the past year with data from the two preceding years. However, in any comparison of time spent from year to year, it must be kept in mind that the composition of IAF's assignments varies from year to year in terms of the focus and scope of its operational sectors.

Section 3, which deals with competence provision, reports on the measures we took during the year, along with an assessment of how these measures helped to enable us to fulfil our mandate as defined in our 2015 appropriation directions.

Section 4 consists of the financial report.

Section 5 comprises IAF's reports and time accounts for assignment activities in 2015 (only available in Swedish). In this section, hours per completed assignment are shown in one table and hours for assignments in progress in another.

### **IAF's administration budget for 2015**

IAF was awarded a grant of SEK 63.4 million for 2015. With SEK 1.8 million carried over from the preceding year, we planned for expenditure of SEK 65.2 million in 2015.

In Sweden's budget bill and our appropriation directions for 2015, our grant was increased by SEK 2.5 million. The extra funding was to cover the new supervisory assignment relating to activity support and development allowance. The assignment concerns rules on measures that took effect on 1 March 2015.

In 2015, we staffed the organization to fully cover the new assignment.

We are reporting a surplus of SEK 940 thousand vis-à-vis grant funding. This was mainly because a management position at the Board was vacant for much of the year.



## 2 Reporting of results

On 1 September 2013, new unemployment insurance regulations came into force. The purpose of the changes was to clarify the obligations and responsibilities of the claimants in connection with job searches and to improve controls and follow-up of job searches, above all, at the Employment Service.

In 2015, we continued to follow up the changes in the regulations and their impact via a series of self-initiated supervision assignments. For example, we examined and analyzed how the Employment Service administers activity reports and notifications, and the procedures of the unemployment insurance funds in connection with this administration.

Other areas of focus during the year included the role of unemployment insurance as readjustment insurance and the rules on sanctions as applying to participants in labour market policy programmes.

Digitization of services was another priority area in 2015. IAF monitored technological development at the Employment Service and at the unemployment insurance funds during the year with a view to initiating amendments of instructions where necessary.

### **Hours spent on and costs of activities per operational sector, 2013-2015**

	2015 SEK th.		2014 SEK th.		2013 SEK th.	
	Hours	Cost	Hours	Cost	Hours	Cost
<b>Supervision</b>	<b>10,290</b>	<b>7,369</b>	7,720	5,384	15,730	9,725
<b>Following-Up</b>	<b>16,420</b>	<b>11,760</b>	22,592	15,756	6,743	4,168
<b>Clarifying Regulations</b>	<b>1,215</b>	<b>870</b>	1,842	1,285	1,102	682
<b>Administration</b>	<b>9,851</b>	<b>7,055</b>	9,633	6,718	9,757	6,032
<b>Total</b>	<b>37,776</b>	<b>27,055</b>	41,787	29,143	33,332	20,607

### 2.1 Operational sector Supervision

We continue to exercise supervision over the unemployment insurance funds and the Employment Service's handling of matters affecting unemployment insurance. We are now also responsible for supervising how the Employment Service handles cases of warnings about and disqualification from activity support and development allowance, and the routines for these actions. The Board's areas of supervision also include The Social Insurance Agency's handling of, and routines for, cases of disqualification from activity support and development allowance.

This supervision is intended to lead to correction and is in the main forward-looking. As a result, during our supervision, we point out the shortcomings and make the observations that demonstrate a need for actions by the supervised bodies. In the case of the unemployment insurance funds, we can apply sanctions if correction is not undertaken voluntarily. In situations where benefit has been paid incorrectly, we order repayment of the government grant.

Via our supervisory actions, IAF ensures legally certain and effective implementation of the rules on unemployment insurance and in relation to the claimants. By doing so, we also play a part in maintaining the legitimacy of the insurance and the role of the insurance as readjustment insurance.

### *2.1.1 Rules-based auditing*

IAF exercises supervision in the form of “rules-based auditing”. By this, we verify whether the unemployment insurance funds and the Employment Service are adhering to legally binding rules in their treatment of cases relating to unemployment insurance. We initiate the audits ourselves, based on an in-house risk analysis model.

We exercise the planned supervision in the form of various auditing assignments, together with supervisory actions should the need arise during the year.

The supervised bodies are provided with feedback on the findings following any and every audit. If we have uncovered any shortcomings, the organization audited has an opportunity to respond before any decision is taken. Before we finalize our report, the organization is also given the opportunity to check the material for its factual content.

If we have made observations indicating the need for actions by the supervised bodies, we can request a report of the measures taken. Where shortcomings are identified, the Employment Service is under a duty to report on measures taken and planned, to both IAF and the government.

To ensure that the supervisory actions targeted at the unemployment insurance funds are effective, IAF may order sanctions where appropriate. We can also order repayment of the government grant when the criteria for such action are met.

The feedback often results in the supervised bodies themselves remedying the shortcomings that we have identified. Here, the effect of the auditing assignments on how the supervised bodies apply the rules is immediately obvious.

IAF also follows up the audits to ensure that earlier supervisory actions have had an effect over time.

We concluded in all 16 rules-based audit assignments or audit actions in 2015. A list of all reports for 2015 in the area is presented in section 5 of this Annual Report. The list is also available on the IAF website.

The activities took 10,146 hours to complete, at a total cost of

SEK 7,266 th. The following section describes the assignments or actions that we have opted to highlight.

### **Förstagångsprövade företagärändan 2014 (First-time investigations of self-employment cases in 2014) (2015:5-7)**

In 2014, we carried out an ongoing thematic audit of the investigations by unemployment insurance funds of the right to benefit for claimants not previously actively self-employed. Three out of the nine audits conducted were completed in the first quarter of 2015.

### **Arbetslöshetskassornas eget kapital (Unemployment insurance funds' capital reserves) (2015:9)**

We have pointed out on several occasions that the unemployment insurance funds have considerable capital reserves. In our view, the main principle is that an unemployment insurance fund's capital reserve shall equate to no more than one year's expenditure. Against that background, we focused specifically on the funds whose capital reserves were higher than that.

A higher capital reserve means that the fund's revenue from membership fees over a year will not be put to use over the following year. This means in turn that the membership fee charged by the fund is excessive.

Our conclusion is thus that the fee charged by unemployment insurance funds with a capital reserve that exceeds 12 months' expenditure is too high.

The point of the regulation is to ensure that being a member of an unemployment insurance fund is not unnecessarily expensive. Our standpoint may thus lead to lower membership fees and to more people deciding to become a member of an unemployment insurance fund and obtain unemployment insurance cover.

### **Granskning av arbetslöshetskassornas beslut efter underrättelser från Arbetsförmedlingen (Auditing of unemployment insurance funds' decisions after notification from the Employment Service) (2015:11–12, 2015:18 and 2015:23–27)**

In summer 2014, work started on a regular thematic audit of how the unemployment insurance funds were implementing the new regulation on investigation after receipt of notification.

The audit extended to 1,212 cases from in all 16 funds. We identified shortcomings in 127 of these cases. In 2015, we published ten reports within the assignment.

The findings of the audit were as follows:

- We identified shortcomings in individual cases, as well as on a general level.

- Through the regular audit reports we published, the funds acquired a basis for their organizational development via an opportunity to learn from shortcomings identified at other funds.
- The reports published also provided the members of the funds and other stakeholders with information as to how the funds have dealt with these cases since amendment of the regulation.

The remaining six audit reports will be published in 2016. However, the audit was completed in 2015 and comprised 520 cases.

### *2.1.2 Issue cautions or official orders to an unemployment insurance fund*

Under the Swedish Unemployment Insurance Funds Act (1997:239), IAF is entitled to issue any cautions relating to the activities of an unemployment insurance fund that the Board thinks fit.

