

Press Release

Stockholm, 30 August 2001

Alecta simplifies and speeds up payments

Alecta is now introducing a direct payment plan for remaining client company funds. This solution is subject to the condition that the company has negotiated and reached agreement with the trade union about use of the funds. Companies choosing this alternative will have the remaining amount paid out in cash over a maximum period of one year.

Alecta has decided to introduce new rules for payment of outstanding client company funds. The remaining client company funds will be paid directly, provided the company has negotiated and reached agreement with a PTK affiliated trade union on use of the funds.

Companies and their salaried employees will now be able to freely dispose of client company funds which were previously earmarked for pension purposes.

Companies which choose this solution will be paid their remaining funds in cash within a period of one year. If the remaining amount is less than SEK 1.2 million, up to SEK 100,000 will be paid per month. If the remaining amount exceeds SEK 1.2 million, one-twelfth of the total amount will be paid out each month over a period of one year.

Companies can apply for direct payment from 1 January 2002. The first payments may be made in March 2002.

“Direct payment is entirely in line with our focus on simpler solutions for our client companies. At the same time, moving the decision about how the funds should be used down to company level will give the employees greater influence,” says Alecta’s president Lars Otterbeck.

If there is no local union organisation, the company must negotiate with the PTK-affiliated employee organisation with which the company has a collective agreement on ITP.

Facts about client company funds

In 1994-1998 a substantial surplus arose at Alecta (then SPP) due to higher asset values, low inflation and good investment management. In December 1998, SEK 12 billion was allocated as surplus funds to PTK and the Confederation of Swedish Enterprise for pension improvements for insured individuals and pensioners, and SEK 75 billion was allocated to companies for pension purposes. The latter are known as client company funds and were allocated by company in autumn 1999. At 30 June 2001, remaining client company funds amounted to nearly SEK 37 billion.

For further information, please contact

Lars Otterbeck, President & CEO, +46 8 441 66 60

Cecilia Schön Jansson, Senior Vice President, Corporate Communications, +46 8 441 93 50,

Björn Nilsson, Senior Vice President, Collective Reserve, +46 8 441 61 10

Alecta develops, offers and manages collectively agreed pension plans. The company’s core business is the ITP occupational pension, which is based on an agreement between the Confederation of Swedish Enterprise and the Federation of Salaried Employees in Industry and Services (PTK). Alecta is the largest manager of pension assets in the Nordic region with SEK 340 billion in assets under management. In recent years, Alecta has developed extensive competence in the field of health and rehabilitation. Alecta has 700 employees who provide service to 27,000 companies and administer 1.4 million insurance contracts. Annual premium income amounts to more than SEK 15 billion.