

URA

Agreement on overseas contracts and guidelines on employment conditions in service abroad

Please observe that this is only a draft, not an authorized translation, and that the Swedish version is the only official version. This translation cannot form the basis of any payments or other benefits. The Swedish official version is named URA – Avtal om utlandskontrakt och riktlinjer för anställningsvillkor vid tjänstgöring utomlands.

Translation 2011-09-22

SWEDISH AGENCY FOR GOVERNMENT EMPLOYERS

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Preface

In connection with RALS 2001, the Swedish Agency for Government Employers and the Swedish central unions concluded an Avtal om utlandskontrakt och riktlinjer för anställningsvillkor vid tjänstgöring utomlands /URA, (“Agreement on overseas contracts and guidelines on employment conditions in service abroad”) according to förhandlingsprotokoll (“Agreement of Negotiations”) of 24 April 2001. The agreement entered into force on January 1 2002. Further negotiations produced another förhandlingsprotokoll dated 4 December 2001 in which the parties agreed amendments to certain regulations in URA.

Through negotiations on 19 December 2002 (förhandlingsprotokoll registration no. F 0211-0056-FE-41), 28 September 2007 (registration no. 0710-0556-23) and 25 January 2010 (registration no. 1002-091-23) the parties have agreed to amend certain provisions of URA.

This circular includes URA as agreed by the parties according to the förhandlingsprotokoll of 25 January 2010.

The amended agreement is valid from 1 February 2010 and is otherwise valid for the same period as the Allmänt löne- och förmånsavtal /ALFA, (“General agreement on Salaries and Benefits”), unless otherwise stated in the agreement. URA is prolonged one year at a time unless notice of cancellation is submitted by either party in writing at least three months in advance of the expiry of the agreement.

As previously, however, URA does not apply to employees for whom other agreements or regulation of Terms of Employment are applicable during overseas service. URA does not, for example, apply to certain employees at the Swedish Government Offices and Sida which, as of 1 January, 2008, is covered by Avtal om utlandstjänstgöring (UVA) (“Agreement on overseas service”).

In addition to the text of the agreement, the Swedish Agency for Government Employers also provides general advice for its application as well as instructions to employers according to this agreement (arbetsgivarnyckel/Employers’ Key).

General information concerning service abroad for civil servants and certain comments on URA can be found on the home page of the Swedish Agency for Government Employers at www.arbetsgivarverket.se/utlandstjanstgoring.

Agreement on overseas contracts and guidelines on employment conditions in service abroad (URA)

Area of application

Paragraph 1

This agreement is applied to employees of government agencies who, according to decision taken by their employer, will be stationed and carry out their duties abroad.

However, this agreement does *not* apply to employees for whom other agreements or other regulation of terms of employment are valid in service abroad.

(Advice)

Certain definitions

Paragraph 2

The term *employer* is defined as the Swedish Agency for Government Employers or the government agency specified by the Swedish Agency for Government Employers, unless otherwise stated by the Government of Sweden.

The term *local union* is defined as the relevant local part of the central union as specified by the central union when necessary, with the support of the Huvudavtal/HA (“Main agreement”).

The term *accompanying family member* is defined as accompanying spouse/co-habitant and any children under the age of 19 who the employee has a responsibility to support. Spouse includes registered partner according to the (1994:1117) Lagen (1994:1117) om registrerat partnerskap (“Registered Partnership Act”). Co-habitant is defined as a person who lives together with the employee in circumstances closely resembling marriage or under conditions which closely resemble registered partnership.

Family residing outside of the country of service is defined as the wife/husband/cohabitant of the employee and any children under the age of 19 for whom the employee has a maintenance obligation. The term husband/wife is defined as the registered partner in accordance with the Lagen (1994:1117) om registrerat partnerskap (“Registered Partnership Act”). Cohabitant is defined as a person who lives together with the employee in circumstances closely resembling marriage or under conditions which closely resemble registered partnership.

Comments on Paragraph 2:

It should be noted that other cohabitant criteria may need to be met in order for certain types of insurance for the employee and accompanying family members to apply (see e.g., provisions for cohabitants' beneficiary rights in Chapter 9 of the Agreement on state occupational group life insurance/TGL-S as expressed in circular 1999:A 6).

An employee *stationed abroad* is defined as an employee who, according to the URA contract or any other decision taken by the employer, has been assigned a duty station abroad.

(Advice)

Forms of employment

Paragraph 3

An employee covered by definitions in Paragraph 1, Section 1, may – in addition to the consequences of the Lagen (1982:80) om anställningsskydd/LAS, (“Employment Protection Act”) or other regulations – be employed for a limited period of time or up to and including a certain point in time. If the employee is already permanently employed at the relevant government agency, he or she will be granted leave of absence from this position without a special decision being necessary.

(Advice)

Overseas contract

Paragraph 4

A written agreement must be established concerning employment for the position in question, a so-called *overseas contract*, between the employer and the employee if he/she is covered by the definitions in Paragraph 1, Section 1.

The overseas contract must state the conditions applying to the employee’s stationing abroad. The following information must be clearly stated in the contract:

- The employee’s working tasks
- The employee’s duty station abroad
- Period of duty
- Salary benefits and date of any salary reviews
- Other terms of employment

Exemption from Paragraph 4:

An authority may, in accordance with government decision, ordinance or similar, be commissioned to participate in or carry out missions abroad in face of sudden and unforeseen events in crisis and conflict zones and during natural disasters. In the case of such service, which requires rapid response when sudden and unexpected events in crisis and conflict zones and natural disasters occur, exemption can be granted from the requirements that the employee's duty station and service duration be specified in the contract in accordance with the above. The employer has no control over where or when such events occur. Due to the rapid deployment during such events, it is not possible to draw up contracts in advance for each individual service period. Conditions and benefits are regulated by a URA contract which applies within an agreed period of time. The provisions of the contract shall be applicable for individual service periods abroad and in direct connection with such services during work, training, exercises and meetings.