The purpose of cautions is to make it clear to the fund that we have observed a shortcoming in the organization that the fund needs to remedy. The outcome should be that the fund undertakes appropriate measures and complies with the regulations.

In 2015, 1 caution was issued. The assignment took 27 hours to complete and cost SEK 19 th.

### *2.1.3 Decisions on ordering repayment of government grant*

IAF is required, under Article 94 d of the Swedish Unemployment Insurance Funds Act (1997:239), to order repayment of a government grant from an unemployment insurance fund if, during an inspection, we find that the criteria for liability for repayment under Articles 94–94 c are satisfied. The purpose of the repayment requirement is to compel the funds to repay any government grants they have received without being so entitled, or if the amount they have received is too high. The desired outcome long term is stricter compliance with regulations on the part of the funds.

In 2015, we took decisions in 4 cases on ordering repayment of government grants. The activity took 117 hours to complete and cost a total of SEK 84 th.

## **2.2 Operational sector Following-Up**

To monitor developments in, and to gather information on the unemployment insurance sector, we regularly conduct various investigations and analyses.

These investigations and analyses are performed on behalf of the government or on our own initiative. Via the investigations, we determine whether there may be any risks in how the unemployment insurance funds or the Employment Service implements the unemployment insurance system.

While we are completing our report on an investigation or analysis, the supervised body has the opportunity to check the factual content and make comments.

In cases where we identify that the supervised body may need to take actions, we request a report. The report shall provide details of actions taken and planned. We then follow up the report to determine whether the body has completed the actions described. We also follow-up our analysis assignments to determine what effect they have had over time.

In all, 16 investigations and analyses were completed in 2015. The activities took 15,345 hours to complete, at a total cost of SEK 10,990 th.

A list of all reports for 2015 in the area is presented in section 5 and is also available on the IAF website.

### **Vem missköter sitt arbetssökande? (Who is failing to meet job search obligations?) (2015:1)**

On 1 September 2013, the regulations on unemployment insurance were amended. The changes introduced included new requirements for active job seeking and a new system of sanctions in the form of actions that are gradually escalated for those who fail to meet their job search obligations. This assignment defined which benefit recipients were sanctioned to a greater extent than others for failing to meet their job search requirements.

During the period reviewed, September 2013 to the end of October 2014, a quarter of all benefit recipients were sanctioned for failing to meet their job search requirements. Among those sanctioned, certain categories were over-represented, compared to the average. These included:

- recipients of basic benefit
- the low paid
- the low-skilled
- those born outside Sweden.

There is a logic in that these categories were not only over-represented in terms of the enforcement scale, but also included those who are less securely established in the labour market, with greater difficulties on average with finding jobs.

Of the benefit recipients who were sanctioned and found themselves on the enforcement scale, approximately 30 percent received further sanctions and moved up to a higher level on the scale. During the reviewed period, 568 benefit recipients moved up to the fifth and last level on the scale and were disqualified from benefit.

We concluded that of the benefit recipient categories we examined, the categories that were further away from the labour market tended to receive more sanctions than the average.

The purpose of the report was to identify the effects of the rule changes that were introduced in September 2013. As a result of this report, IAF has initiated new projects in the light of the findings and to describe the effects of the new regulations in greater detail.

### **Arbetslöshetskassornas hantering av ärenden om uteslutning och fränkännande (Unemployment insurance funds' handling of cases involving disqualification or suspension) (2015:2)**

In this report, we presented the results of analysis of how the unemployment insurance funds are handling cases involving disqualification of members and suspension of right to benefit<sup>4</sup>. Disqualification of members and suspension of right to benefit are actions taken when a member has provided inaccurate or misleading information that is relevant in terms of the right to benefit or membership. The main principle is that the fund must in the first instance examine whether a ground exists for the member to be disqualified. If no such ground exists, the fund is instead to examine whether a ground exists for suspension. The investigation indicated that the main principle was applied to a major extent. The number of disqualifications thus was high, while decisions on suspension were the exception.

Certain differences as to how the funds handled the cases were also found:

- Determination of the number of days for suspension of benefit, for example, the decision of one fund was for 130 days of suspension of benefit, while another's was more than 130 days in the majority of their decisions.
- Judgements of when particular grounds exist for suspension rather than disqualification.
- The estimated processing time for the cases varied between 3 weeks and 10 months.
- The percentage of all decisions on disqualification or suspension that were reported to the police.

The funds pointed out areas that lacked clarity in the regulations and called for clearer guidelines for when the decision should be suspension and how the number of days of suspension of benefit should be determined.

Disqualification and suspension are powerful sanctions with considerable impact on the benefit recipient. It is therefore important that such cases should be treated on an equal basis. The report showed that this does not happen in several respects, and as a result job-seekers are treated differently, depending on which unemployment insurance fund he or she is a member of. The report should lead

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<sup>4</sup> The effect is for the claimant to be refused unemployment benefit for a period.

to a greater standardization of procedures at the funds, and ensure equal treatment of job-seekers.

### **Arbetslöshetskassornas avslagsbeslut till följd av ofullständigt underlag vid förstagångsprövningar (Rejection decisions by the unemployment insurance funds in first-time investigations) (2015:10)**

To enable an unemployment insurance fund to determine, in a first-time investigation, whether a benefit claimant is entitled to benefit, the claimant must submit various documents and information. In this assignment, we analyzed how the funds are treating first-time investigations in cases where the documentation provided by the claimant is incomplete.

The regulations have no provision for rejecting an application for benefit on the basis that it is incomplete. The remaining option for the funds is to reject a claim on the basis that the claimant has not shown that he or she meets the conditions for receiving benefit.

The analysis showed that most of the funds, in accordance with the Swedish Unemployment Insurance Act (1997:238) (ALF) took decisions via the unemployment funds' case management system (ÄGA)<sup>5</sup> to reject claims based on documents that were incomplete and unemployment insurance benefit cards had been received. Around a third of the funds opted to reject a claim even though unemployment insurance benefit cards had been received. Around half of the funds took decisions to reject claims via ÄGA when unemployment insurance benefit cards had not been received. This was done even where no actual application had been made and so there was no claim for benefit that required a decision.

In this report, we pointed out that the funds probably need to be able to cancel processing of cases where an unemployment insurance benefit card is missing and where full documentation is not obtained, despite reminders. One way would be to inform the claimant in writing that the case has been left without further action. If feasible, a case management alternative could be incorporated into ÄGA to handle undecided cases left without further action. This would facilitate and support the proposed case handling procedure.

Through this analysis, we have clarified which decisions can be taken in accordance with ALF, and the funds have thus been provided with guidance as to how to deal with undecided cases. Through these clarifications, we provided the funds with the ability to apply the regulations correctly and in a standardized way.

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<sup>5</sup> Unemployment insurance funds' system support for processing of cases.

### **Arbetslöshetskassornas hantering av omprövning av utträde vid bristande betalning av medlemsavgiften (Unemployment insurance funds' handling of review of cancellation of membership in the event of non-payment of membership fee) (2015:13)**

Membership of an unemployment insurance fund is a prerequisite for an individual to receive income-related unemployment benefit in the event of unemployment. The insurance is optional and for that reason each member is required to meet his or her obligations, for example, by paying his or her membership fee.

Our analysis indicated that there are certain shortcomings in legal certainty in this area of unemployment insurance.

In its report, IAF highlighted the legal preconditions. The starting-point is that if a member no longer pays the fund's fee, this may be interpreted as a request for cancellation of membership.

