

Benefit tax healthcare insurance

Healthcare insurances paid by the employer will be subject to benefit taxation as of July 1, 2018

The regulations means that from July 1, 2018 the employee is receiving a benefit when the employer pays the premiums for the healthcare insurance. Only those parts of the healthcare insurance policy that relates to healthcare should be taxes. The parts relating to preventive treatment and rehabilitation in the insurance is still tax-free.

Premiums paid by the employer before July 1, 2018 will not be subjected to benefit tax.

How much of the premium will be taxed?

70 percent of the premium for our insurances is subject to benefit tax.

What does the new law mean for the employee?

There will be no change in the product, the content and the premium is the same as before. The tax for the employee depends on the premium, salary and tax level. See two counting examples below:

At a premium of 550 SEK per month, 70 percent, i.e. 385 SEK will be subjected to benefit tax. If the insured has a tax rate of 35 percent, the preferential tax will be 135 SEK per month.

At a premium of 800 SEK per month, 70 percent, i.e. 560 SEK will be subjected to benefit tax. If the insured has a tax rate of 35 percent, the preferential tax will be 196 SEK per month.

For co-insured, there will be no difference because of the new tax regulations.

What does the new law mean for the company?

The company will pay employer's contribution on the part of the premium that is subject to benefit tax. At the same time, the whole premium and the employer's contribution will be deductible. Ultimately, the net effect for companies that pay corporate tax will have a marginally lower cost for the insurance.

What does DKV recommend?

The need for healthcare is still unchanged and it is still beneficial to get this insurance from the employer. Therefore, we recommend that our customers continue with the healthcare insurance. Despite an increased income tax, an insurance paid by the employer is still a good benefit.

What does DKV offer to the customers who find the tax effect to be too big?

For companies with group insurance and fewer than 100 insured we offer fixed premium cuts when choosing excess or referral requirement.

- Excess 500 SEK – the premium is reduced by 20 %
- Excess 1000 SEK – the premium is reduced by 35 %
- Referral requirement – the premium is reduced by 50 %

Companies with more than 100 insured needs to contact DKV Hälsa for price information.

- Excess and referral requirement cannot be combined.
- Qualifying period cannot be added to existing groups.

Possible to cancel individuals from the insurance?

Insured who does not want to remain in the group will be granted withdrawal from the group insurance. Those who opt out of the insurance cannot be added to the group through “full earning capacity” and will have to apply for insurance with a health declaration. The company needs to cancel the insurance for the employee; the insured cannot do it by himself.

If the insurance is cancelled, DKV Hälsa’s liability will expire and any treatment will be terminated.

Paying the premium before July 1?

The premium can be paid monthly, quarterly, every half year or yearly. It is up to the employer to choose how often the premium is to be paid. If the employer wishes to change payment intervals please inform DKV as soon as possible by e-mail, admin@dkvhalsa.se.

Contact the Swedish Tax Agency on telephone 0771-567 567 if you have any questions about taxes and employer fees. For more information about Riksdagens decision, see www.riksdagen.se.

For questions about the health insurance – contact DKV Hälsas customer service on telephone 08-619 62 00. Alternatively, you can also contact your advisor.