Comments on Paragraph 4:

It is assumed that the employee, when the contract is entered into, supplies the employer with sufficient information on any circumstances which may be important when assessing whether the employee fulfils the conditions for receipt of certain benefits and in order to ascertain the level of certain benefits. (Compare Paragraph 15).

(Advice)

Paragraph 5

If an overseas contract concerns a period of duty abroad which is shorter than twelve consecutive months, or shorter than six consecutive months or shorter than three consecutive months, there are different regulations as concerns holiday entitlement, (please refer to Paragraph 9), and also as concerns period of notice. (Please refer to Paragraphs 18 and 19).

In addition, certain special terms of employment, (please refer to Paragraph 13), may be affected by the period of duty due to the regulations stated in the Annex.

Employees who are not permanently employed at a government agency should not be issued with several consecutive overseas contracts.

(Advice)

Paragraph 6

Unless otherwise agreed between the employer and the employee, the terms of employment according to the overseas contract apply from the date of travel to the duty station abroad up to and including the date of travel when the employee, at the conclusion of his/her service abroad, returns to Sweden. The conditions of employment also apply during any period of holiday days which have been earned while on overseas contract and are scheduled within the period of time covered by the contract.

(Advice)

Certain general conditions of employment

Paragraph 7 Salary

Salary consists of an individually set salary and, when applicable, salary increments. Salary is set and paid at the level agreed jointly by the employer and the employee. Salary is paid monthly, unless otherwise stated in the overseas contract.

(Advice)

Paragraph 8 Working hours

Unless otherwise stated in the overseas contract, the employee's working hours will be unregulated at the workplace abroad. The schedule of working hours should be adapted to the work tasks and to the situation prevailing in the country concerned.

(Advice)

Paragraph 9 Holidays and other time off

a) Holidays and holiday pay

Unless otherwise agreed in the overseas contract, the following regulations concerning holidays and holiday pay apply.

- The number of holiday days earned during the period of duty must also be taken out during this period.
- Holiday earning year and holiday year are the same and coincide with the relevant calendar year.
- All unused holiday days may be saved from one year to the next. If, at the conclusion of service abroad, unutilised, paid holiday days remain, holiday pay must be disbursed for these days.
- Holiday days may be exchanged for holiday pay if the period of duty according to the overseas contract is shorter than six months.

The number of holiday days may be set due to special conditions prevailing in the relevant country.

Unless otherwise stated in the overseas contract, the number of holiday days for the entire calendar year will be determined according to the agreements ALFA and Affärsverksavtalet/AVA respectively.

Comments on Paragraph 9 a)

The number of holiday days per calendar year may not be less than the number stated in Paragraph 4 of the Semesterlag (“Annual Leave Act”) i.e. 25 days.

b) Other time off

In the event of the serious illness or death of a close relative, the employee is granted paid leave of absence for the necessary travelling days plus an additional three working days. Close relatives are defined as spouse/co-habitant, child, parent, brother or sister and parents-in-law.

(Advice)

Paragraph 10 Sick pay

Unless otherwise agreed in the overseas contract, the employee will retain his/her full salary according to the overseas contract during periods of sick leave.

Paragraph 11 Pensions

During the period of service abroad, the employee is covered by the pension conditions as stipulated in the Pensionsavtal för arbetstagare hos staten m.fl. /PA 03, (“Service Pension Agreement”).

If it proves more advantageous, an employee who has previously been covered by the ITP-planen (“ITP Pension Plan”) or another pension plan which is generally in line with the ITP-planen may, after decision by the employer, retain his/her pension rights according to such plans. The employer will take out an insurance policy or pay the relevant insurance premium or other charges.

(Advice)

Paragraph 12 Insurance

The employee is covered by the Avtal om ersättning vid personskada /PSA, (“Personal Injury Compensation Agreement”) and the Avtalet om statens tjänstegrupplivförsäkring/TGL-S, (“Government Employment Group Life Insurance Agreement”).

The employer is responsible for reporting the name of the employee to the Kammarkollegiet (Legal, Financial and Administrative Services Agency) so that the URA-försäkringen (“URA Insurance Policy”) will apply to the employee and accompanying family members (Paragraph 2) during their period abroad. The insurance also covers children who are residing in a third country in relation to their schooling and for which the employer provides compensation for school fees.

Family members who do not accompany the employee to the duty station (Paragraph 2) are covered by the URA insurance during visits which are reimbursed by the employer in accordance with the contract.

Comments on Paragraph 12:

It should be noted that other cohabitant criteria may need to be met in order for certain types of insurance for the employee and accompanying family members to apply (see e.g., provisions for cohabitants' beneficiary rights in Chapter 9 of the Agreement on state occupational group life insurance/TGL-S as expressed in circular 1999:A 6). In the event that the employee is not covered by Employment Accident Insurance Act (LAF), PSA does not apply.

N.B. If a non-Swedish national, or a Swedish national who is not resident in Sweden, is not covered by Swedish social security legislation, he/she is not covered by LAF and is therefore not covered by the PSA either. (PSA is also available in English)

(Advice)

Certain special conditions of employment

Paragraph 13

Agreements may be made in the overseas contract regarding certain special Terms of Employment, due to the nature of the stationing abroad or if the special conditions prevailing in the relevant country apply to the employee in question.

The employer and the employee should, when establishing the overseas contract, consider the guidelines for certain special conditions of employment which are included in the Annex.

(Advice)

Other conditions

Paragraph 14

If, during the course of the contract period, special circumstances arise which give cause to apply conditions other than those already stated in the overseas contract, additional agreements may be reached. Such agreements must always be made in writing and signed by both parties.

