

IAF

Inspektionen för
arbetslöshetsförsäkringen

Swedish Unemployment Insurance Board

Annual Report 2013

Extract

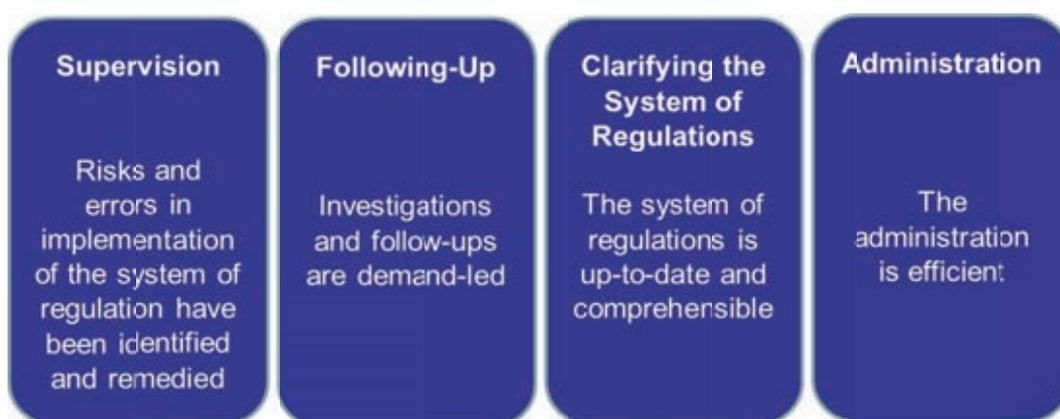
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Foreword by the Director-General

The past year, 2013, was IAF tenth year of operations. Since 2010, IAF's activities have been divided into four operational sectors: Supervision, Following-Up, Clarifying Regulations and Administration. The overriding objectives for each operational sector that IAF formulated for 2012 remained IAF's objectives for 2013. The aim is for the objectives to be long-term, based on IAF's mandate as set out in its remit and appropriation directions.

Figure 1: IAF's operational sectors and overriding objectives



IAF has the competence and personnel appropriate to the needs of, and change in, the organization.

Every year, IAF adopts a programme of operations consisting of the assignments planned for the year ahead. The programme of operations also includes IAF's plan for supervision and following-up. To ensure that the assignments are performed in an objective and duly considered way, IAF carries out a risk analysis when producing its programme of operations. This risk analysis is based on a clearly defined model that assures a structured way of using information on various elements of risk in the activities of the supervised entities. Using the model, IAF classifies the risk elements identified at various levels of risk to prioritize among assignments for the year. This prioritization is based on both quantitative and qualitative criteria using a formalized procedure. Consequently, the nature and scale of the assignments vary from one year of operations to another.

IAF's assignments in the operational sectors Supervision and Following-Up are described in reports. In 2013, IAF published 39 reports, including 7 commissioned by the government.

The list of reports shows which projects were completed and time-reported by IAF during 2013. In addition to these assignments, IAF also conducts other wide-ranging activities that are not by definition included as activities in the reporting of results.

In 2013, IAF performed an internal development programme to ensure a structured, efficient and seamless operation. This included a project to develop - IAF's internal controls. Within the programme, an internal control routine was developed.

As part of IAF's work in competence provision, an in-house basic training programme was developed and carried out. As part of its function of developing and clarifying the procedures for its supervisory role, and to assure quality and equal treatment in its administration, IAF produced "Handledning för handläggning av uppdrag i tillsynen över arbetslöshetskassorna och Arbetsförmedlingen" (Guide to administration of assignments in supervision of the unemployment insurance funds and the Employment Service) in 2013. The guidance deals with both the content of administration with regard to supervision and strategic issues relating IAF's supervision that are relevant in the context.

IAF's budget for administration

For 2013, IAF received a grant, including a sum carried over from 2012, totalling SEK 58 million. During the year, IAF's expenditure amounted to SEK 55.3 million, leaving a surplus of SEK 2.7 million.

IAF's Director-General left the Board on 31 March 2013. For the remainder of the year, IAF operated under an acting director-general. Since the beginning of 2013, IAF's head of legal affairs has been on leave of absence to serve on the Swedish Parliamentary Social Insurance Committee. IAF had an acting head of legal affairs for the remainder of 2013. The SEK 2.7 million surplus arises entirely from the above-mentioned vacant positions.

Gunilla Wandemo

Acting Director-General

Major events during the year

February

Meeting with Insynsrådet (Advisory Council).

IAF delivers its annual report to the government.

IAF submits its draft budget for the 2014–2016 period to the government.

April

IAF Director-General Anne-Marie Qvarfort leaves IAF. Gunilla Wandemo, Head of Audit Section, takes over as Acting Director-General.

Presentation of thesis *De granskade. Om hur offentliga verksamheter görs granskningsbara* (Those Audited: How public organizations are made fit for audit) by Emma Ek, Ph.D., of the School of Public Administration, University of Gothenburg, to IAF.

Internal Controls, a talk by Roland Svensson, Deloitte AB, to IAF.

Visit by Ministry of Employment's legal secretariat to IAF.

May

Meeting with Insynsrådet (Advisory Council).

Conference for representatives of the government.

Dialogue with Ministry of Employment on objectives and results.

Presentation of Employment Service's 2013 Labour Market Bulletin to IAF, by Ann-Christin Jans, Acting Head of Research and Development Unit at Employment Service.

June

IAF inaugurates its new intranet.

IAF's Acting Director-General is invited to the AGM of the Swedish Federation of

Unemployment Insurance Funds, and gives a talk about the planned changes in rules on unemployment insurance and IAF's mandate from the government.

Meeting with Employment Service and - the Swedish Federation of Unemployment Insurance Funds at the Ministry of Employment on changes in rules on unemployment insurance to take effect on 1 September 2013.

August

Tripartite meeting with the Swedish Federation of Unemployment Insurance Funds and the Employment Service on international issues.

Meeting with Insynsrådet (Advisory Council).

Meeting with representatives of the Union's and the Pharmacy Employees' - Unemployment Insurance Funds in connection with their planned merger.

September

IAF's Head of International Affairs Jörgen Gyllenblad and Acting Director-General Gunilla Wandemo describe IAF's operations during a visit by a delegation from Singapore, led by Singapore Minister for Manpower Tan Chuan-Jin on a trip to learn about Sweden's integration and labour market policy.

IAF hosts a meeting of the Nordic contact group in Katrineholm/Stockholm.

October

Presentation of report *Den låga rörligheten mellan sjukförsäkringen och arbetslöshetsförsäkringen, underlagsrapport till den parlamentariska socialförsäkringsutredningen* (Low mobility between health insurance and unemployment insurance, background report to the Parliamentary Social Insurance Committee) to IAF by

authors Kristian Persson Kern and Niklas Österlund of the Swedish Social Insurance Inspectorate.

Visit by representatives of the Ministry of Employment.

Briefing on the work of the Parliamentary Social Insurance Committee to IAF, by Lars Seger, Senior Legal Officer and Annelie Westman, Secretary of the Committee.

November

Acting Director-General Gunilla Wandemo and IAF's Head of International Affairs Jörgen Gyllenblad of the DG's staff, accompanied by Head of Legal Unit Ulf Staffansson take part in the *ISSA World Social Security Forum 2013* in Doha, Qatar.

Presentation of report
Datainspektionens tillsyn av

arbetslöshetskassor (Swedish Data Inspection Board's Supervision of the Unemployment Insurance Funds) January 2013, to IAF by Martin Brinnen, Legal Officer at the Swedish Data Inspection Board.

IAF approves the merger agreement between the Union's Unemployment Insurance Fund and the Pharmacy Employees' Unemployment Insurance Fund. The agreement takes effect on 1 January 2014.

December

Meeting with Insynsrådet (Advisory Council).

IAF presents appointments of government representatives in the - unemployment insurance funds with effect from 1 January 2014.

1 IAF's mandate

IAF (Inspektionen för arbetslöshetsförsäkringen), the Swedish Unemployment Insurance Board, is a public authority accountable to the Swedish government. IAF's mandate is defined in the Swedish Ordinance (2007:906) defining the remit of IAF, the Swedish Unemployment Insurance Board.

In addition to its remit, IAF is every year given assignments and tasks as defined in the government's appropriation directions to the Board. These two documents govern the central functions in the organization.

On the basis of IAF's remit, the Swedish Unemployment Insurance Act (1997:238) and the Swedish Unemployment Insurance Funds Act (1997:239), the Board has divided its tasks into four operational sectors: Supervision, Following-Up, Clarifying Regulations and Administration. This organization has remained in place since 2010.

Supervision

In the operational sector Supervision, IAF exercises supervision over the unemployment insurance funds and the Employment Service's administration of matters relating to the unemployment insurance system, by verifying whether the funds are abiding by legally binding rules.

If IAF finds that an unemployment insurance fund is in breach of these rules, IAF can take one of two actions: caution the fund for the breach or order the fund officially to remedy the situation within a certain period of time.

If the fund fails to comply with an official order, IAF may decide to withdraw the government grant or may order repayment of any government grant paid out in error.

If IAF discovers that the Employment Service has breached legally binding rules, IAF shall call this to the attention of the Employment Service and the government.

Following-Up

The government has instructed IAF to follow up developments in unemployment insurance. IAF fulfils this function by analyzing the routines of the unemployment insurance funds and the Employment Service and by compiling and analyzing statistics in the area. IAF can also be commissioned by the government to investigate various specific issues in connection with the unemployment - insurance system.