The analysis spanned 252 review cases over 26 unemployment insurance funds. It revealed how the funds assess particular reasons for allowing a member to retain his or her membership of the fund, despite non-payment of the membership fee. One condition for permitting membership to remain in force is where circumstances exist that meet the legislation's requirements for particular reasons. On that basis, there must be sudden and unforeseen events that were beyond the control of the member and that resulted in the person's inability to pay the fee in time.

The analysis showed that the funds took the view that moving home and similar situations, for example, which may be considered as leading to forgetfulness and neglect, are regarded as particular reasons. Shortcomings were also found in the basis of decision in cases where medical factors were considered to constitute particular reasons. This was because certificates provided failed to confirm the person's inability to pay the fee. Another conclusion of the report was that in other areas the funds deal with review cases in accordance with the relevant legislation.

Our analysis shed light on an area of the insurance that needs strengthening, and the result will be followed up. It is also felt that the report could serve as the basis for further development work by the funds and may lead to actions by the funds to ensure that their decisions are based on legally certain grounds.

The effects of the assignment in both short and the long terms are expected to increase the level of legal certainty. This would promote equal treatment, minimize the risk of incorrect payments and increase the legitimacy of and confidence in the insurance.



## **Arbetsförmedlingens underrättelser om ifrågasatt ersättningsrätt, 2014 och första kvartalet 2015 (Employment Service's notifications of disputed right to benefit, 2014 and first quarter of 2015) (2015:16)**

The purpose of this report was to account for and analyze the Employment Service's notifications of disputed right to unemployment benefit in the period January 2014-March 2015. This was a government assignment and fell within IAF's appropriation directions for the 2015 budget year.

Between the first and the second half of 2014, the number of notifications possibly resulting in a sanction declined markedly. The number then stabilized at a lower level. In January 2015, just over 36,000 notifications possibly leading to a sanction were made. This was 25 percent fewer than in the same period in 2014.

This was partly because the number of job-seekers fell during the period, but a decline – of 17 percent – was also noted in relation to the number of job-seekers. On the other hand, no clear trend over time was evident with regard to notifications concerning the general conditions. The most common reasons for notifications made by the Employment Service to the unemployment insurance funds during the period continued to be:

- failure to present activity report
- failure to attend booked appointment
- change of claimant category.

Of these, activity reports accounted for the absolutely highest proportion of the notifications, approximately 60 percent.

Consistent differences were evident in the number of notifications made from one market area to another, with urban areas showing more notifications than rural areas.

In addition, an analysis of repeated notifications per person revealed that a higher percentage of job-seekers with a psychological, cognitive or socio-medical functional impairment received notifications than the average. People in these categories have a more vulnerable situation in the labour market than others, and on average spend more time unemployed. As far as differences between the genders are concerned, it emerged that men received more notifications than women. The groups that received the lowest number of notifications included the elderly, the highly skilled and job-seekers with a physical functional impairment.

Based on the information in this report, we cannot express a view on whether differences in the number of notifications made that are observable over time, between offices and among categories of job-seeker are caused by differing treatments by the Employment Service or differing behaviours among job-seekers. It is likely that the reason for differences lies in both of these causes.

In this report, IAF was able to indicate some of the effects of the rule changes on 1 September 2013. We also highlighted areas that remain to be developed at the Employment Service and will be monitoring the outcomes in 2016.

## **Arbetslöshetskassornas sanktioner 2014 och första kvartalet 2015 (Employment Service's sanctions in 2014 and first quarter of 2015) (2015:20)**

In this report, IAF reported on and analyzed sanctions applied by the unemployment insurance funds following notification of disputed right to benefit that were made by the Employment Service in 2014 and the first quarter of 2015. This was a government assignment and fell within IAF's appropriation directions for the 2015 budget year.

Accurate registration is important for several reasons. It is important not least to enable the government to monitor reforms in the area and to enable legislation to be passed on a completely sound basis. It emerged during interviews with the funds that their focus has been more on ensuring that decisions are correct and less on accurate registration of information. Several funds also called for more guidance on how they should register cases.

During work on the report it became clear that several funds have systematically been registering information inaccurately in some types of case. In addition to information being registered inaccurately, it also emerged that there were inconsistencies in recording of information in some situations, and that the funds had not themselves raised areas of uncertainty regarding registration with the Swedish Federation of Unemployment Insurance Funds (SO).

When the Employment Service creates a notification of disputed right to benefit, the notification has since mid-April 2014 been sent to the "message database", from where it is forwarded to the unemployment insurance fund concerned if there is a subscription for the claimant. When the message database was introduced, the number of notifications received by the funds halved from the previously high levels prevailing since the rule changes on 1 September 2013. Over the whole of the report period, the investigation rate averaged 43 percent and the sanction rate 78 percent for notifications relating to the enforcement scale laid down in ALF. The investigation rate was somewhat lower for women than for men and the sanction rate was lower for young women than for young men. Overall, however, the sanction rate was roughly the same for women and men.

The differences in rates of investigation and sanction among the unemployment insurance funds was all the wider. Regarding the differences in sanction rate, several factors may be in play. For example, it emerged during the interviews that the proportion of claimants who reply to communications from the funds diverges considerably from one fund to another. This, together with the fact that claimants who reply are more likely to avoid sanctions, could explain part of the divergence. The divergence could also arise partly because the funds vary in the degree of strictness of implementation. One conclusion from the interviews was that a risk exists that the funds assess acceptable grounds differently in connection with notifications that the claimant has failed to meet his or her job search obligations.

Most funds reported a processing period of 14-24 days for notifications leading to a sanction, which may be considered reasonable vis-à-vis the requirements of the Swedish public administration law.

On several points, we considered that opportunities should exist for improving coordination between the funds to create greater legal certainty and equal treatment in the unemployment insurance system. These included when the funds judge what constitutes an acceptable ground for notifications that the claimant has failed to meet his or her job search obligations, how long the claimant is given to reply to the communication regarding notifications, and having all funds follow SO's recommendation to "batch" cases that are received over a short period.

For this assignment, IAF conducted group interviews at 5-6 unemployment insurance funds at a time, on how they take decisions regarding how they registered their information. As a result, the funds themselves found that they were treating same types of case differently. While the report was being worked on, several funds corrected registration procedures for a large number of cases and took actions to ensure that information will be registered accurately going forward. The effect of the report is to have highlighted the importance of accurate registration of information, and actions have been taken both by the funds and SO to tackle the shortcomings that existed up to then. As a result of the report, we will continue to monitor this area over subsequent years of operation.

### **Arbetslöshetskassornas hantering av återkrav mot ersättningstagare (Unemployment insurance funds' handling of orders for repayments by claimants) (2015:21)**

The purpose of the assignment was to analyze how the unemployment insurance funds handle and arrive at decisions on orders for repayment and concessions.

The funds' handling of repayment cases was generally good, and their decisions are rarely altered in the courts. The assignment therefore focused on how case officers had arrived at their decisions to order repayment, and how long this had taken.

The analysis was performed at all unemployment insurance funds. We also decided to compare two of the biggest funds (Arbetslöshetskassan Alfa (the Alfa Unemployment Insurance Fund) and STs arbetslöshetskassa (ST's Unemployment Insurance Fund)). During the analysis, it was particularly important to establish how the legal rights of the benefit recipients are guaranteed when the funds order money to be repaid. The analysis also focused on which difficulties the case officers encounter during handling of repayment cases.

The bulk of the repayment orders had arisen through the difficulties benefit recipients had in accurately recording on their unemployment benefit cards what hours they had worked. Another factor was problems that employers had in completing their employer's certificate correctly.