The employee's duty to provide information

Paragraph 15

The employee is obliged to, during the period of the contract, submit information to the employer concerning circumstances which may have bearing on whether the employee fulfils requirements for certain benefits or in order to determine the level of such benefits. Such circumstances include changes in his/her family situation, alterations to custody arrangements and different schooling for the employee's children. The employee is also obliged to inform the employer if he/she is entitled to any benefits from any other employer which are the equivalent of benefits provided under this agreement.

More detailed regulations concerning the employees' liability to provide information are available from the relevant employer.

Termination of overseas contract

Paragraph 16

Overseas contracts are terminated without any extra provision of notice at the end of the period of duty stated in the contract.

Comments on Paragraph 16:

If it is necessary to prolong service abroad for an additional duty period, a new overseas contract must be established between the employer and the employee.

Paragraph 17

Overseas contracts may also be terminated:

- After giving notice according to Paragraph 18
- Due to illness etc. in certain cases according to Paragraph 19
- For certain other reasons according to Paragraph 20.

Paragraph 18

The overseas contract states the mutual periods of notice which apply.

Unless otherwise agreed in the overseas contract, the following periods of notice apply for periods of duty longer than three months:

- Three months if the period of duty is at least twelve months or
- one month if the period of duty is at least three but less than twelve months in duration.

Notice of termination of overseas contract must be given in writing.

Paragraph 19

If, due to illness, an employee is assessed by a doctor as unable to carry out the necessary working tasks in service abroad, the overseas contract may be terminated by the employer. The employer must give at least one month's notice or – if the period of duty is shorter than three consecutive months – at least two weeks' period of notice.

If the employee grossly neglects his/her duties during his/her service abroad or is otherwise found to be unsuitable for the tasks allocated, the employer may terminate the contract with no period of notice.

Paragraph 20

If the conditions prevailing at the time the overseas contract was established are considerably altered due to e.g. political upheaval, war, natural disaster or similar, either the employer or the employee may terminate the contract with no period of notice.

Paragraph 21

If the contract period is shortened, any extraordinary costs incurred by the employee due to these circumstances will be compensated for by the employer after assessment in each individual case.

Paragraph 22

When service abroad has been terminated, the employee must return to Sweden unless otherwise agreed.

The employer and the employee must, whenever applicable, agree well in advance of the termination of the overseas contract on the job description and conditions of employment which are to apply for the employee when service abroad has been terminated.

(Advice)

Local agreements

Paragraph 23

The employer and local unions may – within certain operational areas where it is necessary to regulate certain conditions of employment for groups of employees with similar jobs abroad - conclude collective agreements concerning such conditions of employment governed by Paragraphs 7 – 10 and Paragraph 13 (including Annex).

Disputes

Paragraph 24

Disputes on interpretation or application of an overseas contract must be dealt with according to the Lagen (1974:371) om rättegången i arbetstvister /LRA, (“The Labour Disputes Act”).

Period of validity etc.

Paragraph 25

This agreement is valid from 1 October 2007 and will apply for the same period of validity as the current Allmänt löne- och förmånsavtal/ALFA (“General Agreement on Salaries and Benefits”), unless otherwise stated in the agreement.

The agreement will be prolonged one year at a time unless notice of cancellation is given in writing by either party at least three months before the expiry of the current period of validity.

Annex

Guidelines on certain special conditions of employment in service abroad. (Compare Paragraph 13)

Comments on Annex:

In addition to such general conditions of employment, as stated in Paragraphs 7-12 and which are to be regulated in the overseas contract, certain special conditions of employment which are to apply to the employee during his/her service abroad may also be agreed in the contract. This annex states guidelines for such special conditions of employment.

The special conditions of employment which are stated in this annex concern financial compensation for additional costs and increased cost of living due to stationing abroad and to special circumstances prevailing in the country in question ("compensation for costs").

1. Housing costs

According to the employers' decision, the employee may be allocated housing adapted to the conditions in the duty station (furnished or unfurnished). The employee may, instead, be entitled to reasonable compensation for housing costs. If the employee, for a certain period of time, is forced to stay at a hotel, the employer will pay such costs.

At the beginning of the service abroad, the employer may provide equipment for the employee's arranged accommodation. The employee must purchase this initial basic equipment on behalf of the employer in accordance with the guidelines and within financial restrictions determined by the employer. The applicable level is specified in the respective overseas contract.

Additional information for Section 1 Housing costs

In Chapter 11, Paragraph 21 of the inkomstskattelagen ("Income Tax Act"), exemption from tax liability for housing allowance or allocation of housing at the duty station is regulated.

(Advice)

2. Removals costs

When moving to and from the country of service or movement between stations abroad, the employer may provide compensation for removal costs up to sum equal to the actual costs that are intended to cover sea freight (for certain countries air freight) of the normal amount of removal goods.

The sum is adapted to the number of accompanying family members (Paragraph 2). When the sum is established the necessity of freight volume and costs for insurance, packing, forwarding, clearing and any other costs which may arise directly connected to transport might be taken into consideration.

Comments on Section 2 Removal costs

Instead of financial compensation for removal costs the employer, according to Section 4 a) may pay transport costs for extra baggage (personal effects).

Additional information for Section 2 Removal costs

In Chapter 11, Paragraph 27 of the inkomstskattelagen ("Income Tax Act"), exemption from taxation for "compensation for expenses connected to removals when an employee, due to change of location, moves to a new town of residence if compensation is paid from public funds or by the employer" is regulated.

(Advice)

3 a. Preschool and childcare costs

The employer may fully or partially reimburse costs to a maximum sum equal to actual costs relating to the employee's child (Paragraph 2) in terms of preschool activity, childcare, etc., and the amount to which the cost of children's meals exceeds the costs which normally apply in Sweden.

Children's preschool costs may be reimbursed for reasonable costs which the employee incurs for preschool and crèche, from one year of age for establishments equivalent to Swedish preschools or family crèches, or for other establishments available at the duty station as well as for recreation centres or similar for accompanied children up to the age of twelve years and for the amount to which children's meals exceed the 'maximum rate' in the municipality in which the employee resides in Sweden. The Terms of Employment must specify which children are covered by the afore-mentioned benefits in preschool or childcare.