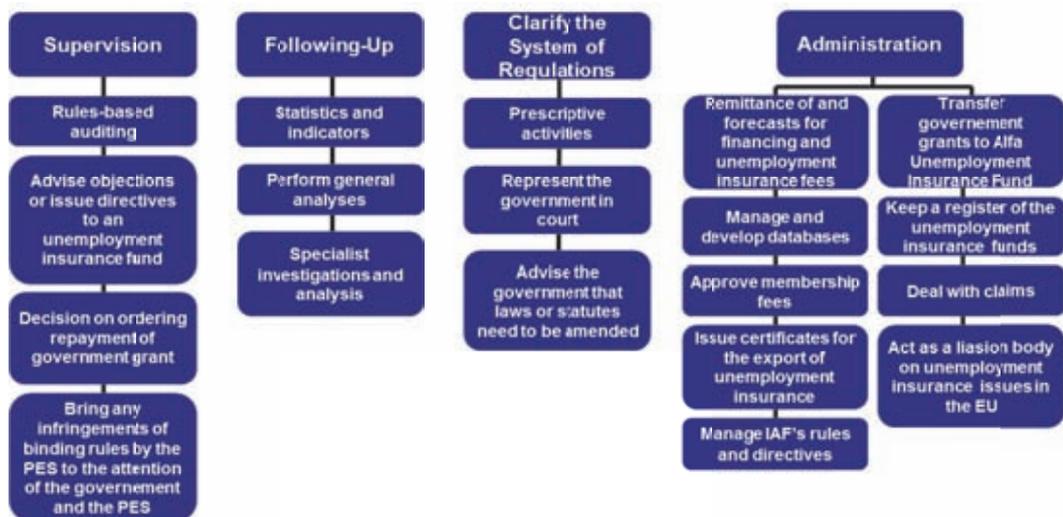
Clarifying Regulations

In the operational sector Clarifying Regulations, IAF be instrumental in clarifying the regulations on unemployment insurance by representing the Swedish government in court, issuing regulations and advising the government that laws or ordinances need to be amended.

Administration

IAF has a number of administrative functions associated with the unemployment - insurance system. IAF's tasks comprise not only those defined by the authority's remit and appropriation directions, but also certain tasks described in the Swedish Unemployment Insurance Act (1997:238) and the Swedish Unemployment Insurance Funds Act (1997:239). The operational sector Administration includes IAF's function of transferring unemployment fees and financing 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 benefits.

Figure 2: IAF's four operational sectors and operational areas within them.



1.1 Reporting of results according to assignments

Results are reported via the four operational sectors: Supervision, Following-Up, Clarifying Regulations and Administration (see Figure 2).

IAF reports the results from each operational sector according to its overall mandate and what the Board considers to be necessary for the government to

follow up the IAF's activities. In addition, it also accounts for costs in the different operational sectors and the activities performed there.

According to the Swedish National Financial Management Authority's regulations in Section 3, Article 1 of the Swedish Ordinance on annual accounts and budget documentation (2000:605), the reporting of results must include time series so that results from the past year can be compared with corresponding data from the two preceding years. IAF's mandate varies from year to year as regards the focus and scope of its operational sectors. This should be borne in mind when comparing time spent from one year to another.

The reporting of the results of the operating sectors is followed by classification of total revenue and expense for the whole of the organization. This classification is based on the classification of operations adopted by the Board in line with the Swedish Ordinance on annual accounts and budget documentation (2000:605).

The section on competence provision reports on the measures taken by IAF during the year, along with an assessment of the ways in which these measures helped to enable IAF to fulfil its mandate as defined in its 2013 appropriation directions.

2 Reporting of results

2.1 Operational sector Supervision

IAF exercises supervision over how the unemployment insurance funds and the Employment Service handle matters relating to unemployment insurance.

In this section, IAF describes the activities completed in 2013 in the operating sector Supervision. These activities took 15,730 hours to complete and cost a total of SEK 9,725 th.¹

IAF's supervision is conducted mainly with a forward-looking purpose. In its supervision, IAF points out shortcomings and makes observations pointing out a need for measures to ensure a legally certain and efficient provision of unemployment insurance. The audits performed by IAF produce valuable information on how the rules are applied and, over time, create a more legally certain and efficient provision of unemployment insurance.

Table 1: Operational sector Supervision: No. of hours and cost (SEK th.), 2011–2013 period

| | 2013 | SEK th. | 2012 | SEK th. | 2011 | SEK th. |
|--------------------|---------------|--------------|--------------|--------------|--------------|------------|
| | Hours | Cost | Hours | Cost | Hours | Cost |
| Supervision | 15 730 | 9 725 | 8 769 | 5 516 | 1 043 | 663 |

2.1.1 Rules-based auditing

Through rules-based auditing, IAF verifies whether the unemployment insurance funds and the Employment Service are abiding by legally binding rules when administering unemployment insurance matters. Rules-based auditing assignments such as this are initiated by IAF in accordance with the risk analysis model developed and approved by the Board.

IAF's rules-based audits are performed (i) as assignments decided during operational planning and (ii) as regular audits decided on a current basis during the year. In the audit assignments in which IAF deals with particular cases, the supervised body concerned receives feedback on the findings from the audit. The result of the feedback in many cases is that the supervised bodies themselves remedy the shortcomings highlighted by IAF. In such cases, the impact of the audit assignments are evident immediately.

In cases where IAF has made observations indicating the need for actions by the supervised body, the Board may request feedback. The purpose of the feedback is to describe what actions the supervised body has taken or intends to take.

¹ Amounts are in SEK thousands (SEK th.)

Summarizing differences may occur as a result of rounding off to the nearest SEK th.

When a supervised body states that it will be taking actions, IAF may subsequently check whether any action has been taken. IAF also performs follow-up audits to determine the effect that the supervisory measures implemented have had over time.

Where supervisory measures are focused on the unemployment insurance funds, IAF may where appropriate apply sanctions. IAF will do so to enforce its supervisory measures when no remedy is carried out or when a fund fails to carry out actions voluntarily.

In 2013, IAF completed 27 rules-based audits. The following section reports on the activities that IAF decided to focus on.

Table 2: Operational sector Supervision: No. of activities, no. of hours and cost (SEK th.) for rules-based auditing, 2011–2013 period

| | 2013 SEK th. | | | 2012 SEK th. | | | 2011 SEK th. | | |
|----------------------|--------------|--------|-------|--------------|-------|-------|--------------|-------|------|
| | Number | Hours | Cost | Number | Hours | Cost | Number | Hours | Cost |
| Rules-based auditing | 27 | 15 557 | 9 618 | 6 | 8 617 | 5 421 | 23 | 1 024 | 651 |

Arbetslöshetskassornas tillämpning av reglerna om avstängning från rätt till ersättning (2013:5) (Unemployment insurance funds' implementation of the rules on exclusion from right to benefit)

In 2013, IAF completed a self-initiated audit of decisions by the unemployment insurance funds in cases where the applicant had terminated an employment at his/her own request. Anyone who has terminated an employment at his/her own request without a valid reason shall be excluded from the right to unemployment benefit. The purpose of the audit was to examine whether the funds were complying with the rules on handling cases where the applicant had terminated an employment at his/her own request, in accordance with the Swedish Unemployment Insurance Act (1997:238).

During its audit, IAF found shortcomings in 1 of 371 cases where the applicant had been excluded from the right to benefit. Of the cases where the applicant had not been excluded from the right to benefit, IAF found shortcomings in 69 of 343 cases. Of the total 70 cases where IAF found shortcomings, it emerged from the statements that the funds sent to IAF that they had taken action in 38 of these cases. The audit indicated that the funds did not always apply that rules on exclusion in a consistent and correct manner. IAF concluded that if the system of rules is not applied correctly, incorrect payments may be made and legal certainty may be compromised.

The audit took 2,761 hours to complete and cost SEK 1,707 th.

Löpande granskning av arbetslöshetskassornas förstagångsprövningar (2013:7 & 2013:11–2013:19 & 2013:26–2013:37) (Continuous audits of first-time investigations by the unemployment insurance funds)

In 2013, IAF conducted a thematic audit of the unemployment insurance funds' investigations of the right to unemployment benefit for not previously-unemployed applicants. IAF made audit visits to all 29 unemployment insurance funds and audited in all 2,033 cases.

In 2013, IAF published findings from its audits at 22 unemployment insurance funds. In its reports, IAF pointed out errors in a total of 150 cases. The results from the audits of the remaining funds will be published in 2014.

| Unemployment insurance fund | Number of cases audited | Number of observations in the report | Percentage of observations |
|--|-------------------------|--------------------------------------|----------------------------|
| The Alfa Unemployment Insurance Fund | 93 | 15 | 16% |
| The Unemployment Insurance Fund for Service and Communications Employees | 83 | 7 | 8% |
| The Vision Unemployment Insurance Fund | 81 | 13 | 16% |
| The Electricians' Unemployment Insurance Fund | 55 | 4 | 7% |
| The Pharmacy Employees' Unemployment Insurance Fund* | 41 | 0 | 0% |
| The Building Maintenance Workers' Unemployment Insurance Fund | 80 | 21 | 26% |
| GS Unemployment Insurance Fund | 85 | 15 | 18% |
| The Dockworkers' Unemployment Insurance Fund | 42 | 3 | 7% |
| The Commercial Employees' Unemployment Insurance Fund | 91 | 7 | 8% |
| The Hotel and Restaurant Workers' Unemployment Insurance Fund | 87 | 4 | 5% |
| The Industrial and Metalworkers' Unemployment Insurance Fund | 94 | 6 | 6% |
| The Journalists' Unemployment Insurance Fund | 45 | 5 | 11% |
| The Municipal Workers' Unemployment Insurance Fund | 94 | 3 | 3% |
| The Management Staff's Unemployment Insurance Fund | 76 | 6 | 8% |
| The Food Workers' Unemployment Insurance Fund | 75 | 16 | 21% |
| The Teachers' Unemployment Insurance Fund | 77 | 2 | 3% |
| The Pulp and Paper Workers' Unemployment Insurance Fund | 34 | 6 | 18% |
| The Unemployment Insurance Fund for Entrepreneurs | 87 | 10 | 11% |
| STs Unemployment Insurance Fund | 73 | 3 | 4% |
| The Commercial and Employers' Unemployment Insurance Fund | 53 | 1 | 2% |
| The Salesmen's Unemployment Insurance Fund | 48 | 0 | 0% |
| The Transport Workers' Unemployment Insurance Fund | 88 | 3 | 3% |

*The Pharmacy Employees' Unemployment Insurance Fund merged with the Union's Unemployment Insurance Fund on 1 January 2014.