In the case of Arbetslöshetskassan Alfa, a number of repayment orders arose because individuals previously in receipt of benefit from the fund were continuing to send in their unemployment benefit card to the fund even after they had joined another fund.

The conclusion of the analysis was that there is scope for improvement of handling repayment orders, where such that may lead to incorrect payments is concerned. The analysis also showed that there was scope for improvements with regard to documentation in handling repayment cases and in verification of payments such that the time between an incorrect payment and its detection should not be excessive. The point would be to prevent payments being made incorrectly for an unnecessarily long time.

The report includes an analysis of the problems we identified during the analysis, as well as suggestions as to possible remedies. The report may therefore help to promote equal treatment of the recipient benefits, in that the funds would obtain a framework for action to ensure consistent treatment of repayment cases.

### **Arbetsförmedlingens uppföljning av anvisningar till arbete (Employment Service's follow-up of job referrals) (2015:22)**

The main purpose of this report was to describe and analyze the Employment Service's follow-up of job referrals.

The report shed light on why in some cases the Employment Service does not send a notification when job-seekers have not applied for a job referred to them, and on what explanation the case officer gave, having made an unsuitable referral.

In 2014, the referrals made in all market regions apart from Norra Mälardalen were found to have a higher likelihood of being followed up than in Stockholm and Gotland. This was not because of differences among job-seekers with regard to gender, age, skills, country of birth or degree of unemployment. One possible explanation for the divergences may instead lie in the culture of the various employment service offices regarding how work functions are to be prioritized. Work procedures may also differ from one office to another.

The report also indicates that referrals in the youngest age group, 24 years and below, were less likely to be followed up than in the other age groups. It is conceivable that this difference arises from the way that job-seekers respond to the referral and whether they respond in the first place. If this were so, it would suggest that in the case of job-seekers with a greater inclination to respond to a referral there would also be a higher percentage of followed-up referrals, compared to those who tend not to respond to referrals.

In the report, IAF also found that a major "statistical shadow" seems to exist as regards notifications made because a job-seeker has not applied for a job referred. Just under half of all jobs referred but not applied for in 2014 were not followed by any notification whatsoever within two weeks. Every time a notification is not sent, there is a possibility that an incorrect benefit will be paid out.

We also pointed out that both IAF and the Employment Service has difficulties in following up the work of referrals.

Finally, we proposed a number of improvements to the Employment Service's case management system and internal documents.

- Automatic links between the activity reports and the referrals would make it easier for case officers to follow up referrals. If the job-seeker responds to the referral in an activity report, this would automatically show through in the referral.
- Automated notifications to direct the case officer's work on notifications. However, according to the Employment Service, it may become possible for these to be semi-automated at the end of 2015.
- A clear and concise document on follow-up of referrals would facilitate the work of case officers. The information is today scattered over several separate internal documents, which can make the job of case officers more difficult.

The Employment Service has provided feedback to IAF on actions taken or envisaged since the report was published.

According to the Employment Service, the problems shown up in the report are in line with the analyses performed by the Employment Service itself. The Employment Service finds our suggestions reasonable and intends to implement these changes.

### *2.2.1 Statistics and indicators*

As part of our work on monitoring developments in unemployment insurance, we regularly publish statistics and indicators for in-house and external consumption.<sup>6</sup> During the year, we produced 7 new indicators that are published in Statistikdatabasen on our website [www.iaf.se](http://www.iaf.se). This activity took 984 hours to complete and cost a total of SEK 705 th.

## **2.3 Operational sector Clarifying regulations**

IAF's work plays a part in clarifying the regulations on unemployment insurance in that we act for the Swedish government in court, issue regulations and advise the government that laws or ordinances need to be amended.

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<sup>6</sup> Web-Based Statistics was previously entitled Membership Development. IAF is changing the title since,

as of 2013, the time reported will also include the production of other statistics for IAF's website.

### *2.3.1 Prescriptive activities*

To clarify regulations, we are in certain areas authorized to issue legally binding regulations that describe in more detail how the unemployment insurance funds and the Employment Service are to implement and enforce certain provisions in the laws and ordinances on the unemployment insurance system and unemployment insurance funds.

In 2015, we issued 6 regulations. This activity took 393 hours to complete and cost in all SEK 281 th.

The purpose of the regulations was to clarify the legislation in order to simplify implementation by the unemployment insurance funds. The outcome should be a clear system of regulation and consistent implementation.

#### **Inspektionen för arbetslöshetsförsäkringens föreskrifter om godtagbara skäl för programdeltagare att inte aktivt söka lämpliga arbeten enligt förordningen (1996:1100) om aktivitetsstöd (IAF's unemployment insurance regulations (IAFFS 2015:4) on acceptable grounds for programme participants not to actively seek suitable work in accordance with the Ordinance (1996:1100) on activity support)**

As of 1 March 2015, IAF is also responsible for supervision of the Employment Service's and The Social Insurance Agency's handling of cases in connection with actions in activity support and the development allowance. From the same date, new rules on actions in activity support and the development allowance apply under the Ordinance (1996:1100) on activity support.

On 2 March 2015, we issued instructions as to the cases in which a programme participant is to be regarded as having acceptable grounds for not actively seeking suitable work with regard to the programme in which he or she is participating and the stage of the programme the participant has reached.

### *2.3.2 Represent the government in court*

IAF represents the government in court in cases relating to unemployment insurance benefits and membership of unemployment insurance funds. This is done in order to elicit indicative court decisions. By acting on behalf of the government, we can clear up areas of uncertainty in implementation of the law and create a clear system of regulation that promotes consistent application of the law.

During 2015, we represented the government as a party in court in 19 new cases, and brought a total of 12 cases to a conclusion. Furthermore, in our capacity of expert authority on unemployment insurance, we provided 5 responses to consultation requests from courts. This activity took 822 hours to complete and cost a total of SEK 589 th.

### *2.3.3 Advise the government that laws or statutes need to be amended*

In order to help clarify regulations, we can also advise the government that laws or ordinances need to be amended.

In our budget documentation for the 2016-2018 period, we proposed an amendment to Swedish Ordinance (2007:906) defining the remit of the Swedish Unemployment Insurance Board to the effect that we should be given a mandate to decide on recommendations as to application of the law by the unemployment insurance funds. The objective is to ensure consistent application of unemployment insurance in the processing of cases that involve the exercise of authority vis-à-vis any individual.

### *2.3.4 Procedures for more active management of legal proceedings – a pilot project*

During the autumn, we carried out a special development project to investigate whether we can become more active in legal proceedings at the administrative courts. IAF has the option of appealing against the decisions of the unemployment insurance funds, both to the detriment and the benefit of the individual. The problem lies in identifying decisions of interest where the appeal deadline has not passed. We therefore chose to visit an unemployment insurance fund and examine approximately 200 cases where the fund had taken a decision in favour of the claimant, over a period stretching six weeks back from the time at which IAF made its selection of cases. The project led to eight appeals at the administrative courts. The result was sufficient to justify the initiative. As a result, we intend to continue to work on the basis of the model developed.

## **2.4 Operational sector Administration**

### *2.4.1 Transfer and forecast revenue heading 2525*

IAF has a number of tasks in connection with the processing of financing fees.

We are charged with providing information on the size of the fees to be paid by each unemployment insurance fund to the government. Against that background, we collect statistical data from each fund and the Employment Service. Based on the data collected, we calculate the size of fees for the individual unemployment insurance funds. One function consists of collecting monthly statistical data for each fund, calculating the fee, informing the fund of the fee calculated and verifying whether the fund concerned has paid in the fee calculated.