The basic principle for preschool and childcare is to allow freedom of choice. This presumes that the choice of preschool and childcare is made with regard to the child's best interests, and that unnecessarily expensive alternatives are avoided.

Additional information for Section 3 a Preschool and childcare costs

In Chapter 11, Paragraph 21 of the inkomstskattelagen ("Income Tax Act") exemption from taxation for compensation or benefits relating to "fees for children's participation in preschool, recreation centres or similar educational activities referred to in Chapter 25 of the Education Act (2010:800) or similar, and fees for the child's meals, but only to the amount to which the fees exceed that which normally applies for such activities in Sweden." is regulated.

3 b. Children's school fees costs

The employer may fully or partially reimburse costs, though to a maximum sum equal to actual costs relating to the employee's child (Paragraph 2) in terms of schooling from and including compulsory education up until upper secondary school (or equivalent), and costs for the child's school meals.

Children's school fees are reimbursed for reasonable costs which the employee incurs for their child's education up to and including upper secondary school. The basic principle for reimbursement of school fees is to allow free choice of school. This allows for the choice of school to be made with consideration for the child's best interests, avoiding unnecessarily expensive alternatives.

Additional information for Section 3 b Children's school fees costs

In Chapter 11, Paragraph 21 of the inkomstskattelagen ("Income Tax Act"), exemption from taxation for compensation or benefit concerning "fees for children's schooling in primary, secondary and upper secondary school or similar and fees for the child's school meals" is regulated.

(Advice)

4. Travel costs

For trips reimbursed by the employer, the employer will calculate costs according to route and method of travel.

Costs for the following types of travel may be reimbursed by the employer.

a. Travel to and travel from country of residence

Travel costs for the employee and accompanying family members (Paragraph 2) from the town of residence to the duty station in the relevant country, plus equivalent costs for the return trip when the service abroad has been completed, can be reimbursed by the employer. The compensation may also cover children who are residing in a third country in relation to their schooling and for which the employer provides compensation for school fees. Compensation for children's travel can be granted only upon commencement of education in a third country and following graduation. Actual cost of air freight corresponding to 100kg of removal goods can be reimbursed by the employer in connection with such transportation.

Such travel costs may also include transport costs for extra baggage (personal effects). (Please refer to comments on Section 2 above).

Additional information for Section 4 a Travel to and travel from country of residence

In Chapter 11, Paragraph 27 of the inkomstskattelagen ("Income Tax Act"), compensation for removals costs is regulated including exemption from taxation for "transport of the employee and his/her family from their previous to their new town of residence".

(Advice)

b. Holiday trip to home country

The employer may pay costs for a return journey to Sweden during each twelve-month period of duty for the employee and accompanying family members (Paragraph 2) .

(Advice)

c. Travel visits for family member

For each family member who is not resident in the country of service (Paragraph 2) and who is eligible for benefits in accordance with the contract, the employer may reimburse travel costs with a maximum amount which is the equivalent to the cost of one return trip from Sweden to the relevant country for each period of duty of twelve months.

A family member's travel visit may be exchanged for a trip for the employee in the opposite direction. Costs for such a trip will be reimbursed to a maximum amount the equivalent to the cost of a visit for the family member in question.

(Advice)

d. Travel in connection with illness and death

If a close relative becomes seriously ill or dies the employer reimburse a cost the equivalent of a return trip to Sweden for one person from the family.

If the employee or an accompanying family member (Paragraph 2) becomes seriously ill or is involved in an accident, a physician who is accredited by the employer takes a decision as to whether the patient should be moved to Sweden or another country in order to receive suitable treatment. The employer will pay the costs for such a trip.

If the employee or an accompanying family member (Paragraph 2) dies in the overseas country, the employer reimburses the cost of home transport of the deceased. In this case the employer will also finance the cost of travel home for the family of the deceased. The compensation may also cover children who are residing in a third country in relation to their schooling and for which the employer provides compensation for school fees.

Comments on Section 4 d Travel in connection with illness and death

Guidelines in this section only apply if costs are not covered by URA insurance or in some other manner.

e. Additional travel

The employer may, if there are exceptional reasons, provide compensation for additional travel during each service period of twelve months for the employee and accompanying family members (Paragraph 2). The compensation may also cover children who are residing in a third country in relation to their schooling and for which the employer provides compensation for school fees.

Additional information for Section b – e

In Chapter 11, Paragraph 21 of the inkomstskattelagen (“Income Tax Act”), exemption from taxation for compensation or benefit concerning “own and family members’ travel to and from the duty station, however for a maximum of four trips per person and calendar year” is regulated.

(Advice)**5. Health and medical care costs**

Costs for medical examination and vaccinations, which the employee and accompanying family members (Paragraph 2) are, according to decision by the employer, obliged to undertake before travel to the country of service, will be paid by the employer if they are carried out by medical staff specified by the employer. The same applies to an additional medical examination which is to be undergone after the termination of service abroad.

Costs for medical care concerning the employee and accompanying family members (Paragraph 2) may be paid by the employer if such medical care is carried out by medical staff, or at a medical establishment, specified by the employer. Costs for prescribed medicines will be paid by the employer. If Sweden has entered into an agreement with the relevant country as concerns medical insurance cover, such medical staff/establishments as are included in this medical insurance agreement should be consulted as a first measure.

The employer may provide compensation for costs associated with the birth of a child on a discretionary basis.

Costs for emergency dental care may be paid by the employer.

Costs for essential travel in connection with medical care paid by the employer will be paid by the employer.

The compensation may also cover children who are residing in a third country in relation to their schooling and for which the employer provides compensation for school fees.

Comments on Section 5 Health and medical care costs

Guidelines in this section apply only if costs are not covered by URA insurance or in some other manner.