The audit took 2,744 hours to complete and cost SEK 1,696 th.

Arbetsförmedlingens arbete med individuella handlingsplaner (2013:20) (Employment Service's work on individual action plans)

In 2013, IAF performed an audit of whether the Employment Service had drawn up an individual action plan for each jobseeker within 30 days of registration. This is required by current regulations. The audit revealed that the rules had not been observed in 42 of the 654 cases examined.

IAF also analyzed all cases. Where jobseekers had not received an action plan in 30 days, the analysis revealed that many jobseekers in this category did not receive any action plan at all. Most also failed to receive any planning documentation before an individual action plan was drawn up.

In 612 cases, an individual action plan was drawn up within 30 days. 25 jobseekers were not set any requirement in their action plan that they were to complete some activity by a certain date. For 40 percent of the jobseekers in the analysis, there was a gap between the point when an action plan had lapsed and when a new one was drawn up. In 11 percent of cases, no new action plan was drawn up for the jobseekers, or an action plan was not drawn up until 13–27 weeks after the earlier plan had lapsed. A period without planning after an action plan had lapsed was more common among individuals who were registered as part-time unemployed or hourly-employed than among the openly unemployed.

Judging from the findings from the audit and the analysis, IAF concluded that the extent to which, and how, planning for the job search was performed varied in the individual action plans.

The audit and analysis took 1,365 hours to complete and cost SEK 844 th.

Arbetsförmedlingens tillämpning av regelverket när arbetssökande uteblev från besök eller kontakt (2013:21) (Employment Service's implementation of rules when jobseeker failed to attend interview or to make contact)

In 2012 and 2013, IAF performed an extensive audit of the Employment Service's implementation of Article 16, 2 of the Swedish Ordinance on labour market activities (2000:628). The provision concerned deregistration when a jobseeker failed to attend or make contact with the Employment Service, having been called to interview, or as had been agreed, and was in force until 31 August 2013. After 1 September, the Employment Service is still required to take actions under the same provision, but must without delay notify the unemployment insurance funds instead of deregistering the jobseeker immediately. IAF's audit took in 1,300 cases of wholly unemployed, part-time unemployed and hourly-paid individuals who were entitled to unemployment benefit, in the ten geographical areas served by the Employment Service.

The results of IAF's audit show up shortcomings in the Employment Service's application of the rules when a jobseeker failed to attend interview or make contact with the Employment Service. In only 18 percent of these cases did the Employment Service deregister the jobseeker from the fund. In 82 percent of the

cases, the Employment Service's application of the rules did not represent equal treatment of the jobseekers and was not legally certain. This indicates that in just over four out of five cases, there is a possibility that incorrect payments of unemployment benefits were made to jobseekers who did not meet the criteria of the unemployment insurance.

IAF decided to focus the practical performance of the assignment to the Employment Service's market areas where it conducts its activities. In just over a year, IAF made more than 80 visits and appearances at local employment service offices around Sweden to inform about its assignment and provide feedback on the results of its audit. The aim was to reach out to the case officers tasked with applying the rules and to personnel employed to support their colleagues in unemployment insurance cases. Another objective was to reach out to managers responsible for follow-up and to verify that laws, ordinances and regulations are observed during case processing. In addition, this was intended to further improve consistency and legal certainty in the Employment Service's application of rules, and to reduce the risk of incorrect payments of unemployment benefit.

The audit and analysis took 6,562 hours to complete and cost SEK 4,056 th.

Granskning av arbetslöshetskassornas årsredovisningar för 2012 (2012:13) (Auditing of the unemployment insurance funds' 2012 annual reports)

The financial audit that IAF conducts every year includes an audit of the unemployment insurance funds' annual reports. Ahead of 2013, IAF clarified the rules on reporting by unemployment insurance funds, in its instructions to unemployment insurance funds, IAFFS 2012:2. During its audit, IAF established that, with a few exceptions, the funds by and large had applied the new clarifications introduced. Where deviations from the rules were found, IAF sent an observation to four funds. These were the Dockworkers', Forestry and Agricultural Employees', Swedish Workers' and Transport Workers' Unemployment Insurance Funds.

From its annual report audit, IAF concluded that the financial position of the funds was, with a few exceptions, satisfactory. However, IAF noted in particular that administration costs continued to vary sharply from one fund to another. Funds that are similar in size can show considerable differences in administration costs.

IAF also found that the total capital reserves of the funds at year-end 2012 was approximately SEK 1.8 billion higher than at the end of 2006. Abolition of the unemployment insurance charge from 1 January 2014 is likely to lessen the funds' need for a relatively high level of capital reserves. However, it is the boards of directors and the heads of the funds who are responsible for their financial management and therefore for judging the size of capital reserve that the particular fund needs.

The audit took 1,706 hours to complete and cost SEK 1,055 th.

2.1.2 Advise objections or issue official orders to an unemployment insurance fund

Under Article 91 of the Swedish Unemployment Insurance Funds Act (1997:239), IAF is entitled to advise any objections relating to the activities of an unemployment insurance fund that the Board thinks fit.

In the course of its supervision during the year, IAF advised 5 objections regarding the activities of unemployment insurance funds. This activity took 15 hours to complete and cost a total of SEK 9 th.

Table 3: Operational sector Supervision: No. of activities, no. of hours and cost (SEK th.) for Advising objections, official order or decision on withdrawal of government grant to an unemployment insurance fund, 2011–2013 period

| | 2013 SEK th. | | | 2012 SEK th. | | | 2011 SEK th. | | |
|---|--------------|-----------|----------|--------------|-----------|-----------|--------------|-----------|-----------|
| | Number | Hours | Cost | Number | Hours | Cost | Number | Hours | Cost |
| Advising objections, ordering or deciding on withdrawal of | 5 | 15 | 9 | 7 | 68 | 43 | 15 | 19 | 12 |

2.1.3 Decisions on ordering repayment of government grant

Up to 31 August 2013, IAF was authorized, under Article 94, subsection 2 of the Swedish Unemployment Insurance Funds Act (1997:239), to take decisions on ordering repayment of government grants. This was to take place if an unemployment insurance fund had received a government grant without entitlement, or had received an over-payment. Since 1 September 2013, the requirement under Article 94, subsection 2 of the Swedish Unemployment Insurance Act (1997:239) has been to order repayment of a government grant from a fund if during its supervision IAF finds that the conditions for liability for repayment under Articles 94–94 c are satisfied.

The activities within the scope of this function reported by IAF for 2013 consisted of the decisions taken by the Board during the year to order repayment.

In 2013, IAF took 3 decisions on ordering repayment of government grants. This activity took 158 hours to complete and cost a total of SEK 98 th.

Table 4: Operational sector Supervision: No. of activities, no. of hours and cost (SEK th.) for Decisions on ordering repayment of government grant, 2011–2013 period

| | 2013 SEK th. | | | 2012 SEK th. | | | 2011 SEK th. | | |
|--|--------------|------------|-----------|--------------|-----------|-----------|--------------|----------|----------|
| | Number | Hours | Cost | Number | Hours | Cost | Number | Hours | Cost |
| Decisions on ordering repayment of government grant | 3 | 158 | 98 | 3 | 83 | 52 | 0 | 0 | 0 |

2.1.4 Assessment

IAF finds that the observations delivered by the Board in 2013 were properly justified regarding circumstances posing a risk in the management of unemployment insurance by the unemployment insurance funds and the Employment Service. By objectively and systematically highlighting such circumstances, IAF is creating the conditions for improving legal certainty and efficiency in management of the unemployment insurance system.

2.2 Operational sector Following-Up

The government has instructed IAF to follow up developments in the field of - unemployment insurance. IAF fulfils this role, for example, by analyzing the routines of the unemployment insurance funds and the Employment Service and by compiling and analyzing statistics in the area. IAF can also be commissioned by the government to investigate various specific issues in connection with the unemployment insurance system.

The following section summarizes activities in 2013 in Operational sector Following-Up. These activities took 6,743 hours to complete and cost a total of SEK 4,168 th.

Table 5: Operational sector Following-Up: No. of hours and cost (SEK th.), 2011–2013 period 2011–2013

| | 2013 | SEK th. | 2012 | SEK th. | 2011 | SEK th. |
|---------------------|--------------|--------------|---------------|--------------|---------------|--------------|
| | Hours | Cost | Hours | Cost | Hours | Cost |
| Following-Up | 6 743 | 4 168 | 12 389 | 7 793 | 11 868 | 7 541 |

2.2.1 Statistics and indicators

As part of IAF's work in monitoring developments in unemployment insurance, the Board regularly publishes statistics and indicators for in-house and external consumption.² In 2013, these activities took 194 hours to complete and cost a total of SEK 120 th.

² Web-Based Statistics was previously entitled Membership Development in past years. IAF is changing the title since, as of 2013, the time reported will also include the production of other statistics for IAF's website.