In 2015, we handled 336 such assignments, which took 283 hours to complete and cost SEK 203 th.

### *2.4.2 Managing and developing databases*

We manage two individual databases: ASTAT and Underrättelsedatabasen (the Intelligence Database). In addition, we manage Statistikdatabasen (the Statistics Database) on our website, as well as the membership application Portal for

unemployment insurance funds. The information held in these databases helps us fulfil our task of monitoring developments in unemployment insurance.

### **Provision of statistics for external consumption**

One administrative task within the scope of managing our databases is to provide data on request, and produce statistical information. The statistical requests received vary in complexity.

In 2015, we provided data to and produced statistical data for external stakeholders such as Statistics Sweden, the Ministry of Finance, the Employment Service, the unemployment insurance funds and The Social Insurance Agency.

We provided data or produced statistical information for external stakeholders on 30 occasions. This activity took 326 hours to complete and cost a total of SEK 234 th.

#### ***2.4.3 Issue of certificates for remittance of unemployment benefit abroad***

IAF issues U2 unemployment insurance certificates to EU/EEA or Swiss citizens who satisfy the conditions for the right to seek work in another EU country, EEA country or Switzerland with retained right to unemployment benefits from Sweden (Article 48 of the Swedish Unemployment Insurance Act (1997:238)). This right complies with the European Parliament's and the Council's Regulations (EC) 883/2004 and 987/2009 and the Council's Regulations (EEC) 1408/71 and 574/72, which coordinate the social security systems in Europe. Citizens of "third countries" may also be granted a U2 certificate, subject to certain exemptions.

The regulations provide for direct payment, for example, of unemployment benefit from Swedish unemployment insurance funds to individuals who have been granted a U2 certificate and are seeking work in another Member State.

In 2015, IAF received in all 293 applications for a U2 certificate or E 303 certificate for seeking work in another EU or EEA country or Switzerland with retained right to Swedish unemployment benefit. All applications were for a U2 certificate.

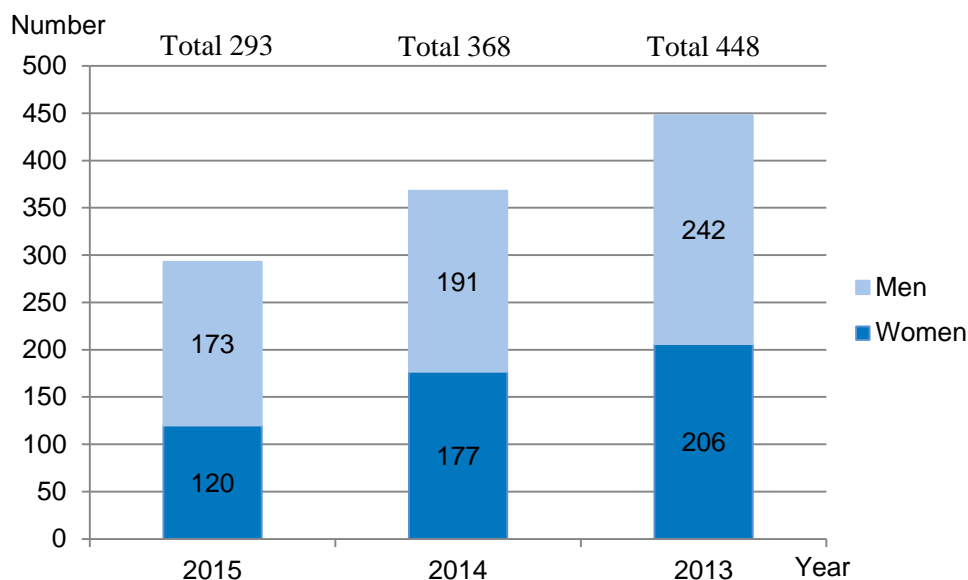
A total of 212 U2 certificates were issued during the year. Most certificates were issued for those seeking work in the UK (20 percent), Germany (18 percent) and Spain (12 percent).

Ten of the decisions to reject an application for a U2 certificate were appealed against. Of the decisions appealed against, we changed one and granted a certificate on the basis of new information relating to the case received after the basic decision. Nine decisions to reject the application were tested at the Administrative Court in Linköping. IAF had one case referred back for review. The review resulted in another decision to reject the application on the basis of new information received in the case.

These certificate-based activities took 766 hours to complete and cost in all SEK 548 th.



**Number of applications for U2 certificates for seeking work in other countries with retained Swedish unemployment benefit, by gender, 2013–2015.<sup>7</sup>**



**2.4.4 Reimbursement of unemployment benefits**

On 1 May 2010, EU Regulation no. 883/2004 and Implementation Regulation no. 987/2009 entered into force. Section IV of Implementation Regulation no. 987/2009 includes financial provisions. These include a special rule (Article 70) for the unemployment sector, regarding repayment of employment benefits for the unemployed in accordance with Article 65 of the Basic Regulation.

The effect of the provisions, in brief, is that the competent institution in the former country of employment shall reimburse the entire amount paid to the unemployed person for the first three or five months to the competent institution in the country of residence. The claims are to be submitted and paid via the liaison and contact organization in the Member States concerned. IAF is the liaison and contact organization in Sweden for the purposes of the provision stated in Article 70.

Information on reimbursements between the competent institutions in the Member States will until further notice be provided using an “SED” (structured electronic document) form on paper.

The governments of Sweden, Norway and Denmark have jointly agreed to waive all requirements for repayment of unemployment benefits between the countries, in accordance with Article 65.8 of EC Regulation 883/2004 for the period 1 May

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<sup>7</sup> Source: IAF’s register

2010 to 1 May 2014. As a result, Sweden has written off repayments totalling SEK 25,421,649 from Norway and SEK 81,623,802 from Denmark. The total of amounts written off from Sweden to Norway and Denmark, respectively, are unknown, since no claims have been made on Sweden by either of the countries.

In 2015, we processed reimbursements for 381 individuals. The activities took 2,130 hours to complete, at a total cost of SEK 1,526 th.

#### *2.4.5 Keep a register of the unemployment insurance funds*

We are required to keep a register of the unemployment insurance funds and update the register on an ongoing basis. In 2015, 7 amendments were made to articles of association and 54 other amendments to the register. This activity took 262 hours to complete and cost in all SEK 187 th.

#### *2.4.6 Approve membership fees*

Any decision to change membership fees by an unemployment insurance fund must be submitted to IAF for approval.

In 2015, we ruled on 18 cases where unemployment insurance funds had sought approval to change their membership fees. We approved 15 of the applications.

The majority of the applications received were requests from the funds to increase their membership fee. The main reason cited was that the ceiling for income-related benefit was increased from SEK 680 and SEK 910 per day on 7 September 2015. This affects the financing fees that the funds are required to pay the government, and thus increases the funds' costs.

In cases where our decision was to reject the application, the main ground was that the capital reserve was already at the level stated by the fund to be necessary. As a result, our judgement was that an increase in the membership fee was not justified.

Administration of membership fee cases activity took 210 hours to complete and cost a total of SEK 150 th.

#### *2.4.7 Damage/loss cases*

The Chancellor of Justice (JK) has delegated to IAF the task of handling damage/loss claims by individuals against the government, when such individuals consider that their unemployment insurance fund has caused them damage or loss, for example by incorrect information or procedure in cases relating to the exercise of authority. Claims for damage/loss arising from a decision, or from failure to take a decision, are handled by JK, although in such cases JK normally requests IAF to state its opinion on the matter.

In 2015, we dealt with and settled 21 claims for damage/loss via decisions or opinions communicated to the Chancellor of Justice. These administrative activities took 653 hours to complete and cost in all SEK 468 th.