Additional information for Section 5 Health and medical care costs

In Chapter 11, Paragraph 18 of the inkomstskattelagen “(Income Tax Act)”, exemption from taxation for ”benefits covering health and medical care” if the benefit concerns “care abroad” and “ medicines utilised during care abroad ”is regulated.

(Advice)

6. Other additional expenses

Additional expense allowance

The employer may, as compensation for other increased living costs at the duty station – based on the overseas location and the conditions in the country of service – and in addition to those listed above in this appendix, pay out an additional expense allowance for the employee and the accompanying adult and child/children (Paragraph 2) with the restrictions and to the maximum monthly sums determined by the Swedish Tax Agency.

Comments on Section 6 Other additional expenses

The Maximum sums are calculated so that they can be applied to those stationed overseas for whom special conditions for repeatedly long stationing apply. This means that:

- For those stationed overseas for whom these special conditions do not apply, the employer must decide to what degree the maximum sums are to be applied.
- For those stationed overseas with accompanying husband/wife, the employer must decide to what extent the additional expenses can be assumed to be twice as high when compared to an expatriate not accompanied by a husband/wife and if one or more items in the maximum sum should be reduced for the accompanying party. This may be important for e.g., the items 'food' and 'transport'.
- If the employer provides compensation for the cost or provides benefits corresponding to the additional expense allowance, the corresponding item in the additional expense allowance shall be reduced or not paid out. This applies if for example the employer provides food or transportation. (e.g., in the form of a company car).
- In order for the employer to be able to apply the maximum sum for the item 'transportation', both a maximum sum excluding additional expense for a per-

sonal car at the duty station and a maximum amount including additional expense for a personal car at the duty station is shown.

The accompanying party's absence from the duty station

If the accompanying husband/wife or children are away from the duty station (in addition to vacation taken together with the employee), additional expenses may be retained in whole or in part at the employer's discretion.

Additional information for Section 6 Additional expense allowance

In Chapter 11, Paragraph 21 of the Inkomstskattelagen ("Income Tax Act"), exemption from taxation for compensation or benefit concerning "additional expense allowance to an amount which does not exceed an amount equal to the normal living costs increase for the employee and accompanying family members in relation to food, transportation and other costs at the duty station" is regulated.

Accompanying spouse allowance

For an accompanying wife/husband/cohabitant, who as a result of the overseas stationing loses earned income, a specific monthly sum – accompanying spouse allowance – can be paid to the employee, of a maximum monthly sum equivalent to that which is established in specific regulations. The sum is reviewed annually.

The requirement for the employee's entitlement to accompanying spouse allowance is loss of earned income owing to the accompanying spouse's residence at the duty station. Income is defined as total income, which means that in addition to income from employment or commission, all forms of educational grant, parent's allowance, sickness benefit and pensions are to be included.

In cases where the accompanying spouse experiences only partial loss of earned income or where the accompanying spouse earns an income at the duty station, the employer will decide to what extent accompanying spouse allowances will be paid out.

The accompanying spouse's absence from the duty station

If the accompanying husband/wife is away from the duty station (in addition to vacation taken together with the employee) for more than 30 consecutive days, accompanying spouse allowance may be granted in whole or in part at the employers discretion.

Additional information for Section 6 Accompanying spouse allowance

In Chapter 11, Paragraph 21 of the Inkomstskattelagen ("Income Tax Act"), exemption from taxation for compensation or benefit concerning "accompanying spouse allowance for spouse or cohabitant who no longer has the opportunity to earn a salary, to an amount which does not exceed an amount of one twelfth of three and a half base sum per month" is regulated.

(Advice)

Swedish Agency for Government Employers' General Advice on application of URA

General

Here follows certain General Advice on the application of this agreement. The regulations in the agreement to be covered by this are marked at the end of each text section using the word (Advice).

On the Swedish Agency for Government Employers' homepage www.arbetsgivarverket.se/utlandstjanstgoring information can be found regarding overseas service for government employees.

URA is a central framework agreement containing guidelines on conditions of employment for Swedish government service abroad. This agreement is flexible in design and provides opportunities for individually adapted solutions on conditions of employment through the establishment of a written agreement on employment – an overseas contract – between the employing government agency and the employee. This contract can be adapted to the character of the “assignment overseas”, to the conditions prevailing in the duty station and to the employee’s family situation. Within operational areas in which groups of employees with similar jobs work, URA also provides the opportunity to conclude local collective agreements on employment conditions.

There are three different types on employment conditions according to URA:

- Conditions which must be regulated and for which instructions are given as to how this is to be carried out e.g. pensions and insurance
- Conditions which must be regulated without stating in detail how this is to be done e.g. salary level
- Conditions which may be regulated – e.g. costs for housing, removals and holiday trip to home country - and for which the agreement provides guidelines on how this is to be done

Advice for Paragraph 1 Area of application

URA applies to employees at government agencies who, according to decision of employer, will be stationed abroad in order to carry out their duties.

For an employee to be defined as stationed abroad the employer must have established their location in a certain duty station in another country for a stated period of time in a formal decision. (Compare Paragraph 2, Section 5 of URA).

If due to the nature of the overseas assignment the employer deems that it is not required to be carried out by means of overseas stationing in accordance with the URA's rules, Avtal om ersättning m.m. vid tjänsteresa och förrättning utomlands (“Agreement concerning compensation etc. for service-related travel and for duty overseas”) should instead apply.

Advice for Paragraph 2 Certain definitions

The employer is generally defined according to the Employer Key as the government agency that employs the employee, i.e. the employing agency.

Co-habitant is defined as the person who lives together with the employee under conditions closely resembling marriage or registered partnership. It should be noted that it may also be necessary to fulfil other co-habitant criteria in order that certain insurance cover for the employee and accompanying family members to be valid (for example, please refer to regulations determining if the co-habitant is entitled to benefits in Chapter 9 of the Avtal om statens tjänstegruppplivförsäkring/TGL-S, (“Agreement on Government Employment Group Life Insurance”)).