Table 6: Operational sector Following-Up: No. of activities, no. of hours and cost (SEK th.) for Statistics and indicators, 2011–2013 period

| | 2013 SEK th. | | | 2012 SEK th. | | | 2011 SEK th. | | |
|----------------------------------|--------------|------------|------------|--------------|------------|------------|--------------|------------|------------|
| | Number | Hours | Cost | Number | Hours | Cost | Number | Hours | Cost |
| Statistics and indicators | | 194 | 120 | | 185 | 117 | | 390 | 248 |
| Web-based statistics | 12 | 194 | 120 | 12 | 111 | 70 | 11 | 103 | 66 |
| Indicators | 0 | 0 | 0 | | 74 | 47 | | 287 | 182 |

2.2.2 Specialist investigations and analysis

In order to monitor developments in unemployment insurance, IAF regularly conducts a range of specialist investigations and analysis. In these functions, IAF does not check whether the supervised bodies are abiding by the legally binding rules; instead it determines whether there may be any aspect of the way in which the unemployment insurance funds or the Employment Service applies the unemployment insurance system that may constitute a risk. In cases where IAF has made observations indicating that actions are needed by the supervised body, the Board may request feedback. The purpose of this feedback is to describe what actions the supervised body has taken or intends to take. When a supervised body states that it will be taking actions, IAF may subsequently follow up the case to check whether any action has been taken. IAF also performs follow-up analysis to determine what effect the analyses have had over time.

Specialist investigations and analysis are initiated either by the government or IAF in accordance with the risk analysis model developed and approved by the Board. At completion of the final report by IAF on an investigation or analysis, the supervised body has the option of what is known as a feedback meeting for an oral presentation of IAF's observations.

The analysis provides valuable information on the unemployment insurance-system.

The reports completed during 2013 in this area represent IAF's activities in the - sector. In all, 12 specialist investigations and analyses were completed in 2013. These activities took 6,549 hours to complete and cost a total of SEK 4,048 th.

A list of all reports for 2013 in the area are presented in section 5 of this Annual Report and are also available via the IAF website.

Table 7: Operational sector Following-Up: No. of activities, no. of hours and cost (SEK th.) for Specialist investigations and analysis, 2011–2013 period

| | 2013 SEK th. | | | 2012 SEK th. | | | 2011 SEK th. | | |
|---|--------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|--------------|
| | Number | Hours | Cost | Number | Hours | Cost | Number | Hours | Cost |
| Specialist investigations/analysis | 12 | 6 549 | 4 048 | 14 | 11 712 | 7 367 | 9 | 11 478 | 7 293 |

Arbetsförmedlingens underrättelser 2012 – redovisning och analys (2013:4) (Employment Service's notifications – reporting and analysis)

IAF's appropriation directions for 2013 instructed the Board to report on and analyze the Employment Service's notifications of disputed right to unemployment benefit for the full year 2012. A final report was presented in April. In the report, IAF also described the changes in notifications over time, their geographical distribution, the reasons for them, notifications concerning claimants in external job coaching and the number of benefit days paid at first notification. The report showed that, for example:

- In 2012, the Employment Service made 3,862 notifications of disputed right to unemployment benefit (13.5 per 1,000 claimants), slightly less than a year earlier.
- Certain differences were found between the age groups with regard to reasons why the Employment Service made notifications. In the age groups of up to 24 years, 25–34 years and 35–54 years, the most common reason was that the *applicant had not applied for the job referred*; the second most common reason was *that the applicant was not deemed to be actively seeking work*. In the highest age group, 55 years and above, the reverse applied.
- A lower share of Employment Service notifications were made concerning claimants who participated in an external job-coaching initiatives than for applicants overall.
- The first notification tends to be made earlier in the benefit period in 2009–2012 than in 2005–2008. One possible explanation for the difference in the number of benefit days paid to claimants before the Employment Service makes the first notification could be the Employment Service's different prioritizations and initiatives over the years.

The assignment took 573 hours to complete and cost SEK 332 th.

Documentation for awarding grants to unemployment insurance funds (2013:6)

IAF's appropriation directions for 2013 instructed IAF to present documentation providing a basis for awarding grants to unemployment insurance funds in accordance with Article 93 a of the Swedish Unemployment Insurance Funds Act (1997:239). In the documentation, IAF was to offer proposals for the funds that should receive grants during 2013 and for the level of the grant to the respective funds. The proposals were to be prepared in accordance with the calculation principles stated in government decision A2009/2009/AE.

Within the scope of this assignment, IAF decided that the following funds should receive a grant in 2013:

| | |
|--------------------------------------|---------------|
| Pharmacy Employees' | SEK 2,737,904 |
| Dockworkers' | SEK 1,204,077 |
| Forestry and Agricultural Employees' | SEK 482,386 |
| Commercial and Employers' | SEK 2,153,166 |
| Swedish Workers' | SEK 966,206 |
| Swedish Entrepreneurs' | SEK 983,262 |
| Salesmen's | SEK 693,859 |

The assignment took 63 hours to complete and cost SEK 39 th.

Arbetslöshetskassornas sanktioner efter underrättelse från Arbetsförmedlingen, första halvåret 2012 (2013:9) (Unemployment insurance funds' sanctions after notification from Employment Service, first half of 2012)

IAF's appropriation directions for 2013 instructed IAF to report the number and proportion of the Employment Service's notifications that resulted in some form of sanction in the first half of 2012.. In addition, IAF also reported on how the rate of sanctions varied according to gender, age and unemployment insurance fund in the report. In the follow-up, the following points emerged:

- The funds were able to take a decision on whether to apply a sanction or not in between 66 and 77 percent of the notifications sent to the funds in the first half-years between 2006 and 2012.
- The rate of sanctions peaked at 88 percent in the first half of 2009, then fell gradually to 79 percent in the first half of 2012. The rate of sanctions was higher for men than women.
- Of the notifications of disputed right to benefit sent by the Employment Service to the funds in the first half of 2012, 5 percent were not processed by the funds.
- The two commonest sanction decisions were to reduce the daily benefit by 25 or 50 percent and to terminate benefit until further notice. There were no major differences between the genders.

The report took 89 hours to complete and cost SEK 55 th.

Återkallande av anvisning till arbetsmarknadspolitiskt program 2010–2012 (2013:10) (Cancellation of referrals to labour market policy programme 2010-2012)

IAF followed up the Employment Service's cancellations of labour market policy programmes in the 2010–2012 period. The aim of the report was to give a descriptive account of the Employment Service's cancellation of labour market policy programmes, by full years, in the 2010–2012 period. The report showed that, for example:

- Around 539,000 referrals to labour market policy programmes ceased in 2012. Of these, just over 23,000 were cancelled by the Employment Service, corresponding to 4 percent of all terminated referrals. The referrals concerning cancellations for men were slightly higher than those for women.
- In the case of the Job and Development Guarantee, the two commonest reasons for cancelling referrals were either that the applicant had fulfilled an employment condition or rejected a placement in the Job and Development Guarantee scheme. In the Young People's Job Guarantee scheme, the two commonest reasons for cancellation were either that the applicant had rejected a placement or had been guilty of misconduct or disrupting the workplace.

The follow-up took 106 hours to complete and cost SEK 65 th.

Redovisning och analys av Arbetslöshetskassornas sanktioner (2013:23) (Report on and analysis of sanctions by Employment Service)

IAF's appropriation directions for 2013 instructed IAF to report on and analyze the Employment Service's sanctions based on the Employment Service's notifications of disputed right to unemployment benefit for the full year 2012. The report was also to provide details of the number and percentage of notifications that had resulted in some form of sanction. The report showed that, for example:

- During the period concerned, 2005 to 2012, between 24 and 33 percent of all notifications were not examined by the unemployment insurance funds.
- The rate of sanctions, that is, sanctions as a proportion of all notifications examined, declined over time from 85 percent in 2005 to 78 percent in 2012. The fall is largely explained by the fact that the notifications sent by the Employment Service on the basis that the claimants failed to satisfy the general conditions are not resulting in the same high level of sanctions.

- The processing time between when the Employment Service sends a notification and when the fund takes a decision has become shorter. However, the variations from one fund to another are considerable.
- A correlation analysis points to very considerable variations among funds in the probability of ordering a sanction. Claimants in the Graduates', GS, Management Staff's and Teachers' unemployment insurance funds had the highest probability of receiving a sanction.

The report and analysis took 590 hours to complete and cost SEK 365 th.

Konsekvensanalys av avgångs- eller omställningsersättningar och avgångsbidrag (2013:24) (Impact analysis of severance/retraining benefits and severance grants)

In IAF's appropriation directions for 2013, the government instructed the Board to analyze how the unemployment insurance funds process unemployment benefit for those who at the same time are receiving benefit under collective retraining or employment security agreements with the central bargaining parties. The assignment also required IAF to analyze whether, and if so how, these benefits affect the right to unemployment benefit. If appropriate, IAF was also to present specific proposals for changes in rules in order to address any uncertainties.

During the analysis, IAF observed that some of the agreements governing severance or retraining benefits and severance grants arouse issues concerning firstly severance payments and secondly coordination with unemployment benefit. The analysis also indicates that there is no coordination among the funds, since they have no knowledge of what is paid out to individuals from the employment security funds. In addition, it appears that the unemployment insurance funds, citing preambles to legislation, do not treat these benefits as severance payments. IAF has also submitted proposals as to how the wording of the Swedish Unemployment Insurance Act (1997:238) (ALF) can be made clearer.

The analysis took 800 hours to complete and cost SEK 494 th.

