

GMS Flash Alert

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Sweden – Expert Tax Relief Is Extended

The Swedish Parliament has approved the proposal to extend the duration of expert tax relief from a period of five years to seven years.¹

The new rules apply from 1 January 2024.

Non-Swedish employees can be eligible for tax relief if they are considered to be an "expert," a "researcher," or "other key person" within the meaning of the law. Furthermore, an employee with a monthly remuneration above a certain level is also eligible for the tax relief irrespective of qualifications (for employments starting in 2024, the monthly gross income must be SEK 114,601 or higher).

WHY THIS MATTERS

The tax relief, if granted, means that only 75 percent of the employee's gross income is taxable in Sweden and the employer only pays social security contributions on the corresponding amount. Furthermore, some benefits can be provided fully exempt of tax and employer social security contributions (for example school fees for compulsory school paid by the employer).

This extension to seven years adds additional flexibility for employers and their employees in terms of bringing employees to Sweden under tax-favourable terms (if eligible) for an extended period of time.

Global-mobility advisers and assignment programme managers may wish to communicate quickly and clearly with employees and other key stakeholders in the business, so that they can properly plan, budget, and make any necessary adjustments and, where possible, ask that the expert tax ruling be extended from five to seven years.

More Details

Individuals who arrived in Sweden after 31 March 2023, and were granted the tax relief under the old rules can apply to extend the tax relief from five to seven years provided that **an application for extension is filed no later than 31 March 2024**.

KPMG INSIGHTS

The motive underlying the rule change is to further help Swedish employers to recruit foreign experts to Sweden. In addition to the improvement to the existing rules, Sweden's government has also initiated a broader review of the rules with the purpose of making them even more appealing to employees and employers. The review is expected to be finalised in January 2025.

Employers should review which employees have been granted the tax relief in the last year, and when they arrived in Sweden, to assess if it is possible to file for an extension of the existing tax relief.

Where applicable, and going forward, international assignment programme managers may wish to inform their assignees who are already in Sweden and who currently benefit from the expert tax relief of the change in the rules – and act with minimum delay to file an application for extension, in cases where extensions are desired. For those about to be assigned to Sweden, pre-departure and/or on-arrival counselling sessions with mobile employees should include discussion of the expert tax relief rules.

FOOTNOTE:

1 For more information on the *Forskarskattenämnden* (Tax Agency) website: In English, click [here](#).

-- For information for individuals arriving in Sweden after 31 March 2023:

In English, click [here](#) .

In Swedish, click [here](#) .

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Contact us

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