Advice for Paragraph 3 Form of employment

This regulation provides a basis for limiting the period of employment.

If an employee who is employed according to URA at the same time is permanently employed by the employing agency, he or she will be granted leave of absence from his/her permanent employment without special decision.

If an employee who is employed according to URA at the same time is permanently employed by a government agency other than the employing agency there is no automatic entitlement to leave of absence from his/her permanent employment. In such cases the employee must apply for leave of absence and may, in his/her application, refer to the regulations concerning *Ledighet för utlandstjänstgöring m.m.* in the Tjänstledighetsförordningen (1984:111), (“Leave of Absence Ordinance”). Please note that regulations on leave of absence when an employee holds two posts as stated in Chapter 1 of ALFA are not applicable as these regulations only apply when such posts are covered by ALFA and not if one post is covered by another government employment agreement such as URA.

If an employee who is employed according to URA does not have a permanent employment at the employing agency or at another government agency, then employment ceases at the point in time when the overseas contract expires. (Compare Paragraph 16 of URA).

Advice for Paragraphs 4 – 6 Overseas contract

An overseas contract is a document jointly established by the employer and the employee and takes the form of a written agreement on employment/stationing abroad. According to Paragraph 4 of URA, the overseas contract must include the conditions for the employee's stationing abroad. Certain information must be specially stated in the contract: the employee's working tasks, duty station abroad where he/she will reside, length of period of duty, salary and benefits and other conditions of employment. The overseas contract must also state which of the employee's family members (if any) are covered by the contract.

The employee is liable to provide necessary information to the employer concerning changes in his/her circumstances which may affect the level of the agreed benefits as stated in the contract. (Please refer to Paragraph 15 of URA and comments on Paragraph 4 of URA).

In a number of sections in URA, a benefit is conditional on “unless otherwise stated in overseas contract” or equivalent text. Examples of such matters on which the overseas contract may contain material other than that stated in URA include working hours (Paragraph 8), holiday matters (Paragraph 9) and the contract's periods of notice (Paragraph 18).

In the overseas contract, agreements must be made on whether, and in that case which, special conditions of employment are to apply to the employee during his/her service abroad. (Compare Paragraph 13 and Annex to URA). These special conditions of employment concern compensation for additional costs and increased living costs due to stationing abroad and the special conditions prevailing in the country concerned ("compensation for costs"). Such costs may include costs for housing, removals, preschool and school fees for children, travel, health and medical care and other additional expense.

The special conditions of employment which may be applicable according to URA are based on the fact that the employee's salary is liable to taxation in Sweden. Compensation for certain additional costs which occur due to stationing abroad is not liable to taxation if regulations stated in Chapter 11 of the Income Tax Act are followed.

Concerning exemption from taxation for such cost compensation, please refer to prop. SFS 2005/06:19 ("Government Bill"), "Beskattning av statligt anställda under utlandsstationering, m.m", ("Taxation of cost compensation for government employees overseas etc.") and the Inkomstskattelagen/ IL, ("Income Tax Act").

If the employee's salary is not liable to taxation in Sweden as, for example, when exporting government services, (please refer to Chapter 3, Paragraph 9 of IL), or if the employee is not registered as resident in Sweden, then the situation concerning compensation for additional costs changes. These circumstances must be managed within the framework of the overseas contract by regulating the salary and/or compensation for additional costs so that the sum of the net salary and allowances becomes the same as if a gross salary liable to Swedish taxation were to be paid.

In certain cases another organisation (or equivalent) than the employing agency may be paying grants/allowance or providing benefits for the employee, for example EU institutions for national experts. In such cases information concerning this must be included in the overseas contract and compensation for additional costs according to URA be adjusted so that double cost compensation is not paid. Please note that tax liability will begin to apply on the part of the payments which exceed exemption levels stated in Chapter 11 of IL, ("Income Tax Act").

Government employees stationed abroad are generally covered by the Swedish social insurance system during their entire period abroad. The employer must check this by contacting the Swedish Social Insurance Agency. The employer must ensure that the employee obtains a certificate of insurance cover from the Swedish Social Insurance Agency. The fact that the employee is covered by Swedish social insurance is a precondition for entitlement to, for example, child allowance, parental benefit, sick pay, work injury compensation and the old age pension.

Certain of the benefits regulated in URA are based on the fact that the employee is covered by the Swedish social insurance system. If this is not the case then it is vital that both the employer and the employee are aware of this situation and that this is clearly stated in the contract.

There are no time limits stated in the agreement for overseas contracts, neither how short nor how long they may be. Longer overseas assignments should comprise a reasonable time period and the length of the period of service should be adapted to the length of time planned to complete the overseas assignment from the viewpoint of both the employer and the employee.

Different regulations apply as concerns number of holiday days and length of periods of notice for cancellation of an overseas contract of less than twelve consecutive months in duration, less than six consecutive months or less than three consecutive months. (Please refer to Paragraph 5 of URA). Also certain special conditions of employment may be affected by the length of the period of service as a result of regulations in the Annex, e.g. holiday trip to home country and family visit trips. (Please refer to Annex, Sections 4 b and 4 c).

The employment conditions according to the overseas contract apply, according to Paragraph 6 of URA, from the day of departure to the day of return to Sweden unless otherwise agreed by the employer and the employee. Any agreement, which may mean that the contract will cover a period before (preparation) and/or after the residence abroad (debriefing etc.), should be included in the overseas contract. The contract must clearly state to which extent any agreed special terms of employment are to be applied during such preparation and debriefing periods.

Agreed conditions of employment also apply during any holiday days which are earned during service abroad and are scheduled within the contract period.