Arbetsförmedlingens och arbetslöshetskassornas implementering av regelförändringarna i arbetslöshetsförsäkringen den 1 september 2013 (2013:25) (Implementation of the rule changes in the unemployment insurance system by the Employment Service and the unemployment insurance funds on 1 September 2013)

One of IAF's assignments in its appropriation directions for 2013 was to monitor and report its findings on the way that the Employment Service and the unemployment insurance funds are implementing the rule changes in the unemployment insurance system, as introduced on 1 September 2013. IAF requested details from the Employment Service and the funds on several

occasions about how they were implementing the changes. IAF also monitored developments in other ways.

The focus of the implementation process at the Employment Service and the funds was on introducing the activity reports that jobseekers are to hand in, and on preparing for the anticipated increase in the number of notifications from the Employment Service to the funds. A large element of this work consisted of developing new IT support. Other aspects of the implementation included information to jobseekers, training and information to personnel and updating of internal routines. In their responses to IAF, the picture from both the Employment Service and the funds was that the implementation process was going according to plan and that they would be able to push through the changes required to enable them to apply the new system fully as of 1 September 2013.

However, certain problems arose in September as a result of inaccurate information from the Employment Service to jobseekers, and so the number of notifications was higher than expected. Consequently, IAF was unable to report the result of the application of rules after 26 September within the scope of the assignment, but concluded that there were problems that the Employment Service and the funds have to address in applying the new system of rules.

The assignment took 1,894 hours to complete and cost SEK 1,171 th.

2.2.3 Assessment

IAF finds that in 2013 the Board performed its task of monitoring developments in unemployment insurance efficiently and at a high level of quality. IAF further concludes that its reporting contributed to a satisfactory description of the area of unemployment insurance. The reports that IAF delivered in line with the mandate stated in its appropriation directions were presented on schedule and, in IAF's view, meet the mandating authority's requirements.

2.3 Operational sector Clarifying Regulations

IAF's work plays a part in clarifying the regulations on unemployment insurance by acting for the Swedish government in court, issuing regulations and advising the government that laws or ordinances need to be amended.

In this section, IAF describes the activities completed in 2013 in the operating sector Clarifying Regulations. These activities took 1,102 hours to complete and cost a total of SEK 682 th.

Table 8: Operational sector Clarifying Regulations No. of hours and cost (SEK th.), 2011–2013 period

| | 2013 | | 2012 | | 2011 | |
|-------------------------------|--------------|------------|--------------|--------------|--------------|------------|
| | Hours | SEK th. | Hours | SEK th. | Hours | SEK th. |
| Clarifying Regulations | 1 102 | 682 | 7 326 | 4 609 | 1 285 | 817 |

2.3.1 Prescriptive activities

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

In 2013, IAF issued a regulation as required by amendments concerning the unemployment fee. This represented less activity than in 2012, when two regulations were issued. The activities performed within the scope of this function reported by IAF in 2013 also included a feasibility study that forms the basis of IAF's prescriptive activities in 2014.

This activity took 326 hours to complete and cost SEK 202 th.

Table 9: Operational sector Clarifying Regulations No. of activities, no. of hours and cost (SEK th.) for Prescriptive activities, 2011–2013 period

| | 2013 | | | 2012 | | | 2011 | | |
|--------------------------------|----------|------------|------------|----------|--------------|--------------|----------|------------|------------|
| | Number | Hours | SEK th. | Number | Hours | SEK th. | Number | Hours | SEK th. |
| Prescriptive activities | 1 | 326 | 202 | 2 | 6 468 | 4 069 | 4 | 599 | 381 |

2.3.2 Representing the government in court

IAF represents the government in court in unemployment insurance cases. This is done in order to elicit indicative court decisions. The activities performed within this function reported by IAF for 2013 consisted of the cases heard in general administrative courts where IAF represented the government during the year.

In 2013, IAF represented the government in 18 cases. This activity took 429 hours to complete and cost SEK 265 th.

Furthermore, in IAF's capacity of expert authority on unemployment insurance, the Board provided responses to consultation requests from courts. In reply to consultation requests received, IAF delivered 7 statements to courts. This activity took 347 hours to complete and cost SEK 215 th.

Table 10: Operational sector Clarifying Regulations No. of activities, no. of hours and cost (SEK th.) for Representing the government in court, 2011–2013 period

| | 2013 | | | 2012 | | | 2011 | | |
|--|-----------|------------|------------|-----------|------------|------------|-----------|------------|------------|
| | Number | Hours | SEK th. | Number | Hours | SEK th. | Number | Hours | SEK th. |
| Representing the government in court | 25 | 776 | 480 | 25 | 858 | 540 | 29 | 616 | 392 |
| <i>Acting for the government in court</i> | 18 | 429 | 265 | 12 | 487 | 306 | 13 | 214 | 136 |
| <i>Responding to consultation requests from courts</i> | 7 | 347 | 215 | 13 | 371 | 233 | 16 | 402 | 256 |

2.3.3 Advising the government that laws or statutes need to be amended

In order to help clarify regulations, IAF can also advise the government that laws or ordinances need to be amended. IAF can do this via individual representations to the government or via reports.

In its budget documentation for the 2014–2016 period, IAF proposed that the Board should, via amendments to the Swedish Unemployment Insurance Act (1997:238), (ALF) and the Swedish Ordinance (1997:835) on unemployment insurance (ALFFo), be authorized to issue more detailed regulations on testing of the employment requirement for employees or individuals with employment-like relationships who are in work that requires preparation or practice time and where such time is not reported on employer's certificates or the like. IAF also proposed that the Board should, via amendments to the same law and ordinance be authorized to establish a standardized hourly pay amount for artistic work, and should task the unemployment funds concerned with supplying data to enable calculation of the hourly pay amount.

In its report 2013:24 *Konsekvensanalys av avgångs- eller omställningsersättningar och avgångsbidrag* (2013:24) (Impact analysis of severance/retraining benefit and severance grant), IAF concluded that there was a need for clarification of two paragraphs in ALF. Article 13 of ALF lacked a provision to the effect that employment security insurance governed by collective bargaining agreements or employment security or retraining benefits provided at the same time as unemployment benefit would not constitute severance payments. Furthermore, Article 31 of ALF was unclear about the level at which - overcompensation came into play in relation to unemployment benefit, and was also unclear about how long the coordination should last.

The time spent on this activity is reported in the operational sector Following-Up.

2.3.4 Assessment

In IAF's view, the work performed contributed to clarifying the legal situation and adapting the system of regulation to new conditions. This has made it easier for claimants to obtain the correct unemployment benefit. The process also created more favourable conditions for both the unemployment insurance funds and the

Employment Service to implement the regulations in a consistent manner, leading to better legal certainty and improved efficiency in the unemployment insurance system.

2.4 Operational sector Administration:

Within the scope of its mandate, IAF performs a number of administrative tasks. These follow from its remit, appropriation directions, the Swedish Unemployment Insurance Act (1997:238) and the Swedish Unemployment Insurance Funds Act (1997:239).

The following section summarizes activities in the Operational sector Administration in 2013. These activities took 9,757 hours to complete and cost a total of SEK 6,032 th.

Table 11: Operational sector Administration: No. of hours and cost (SEK th.), 2011–2013 period

| | 2013 | SEK th. | 2012 | SEK th. | 2011 | SEK th. |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Hours | Cost | Hours | Cost | Hours | Cost |
| Administration | 9 757 | 6 032 | 6 364 | 4 003 | 7 246 | 4 604 |

2.4.1 Remittance of and forecasts for financing and unemployment insurance fees

Remittance of the financing fee and the unemployment insurance fee

Under Article 11 of the Ordinance (1997:836) concerning unemployment insurance funds, IAF is charged with providing information on the size of the fees to be paid by each unemployment insurance fund to the government. Against that background, IAF collects monthly statistical data from the funds and the Employment Service via the membership information application Portal for the unemployment insurance funds. On the basis of the data collected, IAF calculates the size of the charges for the individual unemployment fund. One function in this category consists of collecting monthly statistical information for each unemployment insurance fund, calculating the fee, informing the fund of the fee calculated and verifying whether the fund concerned has paid in the fee set. In 2013, the number of cases declined as a result of a fall in the number of funds during the period 2010 (33 funds) to 2013 (29 funds). Nevertheless, the number of hours and the cost of this category of activities are rising. The variations are too slight for IAF to be able to report the cause.

In 2013, this category of activities comprised 348 such assignments, which took 361 hours to complete and cost SEK 223 th.

Table 12: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for Remittance of financing and unemployment insurance fees, 2011–2013 period

| | 2013 SEK th. | | | 2012 SEK th. | | | 2011 SEK th. | | |
|--|--------------|------------|------------|--------------|------------|------------|--------------|------------|------------|
| | Number | Hours | Cost | Number | Hours | Cost | Number | Hours | Cost |
| Remittance of financing and unemployment insurance fees | 348 | 361 | 223 | 361 | 348 | 219 | 375 | 438 | 278 |

Forecasts for financing and unemployment insurance fees

On four occasions during 2013, IAF presented forecasts for unemployment and financing fees to the Swedish National Financial Management Authority. IAF's activities in this respect consisted of these forecasts. The forecasts were based on historical data and statistical information from the Employment Service, which are weighed up using a mathematical model.

These four forecasts took 28 hours to complete and cost SEK 17 th.

Table 13: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for forecasts for financing and unemployment fees, 2011–2013 period

| | 2013 SEK th. | | | 2012 SEK th. | | | 2011 SEK th. | | |
|--|--------------|-----------|-----------|--------------|-----------|-----------|--------------|-----------|-----------|
| | Number | Hours | Cost | Number | Hours | Cost | Number | Hours | Cost |
| Forecasts for financing and unemployment insurance fees | 4 | 28 | 17 | 4 | 36 | 23 | 4 | 68 | 43 |

2.4.2 Managing and developing databases

IAF manages two individual databases: A-stat and Underrättelsedatabasen (Intelligence Database). In addition, IAF manages Statistikdatabasen (Statistics Database) on the IAF website as well as the member application Portal for the unemployment insurance funds. The information held in these databases helps IAF to fulfil its task of monitoring developments in unemployment insurance.