#### *2.4.8 Liaison and contact body*

IAF is Sweden's liaison and contact body for unemployment insurance in the European Union. This involves, for example, facilitating good contacts with counterpart authorities in other Member States. During 2015, work on the introduction of EESSI (Electronic Exchange of Social Security Information) was stepped up. EESSI is an IT system intended to enable social welfare and unemployment insurance institutions in all EU countries to share information electronically. We are coordinating such initiatives in the area of unemployment benefits and reports regularly to the Ministry of Health and Social Affairs and the Ministry of Employment on the ongoing work of preparation. During the year, we held several meetings with the Employment Service, the Federation of Unemployment Insurance Funds (SO) and The Social Insurance Agency to discuss work on developing EESSI. IAF representatives took part in Nordic meetings and meetings in Brussels about how EESSI is developing.

Within the framework of the Nordic cooperation, we held several meetings in 2015 and maintained regular contact with public authorities in the Nordic countries. In September, the Director-General and a number of representatives from IAF took part in the Nordic Unemployment Insurance Conference in Copenhagen, at which digitization was among the topics discussed.

In our liaison and contact role, we are working on solving problems in interpreting EU regulations. In 2015, a number of IAF personnel participated as experts in discussions with other EU Member States regarding implementation of EU Regulation no. 883/2004 and Implementation Regulation 987/2009.

Disputes as to interpretation can, for example, affect reimbursement of unemployment benefit paid between countries.

Our role as liaison and contact body is helping in bringing about a more uniform application of the EU-law based regulations at the unemployment insurance funds.

These activities took 3,023 hours to complete and cost SEK 2,165 th.

#### *2.4.9 Administration of IAF's code of regulations*

We post three codes of regulations on our website detailing the rules that apply to the unemployment insurance system. One of the codes deals with the Swedish Unemployment Insurance Act, the second refers to the Swedish Unemployment Insurance Funds Act and the third describes international regulations. The last-mentioned code of regulations addresses issues relating to EU Regulation No. 883/2004 on the Coordination of Social Security Systems.

The codes are updated at least four times a year and are intended to serve as a tool in the work of our employees in their supervisory role. The codes are published on IAF's website so that anyone interested can acquaint themselves with them, a facility that promotes equal treatment.

The updates took 279 hours to complete and cost SEK 200 th.

#### **2.4.10 Respond to consultation requests from the government and other authorities**

During the year, IAF responded to consultation requests from courts and other authorities. Among these, we delivered a consultation response to the final report by the Swedish Parliamentary Social Insurance Committee “*More security and better insurance*” Part 1 (SOU 2015:21).

In 2015, we provided 16 consultation responses to the government and other authorities. The consultation responses took 1,881 hours to complete and cost SEK 1,347 th.

### **2.5 Basis for calculations of costs**

We have calculated the costs of services completed during the year on the basis of an average hourly fee and time spent. The time spent is based on IAF’s time accounting data.

#### **Estimated hourly fee for activities**

To calculate the average hourly fee, the costs of the organization are divided by the hours actually worked at IAF, including hours worked by external consultants. The hours actually worked are calculated as total full-time hours worked annually for all employees,<sup>8</sup> multiplied by 0.75 to exclude holidays and other time off.<sup>9</sup>

#### **Year-on-year time comparisons**

The make-up of our assignments varies from year to year as regards the focus and scope of its operational sectors. An activity may extend over several years before a report is presented. This should be borne in mind when comparing time spent from one year to another.

### **2.6 Expense and revenue, by operational sector**

Swedish public authorities are required to classify their revenue and expense according to the particular organization’s classification of operations (Swedish Ordinance on annual accounts and budget documentation (2000:605)).

The number of full-time equivalents was allocated according to time worked on completed activities in the respective operational areas.<sup>10</sup>

Amounts collected and transfers are accounted for under Administration as they fall within that operational sector organizationally.

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8 Data from Statens servicecenter (the Government Service Centre)

9  $(118,533 \text{ hours} * 0.75) = 88,899.75 \text{ hours}$ .

Average hourly fee:  $60,184,000 / (88,899.75 + 719 \text{ consultant hours}) = \text{SEK } 716.19$

10 The number of full-time equivalents (FTEs) for 2015 (59) was allocated to the operational sectors on the basis of time reported in the annual report. Supervision 16.1 FTEs, Following-Up 25.6 FTEs, Clarifying Regulations 1.9 FTEs, Administration 15.4 FTEs

## Tables

### No. of activities, no. of hours and cost (SEK th.), 2013-2015 period<sup>11</sup>

	2015 SEK th.			2014 SEK th.			2013 SEK th.		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
Rules-based auditing	16	10,146	7,266	14	7,492	5,225	27	15,557	9,618
Cautions, official orders or withdrawal of government grant	1	27	19	1	64	44	5	15	9
Decisions on ordering repayment of government grant	4	117	84	6	164	115	3	158	98
Web-based statistics	12	91	65	12	132	92	12	194	120
Indicators	7	984	705	1	245	171	0	0	0
Specialist investigations/analysis	16	15,345	10,990	19	22,214	15,493	12	6,549	4,048
Prescriptive activities	6	393	281	7	1,014	707	1	326	202
Acting for the government in court	12	666	477	20	453	316	18	429	265
Responding to consultation requests from courts	5	156	112	9	367	256	7	347	215
Remittance of financing and unemployment insurance charges	336	283	203	336	175	122	348	361	223
Forecasts for financing and unemployment insurance fees	4	40	28	4	37	26	4	28	17
Provision of statistics for external consumption	30	326	234	42	489	341	39	685	423
Issuing certificates	293	766	548	264	1,113	776	330	969	599
Reimbursement of unemployment benefits	381	2,130	1,526	1,360	1,620	1,130	1,485	2,036	1,259
Keeping a register of the unemployment insurance funds	61	262	187	64	674	470	49	376	232
<i>Amendments to articles of association</i>	7			13			5		
<i>Other amendments</i>	54			51			44		
Approving membership charges	18	210	150	6	112	78	35	270	167
Damage/loss cases	21	653	468	34	1,663	1,160	40	910	563
Liaison and contact		3,023	2,165		2,675	1,865		1,805	1,116

<sup>11</sup> The activity *Updating of Statistikdatabasen* has been omitted as it is not a regular assignment.

Summarizing differences may occur as a result of rounding off to the nearest thousand Swedish kronor (SEK th.).

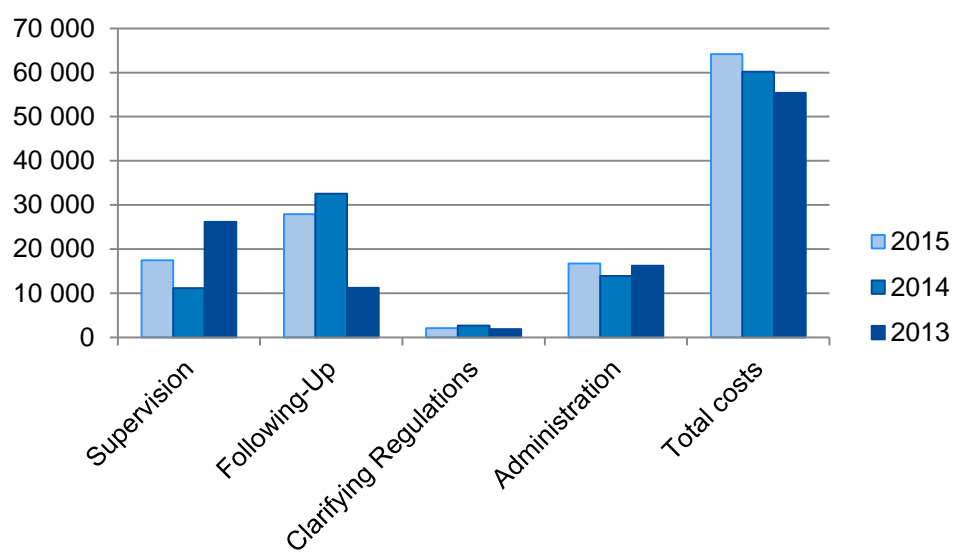
Administration of IAF's code of regulations	4	279	200	4	239	166	4	478	296
Responding to consultations	16	1,881	1,347	7	837	584	20	1,839	1,137
<b>Total</b>		<b>37,776</b>	<b>27,055</b>		41,779	29,137		33,332	20,607