Examples of how an overseas contract according to URA can be designed are provided in the general information for service abroad on the homepage of the Swedish Agency for Government Employers at www.arbetsgivarverket.se/utlandstjanstgoring

Certain general conditions of employment

Advice for Paragraph 7 Salary

In the contract, the agreed salary amount is stated (and when applicable salary increment) in SEK. The exact form of payment is decided by the employer. The salary review schedule must also be stated in the overseas contract. (Please refer to Paragraph 4 of URA).

Advice for Paragraph 8 Working hours

Unregulated working hours are defined as working hours responsibly designed by the employee when taking into consideration the nature of the working tasks involved.

The overseas contract must state if the relevant country's national public holidays and if certain Swedish public holidays such as New Year's Day, Good Friday, Easter Monday and Boxing Day are to be days off for the employee.

Advice for Paragraph 9 Holidays and other time off

The primary rule is that the number of holiday days earned during the duration of the overseas contract are also taken out during the contract period. Consequently the contract period should also cover the number of holiday days earned during its duration. Holiday days earned at the employing agency before stationing abroad under another agreement (e.g. ALFA or AVA) must not be taken during the service abroad period, unless the employer and the employee have agreed on this in the overseas contract. Such holiday days must normally be "frozen" and be "unfrozen" before and after the relevant contract period respectively.

The number of holiday days per calendar year may not be less than the 25 days stated in Paragraph 4 of the Semesterlag ("Annual leave Act").

The length of the holiday (number of holiday days) may be decided taking into consideration the special circumstances prevailing in the relevant country, circumstances such as climate, working conditions, isolation from the rest of the world and uncertain security situation.

Advice for Paragraph 11 Pensions

The aim of the regulations stated in the Section 2 includes the fact that any employee who is covered by a pension plan other than PA 03 will not be put at a disadvantage by cessation of contributions to the plan while he/she is stationed abroad.

Advice for Paragraph 12 Insurance

The Avtal om ersättning vid personskada/ PSA ("The Agreement on Personal Injury Compensation") and the Avtal om statens tjänstegrupplivförsäkring /TGL-S ("Agreement on Government Employment Group Life Insurance") apply for government employees during stationing abroad. However it should be observed that the definition of co-habitant in Paragraph 2 of URA is not the same as in PSA and TGL-S.

In order to provide insurance cover during stationing abroad according to URA, the employer must take out a "URA insurance policy" at the Kammarkollegiet (The Legal, Financial and Administrative Services Agency). This policy covers the employee and the accompanying family members specifically named in the overseas contract. The contract's definition of "accompanying family members". (Please refer to Paragraph 2 URA) is applied in the URA insurance. This insurance is valid for the entire world and encompasses 24 hours per day i.e. both working hours and leisure time hours. This insurance cover may be taken out either as a group policy or as an individual policy for named employees. More detailed information can be found on the home page of the Kammarkollegiet at www.kammarkollegiet.se.

Advice for Paragraph 13 Certain special conditions of employment

Special conditions of employment are defined in URA as compensation for additional costs and increased living costs incurred due to stationing abroad and the conditions prevailing in the country concerned. During the establishment of the overseas contract, agreement can be made concerning whether, and in that case which, special conditions of employment are to apply and concerning the level of the compensation to be paid. The conditions agreed must be recorded in writing in the overseas contract. In addition, please refer to General Advice to the Annex below.

Advice for Paragraph 22 Termination of overseas contract

Planning of future working tasks is relevant for employees who are permanently employed at the employing (same) agency. (Compare General Advice to Paragraph 3 of URA).

General Advice to Annex

General

According to Paragraph 13 of URA, the employer and the employee should, when establishing the overseas contract, follow the guidelines on special conditions of employment stated in the Annex. Consequently such compensation and grants stated in the Annex may be paid by the employer if the contract parties are in agreement and if they are specifically stated in the contract.

Advice for Section 1 Housing costs

The employee may, in his/her duty station, either be allocated accommodation (i.e. in the form of a housing unit) or be reimbursed for housing costs. The employer assesses the level of reasonable housing standard taking into consideration costs, number of accompanying family members according to contract, security situation or similar circumstances. Housing costs should include normal running costs such as electricity, water, garbage collection etc.

Dependent on the choice of housing type, the employer may provide basic equipment for the employee's arranged accommodation. The amount of basic equipment may vary dependent on, for example, housing standard, number of accompanying family members according to contract, climate and living conditions in the country in question. Even if the employee carries out the purchase of this equipment it remains the property of the employer and may merely be utilised by the employee.

Additional information

In Chapter 11, Paragraph 21 of the inkomstskattelagen ("Income Tax Act"), exemption from tax liability for housing allowance or allocation of housing at the duty station is regulated.

Advice for Section 2 Removals costs

Costs for removals and compensation for these costs is dependent on whether the employee is allocated a furnished or unfurnished housing unit and on how many accompanying family members are stated in the contract.

Additional information

In Chapter 11, Paragraph 27 of the inkomstskattelagen ("Income Tax Act"), exemption from taxation for "compensation for expenses connected to removals when an employee, due to change of location, moves to a new town of residence if compensation is paid from public funds or by the employer" is regulated.

Advice for Section 3 a. Preschool and childcare costs

The employee can receive compensation from the employer for expenses related to preschool, crèche, recreation centres or similar for the accompanying child/children and their meals to the amount that these exceed the 'maximum rate' in the municipality in which the employee resides in Sweden. The contract must specify which children are covered by the aforementioned benefits in preschool or childcare.

Additional information

In Chapter 11, Paragraph 21 of the inkomstskattelagen ("Income Tax Act"), exemption from taxation for compensation or benefits relating to "fees for children's participation in preschool, childcare or similar, and fees for the child's meals there, but only to the amount to which the fees exceed that which normally applies for such activities in Sweden" is regulated.

Advice for Section 3 b. Children's School fees

Compulsory schooling is defined as primary, secondary and upper secondary school (or the equivalent in the country in question). The employee may receive compensation for finance school fees for accompanying children or for their schooling at a boarding school and for the child's school meals. The contract must state the names of the children to be included in this benefit.