Table 14: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for Managing and developing databases, 2011–2013 period

| | 2013 SEK th. | | | 2012 SEK th. | | | 2011 SEK th. | | |
|---|--------------|------------|------------|--------------|------------|------------|--------------|------------|------------|
| | Number | Hours | Cost | Number | Hours | Cost | Number | Hours | Cost |
| Managing and developing databases | | 685 | 423 | | 543 | 342 | | 706 | 448 |
| <i>Provision of statistics for external consumption</i> | 39 | 685 | 423 | 23 | 243 | 153 | 39 | 470 | 298 |
| <i>Updating of Statistikdatabasen</i> | 0 | 0 | 0 | 1 | 300 | 189 | 1 | 236 | 150 |

Provision of statistics for external consumption

One administrative task within the scope of managing IAF's databases is to provide data on request and produce statistical information.

In 2013, IAF provided data to and produced statistical data for external stakeholders such as the Parliamentary Social Insurance Committee, the Swedish government, the Parliamentary Research Service, Riksrevisionen (the Swedish National Audit Office), Statistics Sweden and the Swedish Federation of Unemployment Insurance Funds.

IAF provided data or produced statistical information for external stakeholders on 39 occasions. IAF's activities in this area took 685 hours to complete and cost a total of SEK 423 th.

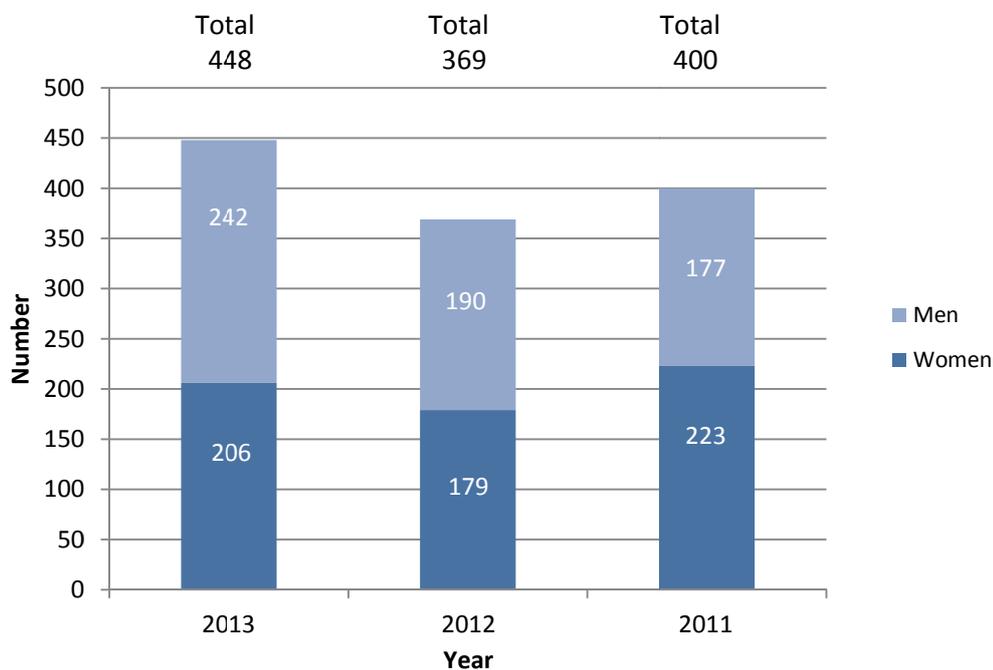
2.4.3 Issue of certificates for unemployment insurance cover abroad

In accordance with Article 48 of the Swedish Unemployment Insurance Act (1997:238) (ALF), IAF issues certificates to individuals who satisfy the conditions for seeking work in other EU or EEA countries or Switzerland, with retained right to unemployment benefits from Sweden. This facility complies with the regulations that coordinate the social security systems in Europe: 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.

According to EU Regulation 883/2004 and its Implementing Regulation 987/2009, IAF issues U2 certificates to EU citizens satisfying the conditions for seeking work in another EU country, EA country or Switzerland with retained right to receive unemployment insurance benefit from Sweden. The regulations set out, for example, simplified routines for information sharing between Member States - and for payment of unemployment benefit directly from Swedish unemployment funds to individuals seeking work in another Member State. Certain exemptions are allowed for citizens of "third countries".

In 2013, IAF received in all 448 applications for a U2 certificate for seeking work in another EU/EEA country or Switzerland with retained right to Swedish unemployment benefit.

Chart 1: Number of applications for U2 certificates for seeking work in other countries with retained Swedish unemployment benefit, by gender – 2011-2013.



Source: IAF's register

IAF issued a total of 330 U2 certificates during the year. This was 25 percent higher than in 2012. Most certificates were issued for seeking work in Spain (18 percent), the UK (16 percent) and Norway (14 percent).

This activity took 969 hours to complete and cost SEK 599 th.

Table 15: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for Issue of certificates for export of unemployment insurance cover, 2011–2013 period

| | 2013 | | | 2012 | | | 2011 | | |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|--------------|------------|
| | Number | Hours | SEK th. | Number | Hours | SEK th. | Number | Hours | SEK th. |
| Issuing certificates | 330 | 969 | 599 | 264 | 803 | 505 | 298 | 1 479 | 940 |
| U2 | 330 | | | 251 | | | 256 | | |
| E303 | 0 | | | 13 | | | 42 | | |

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 out 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. The Swedish Unemployment Insurance Board (IAF) is the liaison and contact organization in Sweden regarding the provision laid down in Article 70.

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

In 2013, IAF processed reimbursements for 1,485 individuals. IAF sent invoices (SED forms, U020) for the equivalent of SEK 43.7 million and received invoices for the equivalent of SEK 5.6 million. The reason for the wide difference between sent and received invoiced amounts is that Sweden sends invoices to Norway and Denmark but does not receive invoices from these countries. Norway and Denmark do not settle their invoices. As a result, Norway and Denmark have an aggregate debt of around SEK 39 million to Sweden.

These activities took 2,036 hours to complete and cost a total of SEK 1,259 th.

The EEA countries and Switzerland have also signed up to the regulation.

Table 16: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for Reimbursement of unemployment benefits, 2011–2013 period

| | 2013 | | | 2012 | | | 2011 | | |
|---|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|------------|
| | Number | Hours | SEK th. | Number | Hours | SEK th. | Number | Hours | SEK th. |
| Reimbursement of unemployment benefits | 1 485 | 2 036 | 1 259 | 1 747 | 1 403 | 883 | 1 214 | 1 468 | 933 |

2.4.5 Keeping a register of the unemployment insurance funds

Under Article 7 of the Swedish Unemployment Insurance Funds Act (1997:239), IAF is required to keep a register of the unemployment insurance funds. The activities performed within the scope of this function reported by IAF in 2013 consisted of updates made to the register of unemployment insurance funds. Particular mention may be made of the merger between the Pharmacy Employees' Unemployment Insurance Fund and the Union's Unemployment Insurance Fund on 1 January 2014.

In 2013, 5 amendments were made to articles of association and 44 other amendments to the register. This activity took 376 hours to complete and cost SEK 232 th.

Table 17: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for Keeping a register of the unemployment insurance funds, 2011–2013 period

| | 2013 | | | 2012 | | | 2011 | | |
|---|-----------|------------|------------|-----------|------------|------------|-----------|------------|------------|
| | Number | Hours | SEK th. | Number | Hours | SEK th. | Number | Hours | SEK th. |
| Keeping a register of the unemployment | 49 | 376 | 232 | 52 | 187 | 117 | 86 | 288 | 183 |
| <i>Amendments to articles</i> | 5 | | | 10 | | | 17 | | |
| <i>Other amendments</i> | 44 | | | 42 | | | 69 | | |

2.4.6 Approving membership fees

Under Article 43 of the Swedish Unemployment Insurance Funds Act (1997:239), any decision regarding membership fees by an unemployment insurance fund must be submitted to IAF for approval. The activities performed within the scope of this function reported by IAF in 2013 consisted of the approvals issued by the Board during the year. IAF's approvals on such matters are based on an assessment of the reasonability of the fund's request. When the unemployment fee was abolished with effect from 1 January 2014, all unemployment insurance funds abolished this component of their membership fee.

In 2013, IAF decided on 35 cases concerning a request for change in membership fee and approved 35. This activity took 270 hours to complete and cost SEK 167 th.

Table 18: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for approving membership fees, 2011–2013 period

| | 2013 | | | 2012 | | | 2011 | | |
|-------------------------------------|-----------|------------|------------|-----------|------------|------------|-----------|------------|------------|
| | Number | Hours | SEK th. | Number | Hours | SEK th. | Number | Hours | SEK th. |
| Approving membership charges | 35 | 270 | 167 | 17 | 179 | 113 | 21 | 244 | 155 |

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 inaccurate information or incorrect procedure in cases relating to the exercise of authority. Any claims for damage/loss arising from a decision, or from failure to take a decision, are dealt with by JK, although in such cases JK normally requests IAF to state its opinion on the matter.

This category of activity consists of dealing with damage/loss cases. In 2013, IAF settled 40 claims for damage/loss via decisions or opinions communicated to JK. This activity took 910 hours to complete and cost SEK 563 th.