### Classification of revenue and expense by operational sector (SEK th.)<sup>12</sup>

	2015	2014	2013
<b>Grants</b>			
Supervision	17,480	11,113	25,974
Following-Up	27,894	32,522	11,133
Clarifying Regulations	2,064	2,652	1,820
Administration	16,736	13,867	16,110
<b>Total grants</b>	<b>64,175</b>	<b>60,153</b>	<b>55,037</b>
<b>Other revenue</b>			
Supervision	3	6	159
Following-Up	4	19	68
Clarifying Regulations	0	2	11
Administration	3	8	98
<b>Total other revenue</b>	<b>10</b>	<b>35</b>	<b>336</b>
<b>Total income</b>	<b>64,184</b>	<b>60,188</b>	<b>55,373</b>
<b>Costs of operations</b>			
Supervision	17,483	11,120	26,133
Following-Up	27,898	32,540	11,201
Clarifying Regulations	2,065	2,653	1,831
Administration	16,738	13,875	16,208
<b>Total costs</b>	<b>64,184</b>	<b>60,188</b>	<b>55,373</b>
<b>Collection - Revenue not at IAF's disposal</b>			
Administration	2,996,674	2,848,034	5,519,972
<b>Total collection</b>	<b>2,996,674</b>	<b>2,848,034</b>	<b>5,519,972</b>
<b>Transfers - Grants provided</b>			
Administration	54,490	54,402	53,426
<b>Total transfers</b>	<b>54,490</b>	<b>54,402</b>	<b>53,426</b>

<sup>12</sup> Summarizing differences may occur as a result of rounding off to the nearest thousand Swedish kronor (SEK th.).

**Costs of operations, by IAF's four operational sectors (SEK th.)<sup>13</sup>**



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<sup>13</sup> Source: IAF time accounting

### 3 Competence provision

The objective in competence provision is to maintain competence and personnel appropriate to needs and changes in the organization. Our ability to motivate, develop, retain and recruit employees with the type of functional competence that is needed in the short and the long term is critical to an efficient and smoothly functioning operation.

The impact of the actions taken has been that work on our assignment activities has improved. The interplay between competences has developed, delivering greater efficiency and reducing the time taken in the preparation processes.

As a result of the changes made in induction and basic training, new recruits are phased into their work more quickly. The induction process has been streamlined and new recruits have taken less time to make a contribution to projects.

During recruitment, we strive at all times to establish a more even gender balance between men and women. Nevertheless, the over-representation of women increased over the year. In order to reduce personnel mobility, we produced a plan in which one aim is to market IAF more actively. This will be achieved in the main through participation in career days at a selection of colleges and universities. Planning was concluded in 2015 and the initiatives will take place during 2016.

#### **Number of full-time equivalents (FTEs), by gender, 2013-2015**

	2015	2014	2013
<b>Total number of FTEs<sup>14</sup></b>	<b>59</b>	<b>57</b>	<b>56</b>
Of whom, men	15	17	16
Of whom, women	44	41	40

#### **Focus of work on competence development in 2015**

Within the organization, there is a need for knowledge and competence, and competence development was a central focus in organizational development during the year.

To further clarify this issue, extra funding was allocated to competence development during 2015. At organizational level, development activities centred again on manager and personnel development. At unit level, initiatives concentrated on team development.

As a follow-on from our induction process, we also organized a basic training programme. The main purpose of the basic training programme is to help new members of personnel to grow into their duties at IAF more quickly, and to

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<sup>14</sup> The number of women and men does not correspond to the total number of FTEs, owing to rounding up to FTEs.



provide a better understanding of our area of operations as a whole. But it has also created a means of competence transfer among the personnel.

We held in-house seminars with internal and external speakers during the year.

### Health Promotion

We aspire to be a health-promoting workplace with a good work environment. Against that background, employees are offered subsidized fees for external fitness activities. In 2015, the offering was taken up by 48 employees. Furthermore, all employees were offered the chance to take part in three group fitness sessions during the year, with eight to ten participants per session. Office massage is also available at subsidized rates.

Our employees are offered one hour per week for a fitness activity during paid working hours. The majority of our employees take up the offer.

### Personnel mobility

Compared to earlier years, more employees left IAF to progress their career elsewhere. In all 15 employees left IAF in 2015, ten of whom had already been on leave of absence to try out other work. Of the ten who had been on leave of absence, three had been on leave of absence for two years or more. The corresponding figure for 2014 was four employees, one of whom had already been on leave of absence to try out other work.

### Sickness absence

The table below shows total sickness absence as a percentage of employees' total working hours.

Both short- and long-term sickness absence rose in 2015. Total sickness absence rose to 4.85 percent in 2015, compared with 3.4 percent in 2014.

IAF is an organization with around 70 employees; a small change in sickness absence translates into a large percentage change.

#### Sickness absence as a percentage of the total working hours, by gender and age, 2013-2015<sup>15</sup>

	2015	2014	2013
<b>Total</b>	4.9	3.4	3.6
Women	5.8	4.3	3.8
Men	2.0	1.3	3.1
Employees aged 29 years or less	12.4	3.3	2.8
Employees aged 30-49 years	4.4	3.2	3.6
Employees aged 50 years or more	3.8	3.9	3.8

<sup>15</sup> Source: SSC (Statens servicecenter) and the Swedish Agency for Government Employers

Of total sickness absence, long-term sickness absence (sickness absence lasting for more than 60 days of total sickness absence) accounted for 46.5 percent, which was higher than in 2014. In that year, the corresponding figure was 41.7 percent.

## 4 IAF's assignment activities

Assignments concluded in 2015 – Supervision	Hours spent		
	2015 <sup>16</sup>	2014	2013
2015:32 Ekonomigranskning 2015 (Financial audit)	865	7	
2015:31 Uppbörden av finansieringsavgift - arbetslöshetskassornas medlemsuppgifter (Collection of financing fees – unemployment insurance funds' member details)	180	5	
Auditing of decisions on receipt of notifications at:	3,706	2,341	
2015:30 Unionens arbetslöshetskassa (The Union's Unemployment Insurance Fund)			
2015:29 Akademikernas erkända arbetslöshetskassa (The Unemployment Insurance Fund for Graduates)			
2015:27 Arbetslöshetskassan IF Metall (The IF Metall Unemployment Insurance Fund)			
2015:26 Handelsanställdas arbetslöshetskassa (The Commercial Employees' Unemployment Insurance Fund)			
2015:25 Livsmedelsarbetarnas arbetslöshetskassa (The Food Workers' Unemployment Insurance Fund)			
2015:24 Hotell- och restauranganställdas arbetslöshetskassa (The Hotel and Restaurant Workers' Unemployment Insurance Fund)			
2015:23 Byggnadsarbetarnas arbetslöshetskassa (The Building Workers' Unemployment Insurance Fund)			
2015:18 Småföretagarnas arbetslöshetskassa (The Unemployment Insurance Fund for Entrepreneurs)			
2015:12 Kommunalarbetarnas arbetslöshetskassa (The Municipal Workers' Unemployment Insurance Fund)			
2015:11 Arbetslöshetskassan Alfa (The Alfa Unemployment Insurance Fund)			
2015:9 Arbetslöshetskassornas eget kapital (Unemployment insurance funds' capital reserves)	220		
First-time investigations of self-employment cases at:	417	2,405	
2015:7 Sveriges entreprenörers arbetslöshetskassa (Entrepreneurs' Unemployment Insurance Fund)			
2015:6 Unionens arbetslöshetskassa (The Union's Unemployment Insurance Fund)			
2015:5 Akademikernas erkända arbetslöshetskassa (The Unemployment Insurance Fund for Graduates)			
<b>Total<sup>17</sup></b>	<b>5,388</b>	<b>4,758</b>	<b>0</b>

<sup>16</sup> Including standard calculation for management hours plus consultation hours.