The employee is liable to inform the employer if his/her home municipality is contributing school grants or similar. (Compare Paragraph 15 of URA).

Additional information

In Chapter 11, Paragraph 21 of the inkomstskattelagen ("Income Tax Act"), exemption from taxation for compensation or benefit concerning "fees for children's schooling in primary, secondary and upper secondary school or similar and fees for the child's school meals" is regulated.

Advice for Section 4 Travel costs

The employer may, according to URA, reimburse travel costs for:

- a) Travel to and from country in question
- b) Holiday trip home
- c) Visits for family members
- d) Travel in connection with illness and death
- e) Additional travel

Additional information on a)

In Chapter 11, Paragraph 27 of the inkomstskattelagen ("Income Tax Act"), compensation for removals costs is regulated including exemption from taxation for "transport of the employee and his/her family from their previous to their new town of residence".

Additional information on b) – e)

In Chapter 11, Paragraph 21 of the inkomstskattelagen ("Income Tax Act"), exemption from taxation for compensation or benefit concerning "own and family members' travel to and from the duty station, however for a maximum of four trips per person and calendar year" is regulated.

Advice for Section 5 Health and medical care costs

Additional information

In Chapter 11, Paragraph 18 of the inkomstskattelagen ("Income Tax Act"), exemption from taxation for "benefits covering health and medical care" if the benefit concerns "care abroad" and "medicines utilised during care abroad" is regulated.

Advice for Section 6 Other additional expense

Compensation for additional expenses consists of the additional expense allowance and, where appropriate, accompanying spouse allowance.

Additional expense allowance

The employer may, as a standard payment for other additional expenses, pay additional expense allowance. Additional expense allowance is a standardised reimbursement of expenses for the type of additional day-to-day costs at the duty station that the employee may incur due to his/her service abroad. The additional expense allowance is calculated based on the conditions at the location in which the employee is stationed, per person (different for children and adults) as a standard payment which means the employer can avoid direct reimbursement of recurring and small-scale additional costs. The employee will not be reimbursed for additional costs in addition to the additional expense allowance unless these are the result of other regu-

lations in URA or in the overseas contract. The additional expense allowance consists of the various components listed below.

The additional expense allowance may be paid in total or in part i.e. including one or more items depending on the employee's additional cost situation. When the contract is initially established, partial or total payment of additional expense allowance must be stated. If the employee's additional cost situation changes substantially during the contract period, the employer and the employee may agree on alterations to the additional expense allowance. Such agreements must be made in writing. (Compare Paragraph 14 of URA).

If the additional expense allowance is paid to an amount in excess of the highest amount stated by the Swedish Tax Agency, the excess must be regarded as salary from taxation and employers' contribution point of view.

Additional information

In Chapter 11, Paragraph 21 of the Inkomstskattelagen ("Income Tax Act"), exemption from taxation for compensation or benefit concerning "additional expense allowance to an amount which does not exceed an amount equal to the normal living costs increase for the employee and accompanying family members in relation to food, transportation and other costs at the duty station" is regulated.

The maximum monthly amount for additional expense allowance established by the Swedish Tax Board consists of the following components.

1. Food.
2. Transport.
3. Other additional expenses.

The components listed above are not intended to cover the individual employee's additional costs each by themselves. These components form a method of calculating an additional expense allowance while taking into consideration the various types of additional costs that are relevant in the different duty stations. The costs are calculated for the employee, the accompanying adult and accompanying children under 19 years of age. The 'transport' component differs depending on whether or not the compensation takes into account additional expenses for a personal car.

The Swedish Tax Agency normally determines the amounts for the additional expense allowance on an annual basis, with consideration for changes in expenditure.

Information on the current maximum amount (SEK/month) for additional expense allowance can be found on the Swedish Agency for Government Employers' website www.arbetsgivarverket.se/utlandstjanstgoring.

Accompanying spouse allowance

For employees with accompanying spouse/co-habitant who, due to the stationing abroad, no longer has the opportunity to earn a salary, a special amount per month can be paid to the employee (*accompanying spouse allowance*).

Additional information

In Chapter 11, Paragraph 21 of the Inkomstskattelagen ("Income Tax Act"), exemption from taxation for compensation or benefit concerning "accompanying spouse allowance for spouse or cohabitant who no longer has the opportunity to earn a salary, to an amount which does not exceed an amount of one twelfth of three and a half base sum per month" is regulated.

Accompanying spouse allowance is motivated by the employee's increased duty to provide financial support for the family if the spouse/co-habitant no longer has the opportunity to earn a salary. Accompanying spouse allowance is the same for all duty stations and is not calculated based on the cost situation in the duty station. Accompanying spouse allowance provides for the possibility to maintain or compensate for pension contributions for the spouse, in spite of the loss of income, through personal payment or private insurance.

If accompanying spouse allowance is to be paid by the employer, the employee must be able to provide proof that the spouse/co-habitant is accompanying the employee to the duty station and the level of salary that the spouse/co-habitant loses due to his/her residence abroad. In cases where the accompanying spouse/co-habitant only partially or only for a certain part of the residence abroad loses salary or if the accompanying spouse earns a salary at the duty station, then the employer must assess if and to which degree accompanying spouse allowance is to be paid out.

Information concerning current levels of the accompanying spouse allowance is provided on the homepage of the Swedish Agency for Government Employers at www.arbetsgivarverket.se/utlandstjanstgoring.

Employer Key to URA

The Swedish Agency for Government Employers states the following regulations which are connected to Paragraph 2 of URA.

The Swedish Agency for Government Employers state that these regulations apply when the Government of Sweden has not stated otherwise.

The employer is defined as the government agency concerned.

The government agency concerned is defined as the agency which employs the employee.

If the employee is operational within the Trade Commissioners' organisation, the employer is defined as the Swedish Trade Council.

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