Table 19: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for damage/loss cases, 2011–2013 period

| | 2013 | | | 2012 | | | 2011 | | |
|--------------------------|-----------|------------|------------|-----------|--------------|------------|-----------|--------------|------------|
| | Number | Hours | SEK th. | Number | Hours | SEK th. | Number | Hours | SEK th. |
| Damage/loss cases | 40 | 910 | 563 | 46 | 1 141 | 718 | 47 | 1 103 | 701 |

2.4.8 *Liaison and contact*

IAF is Sweden's liaison and contact organization regarding unemployment insurance in the European Union, including with regard to tasks described in detail in IAF's appropriation directions. In 2013, IAF representatives participated as experts in discussions with other EU Member States regarding implementation of EU Regulation no. 883/2004 and Implementation Regulation 987/2009. In October, two IAF employees participated in a working party at the Commission to consider the proposed changes to EU Regulation no. 883/2004 on unemployment insurance.

IAF personnel also participated in meetings regarding the development of a system for electronic sharing of information (EESSI) between the Member States. IAF personnel took part in this work by attending the Nordic conference on EESSI in Iceland in May 2013, and by participating in the Administrative Commission's ad hoc group on the production of structured electronic documents (SEDs). In Sweden, Försäkringskassan is the lead agency in introduction of the electronic information sharing system, EESSI. IAF, the Employment Service and the Swedish Federation of Unemployment Insurance Funds are involved in the project.

During the year, IAF worked with other Nordic official agencies in the field of unemployment insurance via regular contacts and meetings.

This activity took 1,805 hours to complete and cost SEK 1,116 th.

Table 20: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for Liaison and contact, 2011–2013 period

| | 2013 | | 2012 | | 2011 | |
|----------------------------|--------------|--------------|--------------|------------|------------|------------|
| | Hours | SEK th. | Hours | SEK th. | Hours | SEK th. |
| Liaison and contact | 1 805 | 1 116 | 1 249 | 786 | 653 | 415 |

2.4.9 *Administration of IAF's code of regulations*

IAF posts three codes of regulations on its 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 IAF members in their supervisory role. The updates took 478 hours to complete and cost SEK 296 th.

Table 21: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for Administration of IAF code of regulations, 2011–2013 period

| | 2013 | | | 2012 | | | 2011 | | |
|--|----------|------------|------------|----------|------------|------------|----------|----------|----------|
| | Number | Hours | SEK th. | Number | Hours | SEK th. | Number | Hours | SEK th. |
| Administration of IAF's code of regulations | 4 | 478 | 296 | 4 | 475 | 299 | 0 | 0 | 0 |

2.4.10 Responding to consultation requests from courts and other authorities

During the year, IAF responded to consultation requests from courts and other authorities. These assignments were performed within the operational sectors Administration and Clarifying Regulations. For example, IAF provides consultation responses regarding the final report by the Pensionsåldersutredningen – Åtgärder för ett längre arbetsliv (SOU 2013:25) (The Pension Age Commission – Actions for a Longer Working Life) and *Åtgärder inom aktivitetsstödet* (Ds 2013:59) (Measures in Activity Support).

In 2013,³ IAF provided 20 consultation responses to the government and other authorities. The consultation responses took 1,839 hours to complete and cost SEK 1,137 th.

Table 22: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for Responding to consultation request from JO (the Swedish Ombudsman), the government and other authorities in 2013

| | 2013 | | |
|--|-----------|--------------|--------------|
| | Number | Hours | SEK th. |
| Responding to consultation requests from JO, the government and other authorities | 20 | 1 839 | 1 137 |

2.4.11 Assessment

IAF finds that in 2013 the Board performed its tasks in the Operational sector Administration efficiently and at a high level of quality.

³ Consultation request responses will be reported as an activity in IAF's annual report from 2013.

2.5 Basis for calculations of costs

IAF has 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. The managers responsible have carried out reasonability assessments and follow-ups for the time spent on an individual level, to quality-assure the time reported.

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, ⁴multiplied by 0.75 to exclude holidays and other time off.⁵

Year-on-year time comparisons

According to the Swedish National Financial Management Authority's regulations in Section 3, Article 1 of the Swedish Ordinance on annual accounts and budget documentation (2000:605), the reporting of results must include time series so that results from the past year can be compared with corresponding data from the two preceding years.

IAF's mandate 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

According to the Swedish Ordinance on annual accounts and budget documentation (2000:605), IAF is to classify its revenue and expense according to the Board's classification of operations.

The number of full-time equivalents was allocated according to time worked on completed activities in the respective operational areas.⁶

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

⁴ Data from Statens servicecenter (Government Service Centre)

⁵ $(118,615 \text{ hours} \times 0.75) = 89,571 \text{ hours}$.

Average hourly fee: $55,373,000 - (89,571 + 610 \text{ consultants' hours}) = \text{SEK } 618.20$

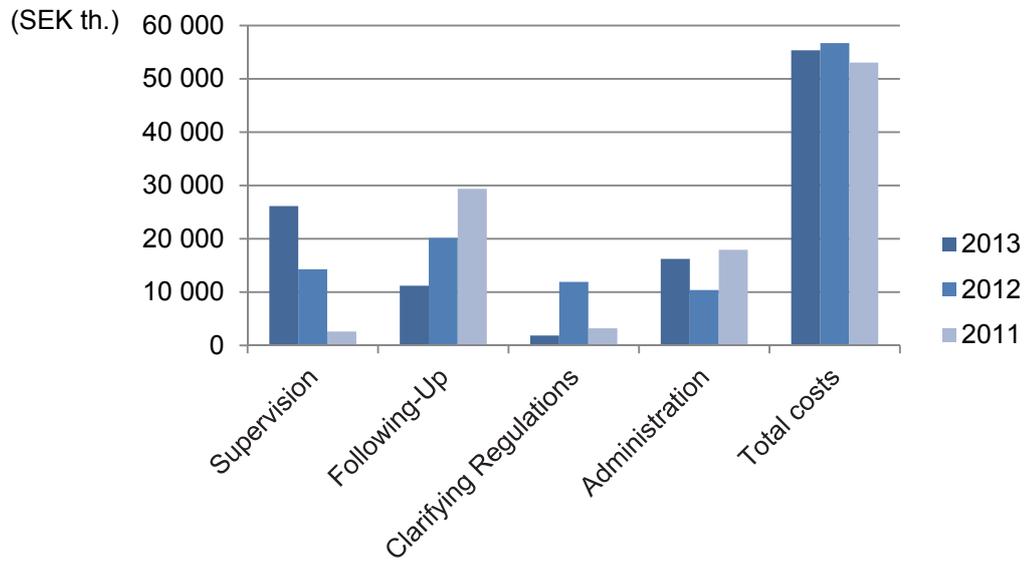
⁶ The number of full-time equivalents (FTEs) for 2013 (56) was allocated to the operational sectors on the basis of time reported in the annual report. Clarifying Regulations 1.9 FTEs, Supervision 26.4 FTEs, Administration 16.4 FTEs, Following-Up 11.3 FTEs.

Table 23: Classification of revenue and expense for IAF, by operational sector (SEK th.)

| | 2013 | 2012 | 2011 |
|---|------------------|------------------|------------------|
| Grants | | | |
| Supervision | 25 974 | 13 982 | 2 543 |
| Following-Up | 11 133 | 19 754 | 28 935 |
| Clarifying Regulations | 1 820 | 11 682 | 3 133 |
| Administration | 16 110 | 10 147 | 17 666 |
| Total grants | 55 037 | 55 565 | 52 277 |
| Other revenue | | | |
| Supervision | 159 | 287 | 39 |
| Following-Up | 68 | 405 | 442 |
| Clarifying Regulations | 11 | 239 | 48 |
| Administration | 98 | 208 | 270 |
| Total other revenue | 336 | 1 139 | 799 |
| Total grants | 55 373 | 56 704 | 53 076 |
| Costs of operations | | | |
| Supervision | 26 133 | 14 269 | 2 582 |
| Following-Up | 11 201 | 20 160 | 29 377 |
| Clarifying Regulations | 1 831 | 11 921 | 3 181 |
| Administration | 16 208 | 10 356 | 17 936 |
| Total costs | 55 373 | 56 705 | 53 076 |
| Collection - Revenue not at IAF's disposal | | | |
| Administration | 5 519 972 | 5 193 378 | 4 956 831 |
| Total collection | 5 519 972 | 5 193 378 | 4 956 831 |
| Transfers - Grants provided | | | |
| Administration | 53 426 | 53 019 | 52 444 |
| Total transfers | 53 426 | 53 019 | 52 444 |

Summarizing differences may occur as a result of rounding off to the nearest SEK th.

Diagram 2: Costs of operations, by IAF's four operational sectors



Source: IAF time accounting

3 Competence provision

As an organization, IAF has a considerable need for knowledge and competence. In its core operations, IAF employs lawyers, sociologists, statisticians and economists. For backup operations, the Board is also reliant on strategically important skills in, for example, economics, IT (information technology), communication and HR (Human Resources).

IAF's organizational objective in competence provision is to maintain the competence and personnel appropriate to needs for changes in the organization. IAF's 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.

3.1 Focus of work in competence provision in 2013

During 2013, IAF implemented a basic training programme that complements its induction training course. 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 provide a better understanding of IAF's area of operations as a whole. But it has also created an opportunity for competence transfer among the members of personnel.

In addition, IAF held in-house seminars with internal and external speakers during the year and focused specifically on clear communication via a number of courses.

3.2 Health Promotion

IAF aspires to be a health-promoting workplace with a good work environment. Against that background, IAF offers its employees subsidized fees for external fitness activities. In 2013, the offering was taken up by 35 employees. Furthermore, all employees were offered the chance to take part in five group fitness sessions during the year, with eight to ten participants per session. The activities were procured from a local fitness promoter in Katrineholm. Subsidized massage is also available in the workplace.