<sup>17</sup> Summarizing differences may occur.

Assignments concluded in 2015 – Follow-up	Hours spent		
	2015 <sup>18</sup>	2014	2013
2015:28 Employment Service's follow-up of activity reports adjudged not to be in order <sup>19</sup>	758		
2015:22 Arbetsförmedlingens uppföljning av anvisningar till arbete (Employment Service's follow-up of job referrals)	886	348	
2015:21 Arbetslöshetskassornas hantering av återkrav mot ersättningstagare (Unemployment insurance funds' handling of orders for repayments by claimants)	1,096	125	
2015:20 Arbetsförmedlingens sanktioner 2014 och första kvartalet 2015 (Employment Service's sanctions in 2014 and first quarter of 2015)	1,323	157	
2015:19 Arbetslöshetskassornas beslut om bisyssla som näringsverksamhet (Unemployment funds' decisions on subsidiary occupation as business enterprise)	1,642	173	
2015:17 Repayment of government grants	587	4	
2015:16 Arbetsförmedlingens underrättelser om ifrågasatt ersättningsrätt, 2014 och första kvartalet 2015 (Employment Service's notifications of disputed right to benefit, 2014 and first quarter 2015)	592		
2015:15 Underlag avseende bidrag till arbetslöshetskassor (Documentation concerning grants to unemployment insurance funds)	53		
2015:14 Arbetssökande med svensk arbetslöshetsersättning inom Europa 2011-2014 (Job-seekers receiving Swedish unemployment benefit in Europe 2011-2014)	140		
2015:13 Arbetslöshetskassornas hantering av omprövning av utträde vid bristande betalning av medlemsavgiften (Unemployment insurance funds' handling of review of cancellation of membership in the event of non-payment of membership fee)	738	683	69
2015:10 Arbetslöshetskassornas avslagsbeslut till följd av ofullständigt underlag vid förstagångsprövningar (Rejection decisions by the unemployment insurance funds in first-time investigations)	510	300	
2015:8 Arbetsförmedlingens skäl för att inte underrätta arbetslöshetskassan när aktivitetsrapport saknas (Employment Services' grounds for not notifying the unemployment insurance fund when activity report missing)	414	384	
2015:4 Arbetsförmedlingens återkallande av anvisning till arbetsmarknadspolitiska program (Employment Service's cancellation of referral to labour market policy programme)	329	1,211	
2015:3 Arbetslöshetskassornas hantering av arbetslöshetsersättning under uppsägningstid (Unemployment insurance funds' handling of unemployment benefit during period of notice)	278	581	107

<sup>18</sup> Including standard calculation for management hours plus consultation hours.

<sup>19</sup> The conclusions of the report have been changed and so the report was revised on 4 February 2016.

2015:2 Arbetslöshetskassornas hantering av ärenden om uteslutning och fränkännande (Unemployment insurance funds' handling of cases involving disqualification or suspension)	343	758	
2015:1 Vem missköter sitt arbetssökande? (Who is failing to meet job search obligations?)	300	454	
<b>Total<sup>20</sup></b>	<b>9,991</b>	<b>5,178</b>	<b>176</b>

Assignments in progress in 2016	Hours spent		
	2015	2014	2013
Arbetsförmedlingens handläggning och rutiner när arbetssökande uteblir från tidigare bokad besök eller kontakt (Employment Service's procedures and routines when job-seeker fails to attend previously arranged visit or contact)	320		
Arbetslöshetskassornas tillämpning av reglerna om avstängning från rätt till ersättning (Unemployment insurance funds' implementation of the rules on disqualification from right to benefit)	1,262		
Handläggning av inträde på Svensk Handels och Arbetsgivarnas arbetslöshetskassa (Handling of admission to membership of The Commercial and Employers' Unemployment Insurance Fund)	101		
Uppföljande granskning av vilande företag (Follow-up on audit of dormant companies)	111		
Återkrav felaktigt utbetalt statsbidrag som ännu inte återbetalts (Order for repayment of government grant paid out incorrectly and not yet repaid)	86	5	14
Arbetsförmedlingens underrättelser om ifrågasatt rätt till arbetslöshetsersättning – redovisning och analys (Notification of disputed right to unemployment benefit – report and analysis).	2,471	527	
Arbetslöshetskassornas sanktioner efter underrättelser om ifrågasatt ersättningsrätt-redovisning och analys (Unemployment insurance funds sanctions following notifications of disputed right to benefit – report and analysis)	18	814	
Hur skiljer sig Arbetsförmedlingens kontor åt i tillämpningen av kontrollfunktionen? (How do Employment Service offices differ in terms of implementation of their verification function?)	1,159	482	
Samordnad kartläggning/granskning per arbetslöshetskassa (Coordinated analysis/auditing per unemployment insurance fund)	20	166	
Arbetslöshetskassornas hantering av omprövningar av underrättelser (Unemployment insurance funds' handling of reviews of notifications)	368	246	
Arbetsförmedlingens handläggning när arbetssökande återkommande inte varit aktivt arbetssökande (Employment Service's procedures when job-seeker has repeatedly failed to actively seek work)	1,132		
Arbetslöshetskassornas beslut om deltidstudier under tid med arbetslöshetsersättningen (Unemployment insurance funds' decisions on part-time studying during periods when receiving unemployment benefit)	462		
Arbetslöshetskassornas hantering av uppdragstagare (Unemployment insurance funds' handling of contractors)	377		

<sup>20</sup> Summarizing differences may occur.

Arbetslöshetskassornas fastställande av bosättningsstat (Unemployment insurance funds' compilation of residence statistics)	341		
Grundbeloppet efter arbete i annat EU/EES-land och Schweiz (Basic benefit after work in other EU country/EEA country or Switzerland)	1,091		
Tid från arbetslöshet till utbetalning (Time from loss of employment until payment)	2,199		
Mörkertalsundersökning av underrättelser (Statistical shadow analysis regarding notifications)	464		
Hur AF prövar sanktioner i aktivitetsstödet (How does the Employment Service test sanctions in activity support)	708		
Sanktioner - aktivitetsstöd (Sanctions – activity support)	420		
Arbetsförmedlingens underrättelser - aktivitetsstöd jämfört med arbetsförmedlingen (Employment Service's notifications – activity support compared with provision of employment)	742		
<b>Total</b>	<b>13,852</b>	<b>2,240</b>	<b>14</b>

IAF

Inspektionen för  
arbetslöshetsförsäkringen

*Swedish Unemployment Insurance Board*