IAF's employees are able to spend one hour per week on a fitness activity during paid working hours. During the year, around 50 members of personnel took up this opportunity to a greater or lesser extent.

3.3 Personnel mobility

Compared to earlier years, fewer employees left IAF to progress their career elsewhere. In all, six employees left IAF in 2013, compared to seven in 2012. Out

of these six, three had already been on leave of absence to try out other work. The corresponding figure for 2012 was five.

IAF recruited a number of well-qualified candidates to meet the needs of the organization. Recruitments to IAF are always based on thorough analysis of the operational competence needed for the organization.

3.4 Sickness absence

The table below shows total sickness absence as a percentage of the total working hours of employees. Total sickness absence rose slightly in 2013 to 3.6 percent, compared with preceding 2.1 percent in 2012.

IAF is an organization with around 60 employees; a small change in sickness absence translates into a large change in percentage.

Table 24: Sickness absence as a percentage of the total working hours of the employees, by gender and age, 2013

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|---------------------------------|------|------|------|------|------|
| Total | 3,6 | 2,1 | 3,7 | 2,7 | 3 |
| Women | 3,8 | 2,3 | 3,1 | 3,3 | 3,7 |
| Men | 3,1 | 1,6 | 4,7 | 1,8 | 1,9 |
| Employees aged 29 years or less | 2,8 | 1,8 | 1,7 | 2,1 | 1,2 |
| Employees aged 30-49 years | 3,6 | 1,9 | 3,6 | 2,2 | 1,6 |
| Employees aged 50 years or more | 3,8 | 2,6 | 4,5 | 3,5 | 5,8 |

Source: SSC

As a share of total sickness absence, long-term sickness absence – sickness absence of more than 60 days – rose to 19.2 percent in 2013, compared with 10.2 percent in 2012.

4 List of IAF reports (only available in Swedish)

4.1 Operational sector Supervision – Rules-based Auditing

| | |
|------------|--|
| 18/12/2013 | 2013:37 Förstagångsprövade ersättningsärenden vid Farmacitjänstemännens arbetslöshetskassa (First-time investigations of benefit cases at the Pharmacy Employees' Unemployment Insurance Fund) |
| 18/12/2013 | 2013:36 Förstagångsprövade ersättningsärenden vid Arbetslöshetskassan Alfa (First-time investigations of benefit cases at the Alfa Unemployment Insurance Fund) |
| 18/12/2013 | 2013:35 Förstagångsprövade ersättningsärenden vid Elektrikernas arbetslöshetskassa (First-time investigations of benefit cases at the Electricians' Unemployment Insurance Fund) |
| 18/12/2013 | 2013:34 Förstagångsprövade ersättningsärenden vid Fastighets arbetslöshetskassa (First-time investigations of benefit cases at the Building Maintenance Workers' Unemployment Insurance Fund) |
| 18/12/2013 | 2013:33 Förstagångsprövade ersättningsärenden vid IF Metalls arbetslöshetskassa (First-time investigations of benefit cases at the Industrial and Metalworkers' Unemployment Insurance Fund) |
| 18/12/2013 | 2013:32 Förstagångsprövade ersättningsärenden vid GS arbetslöshetskassa (First-time investigations of benefit cases at the GS Unemployment Insurance Fund) |
| 18/12/2013 | 2013:31 Förstagångsprövade ersättningsärenden vid Journalisternas arbetslöshetskassa (First-time investigations of benefit cases at the Journalists' Unemployment Insurance Fund) |
| 18/12/2013 | 2013:30 Förstagångsprövade ersättningsärenden vid Ledarnas arbetslöshetskassa (First-time investigations of benefit cases at the Management Staff's Unemployment Insurance Fund) |
| 18/12/2013 | 2013:29 Förstagångsprövade ersättningsärenden vid Pappersindustriarbetarnas arbetslöshetskassa (First-time investigations of benefit cases at the Pulp and Paper Workers' Unemployment Insurance Fund) |
| 18/12/2013 | 2013:28 Förstagångsprövade ersättningsärenden vid STs arbetslöshetskassa (First-time investigations of benefit cases at the ST's Unemployment Insurance Fund) |
| 18/12/2013 | 2013:27 Förstagångsprövade ersättningsärenden vid Svensk Handels arbetslöshetskassa (First-time investigations of benefit cases at the Commercial and Employers' Unemployment Insurance Fund) |
| 18/12/2013 | 2013:26 Förstagångsprövade ersättningsärenden vid Arbetslöshetskassan Vision (First-time investigations of benefit cases at the Vision Unemployment Insurance Fund) |
| 01/10/2013 | 2013:22 Arbetslöshetskassornas årsredovisningar 2012 (Auditing of the unemployment insurance funds' 2012 annual reports) |

| | |
|------------|--|
| 24/09/2013 | 2013:21 Arbetsförmedlingens tillämpning av regelverket när arbetssökande uteblev från besök eller kontakt (Employment Service's implementation of rules when jobseeker fails to attend interview or to make contact) |
| 22/08/2013 | 2013:20 Arbetsförmedlingens arbete med individuella handlingsplaner (Employment Service's work on individual action plans) |
| 04/07/2013 | 2013:19 Förstagångsprövade ersättningsärenden vid GS arbetslöshetskassa (First-time investigations of benefit cases at the Unemployment Insurance Fund for Entrepreneurs) |
| 04/07/2013 | 2013:18 Förstagångsprövade ersättningsärenden vid GS arbetslöshetskassa (First-time investigations of benefit cases at the Dockworkers' Unemployment Insurance Fund) |
| 04/07/2013 | 2013:17 Förstagångsprövade ersättningsärenden vid Handelsanställdas arbetslöshetskassa (First-time investigations of benefit cases at the Commercial Employees' Unemployment Insurance Fund) |
| 04/07/2013 | 2013:16 Förstagångsprövade ersättningsärenden vid Hotell- och restauranganställdas arbetslöshetskassa (First-time investigations of benefit cases at the Hotel and Restaurant Workers' Unemployment Insurance Fund) |
| 04/07/2013 | 2013:15 Förstagångsprövade ersättningsärenden vid Kommunalarbetarnas arbetslöshetskassa (First-time investigations of benefit cases at the Municipal Workers' Unemployment Insurance Fund) |
| 04/07/2013 | 2013:14 Förstagångsprövade ersättningsärenden vid Livsmedelsarbetarnas arbetslöshetskassa (First-time investigations of benefit cases at the Food Workers' Unemployment Insurance Fund) |
| 04/07/2013 | 2013:13 Förstagångsprövade ersättningsärenden vid Lärarnas arbetslöshetskassa (First-time investigations of benefit cases at the Teachers' Unemployment Insurance Fund) |
| 04/07/2013 | 2013:12 Förstagångsprövade ersättningsärenden vid Arbetslöshetskassan för service och kommunikation (First-time investigations of benefit cases at the Unemployment Insurance Fund for Service and Communications Employees) |
| 04/07/2013 | 2013:11 Förstagångsprövade ersättningsärenden vid Säljarnas arbetslöshetskassa (First-time investigations of benefit cases at the Salesmen's Unemployment Insurance Fund) |
| 10/06/2013 | 2013:8 Arbetsförmedlingens rutiner för anmälan via telebild på distansservicekontor (Employment Service's procedures for registration via video link at teleservice office) |
| 04/06/2013 | 2013:7 Förstagångsprövade ersättningsärenden vid Transportarbetarnas arbetslöshetskassa (First-time investigations of benefit cases at the Transport Workers' Unemployment Insurance Fund) |
| 04/06/2013 | 2013:5 Arbetslöshetskassornas tillämpning av reglerna om avstängning från rätt till ersättning (Unemployment insurance funds' implementation of the rules on exclusion from right to benefit) |

4.2 Operational sector Following-Up – Specialist investigations and analysis

| | |
|------------|--|
| 28/11/2013 | 2013:25 Arbetsförmedlingens och arbetslöshetskassornas implementering av regeländringarna i arbetslöshetsförsäkringen (Implementation by the Employment Service and the unemployment insurance funds of the rule changes in the unemployment insurance system) |
| 28/11/2013 | 2013:24 Konsekvensanalys av avgångs- eller omställningsersättningar och avgångsbidrag (Impact analysis of severance/retraining benefits and severance grant) |
| 31/10/2013 | 2013:23 Redovisning och analys av arbetslöshetskassornas sanktioner (Report on and analysis of sanctions by unemployment insurance funds) |
| 19/07/2013 | 2013:10 Deskriptiv redovisning av Arbetsförmedlingens återkallande av arbetsmarknadspolitiska program, 2010–2012 (Descriptive report on Employment Service's cancellation of labour market policy programmes, 2010-2012) |
| 14/07/2013 | 2013:9 Arbetslöshetskassornas sanktioner efter underrättelse från Arbetsförmedlingen, första halvåret 2012 (Unemployment insurance funds' sanctions after notification from Employment Service, first half of 2012) |
| 10/07/2013 | 2013:6 Underlag avseende bidrag till arbetslöshetskassor (Documentation concerning grants to unemployment insurance funds) |
| 25/04/2013 | 2013:4 Arbetsförmedlingens underrättelser om ifrågasatt ersättningsrätt 2012 (Employment Service's notifications of disputed right to benefit, 2012) |
| 26/03/2013 | 2013:3 Arbetslöshetskassornas eget kapital och finansiella placeringar (Unemployment insurance funds' capital reserves and financial investments) |
| 20/03/2013 | 2013:2 Finansieringen av arbetslöshetsförsäkringen (The financing of the unemployment insurance system) |
| 18/02/2013 | 2013:1 Genomströmningstider år 2012 för utbetalning av arbetslöshetsersättning (Processing times for payment of unemployment insurance benefit, 2012) |

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