



Country Tax Guide: Sweden

About this Guide:

This guide is based on information provided by international tax experts at IBFD to provide employers with a general overview of the tax treatment of key benefits in kind granted to resident employees. It is intended to offer practical insights to help multinational employers better understand potential tax implications when structuring benefit programs in-country. The guide does not include different tax concessions granted to non-residents and/or expatriates, tax reliefs employees may claim in their own tax returns, option arrangements and low interest bearing loans. While the content reflects extensive research and the expertise of IBFD, it is provided for informational purposes only and does not constitute formal tax advice. Employers are strongly encouraged to consult qualified tax advisors for guidance tailored to their specific business operations, workforce profile, and benefits design in the relevant jurisdiction.

Source of Information

The treatment of benefits in kind is regulated under chapter 11, section 1 and chapter 61, section 2 of the Income Tax Act (*Inkomstskattelagen* (1999:1229), IL). Furthermore, the tax authorities issue annually updated information regarding the tax treatment of different benefit types. The information for 2025 is available at <https://www4.skatteverket.se/rattsligvagledning/321417.html> (in Swedish only).

The tax authorities issue also guidance on the evaluation of certain benefits but mainly for calculating the social security contributions due on such benefits. The information for 2025 is available at <https://www4.skatteverket.se/rattsligvagledning/1323.html> (in Swedish only).

Main principles

Benefits in kind, i.e. any remuneration in kind received by an employee from his employer for services rendered, are taxable as employment income at their fair market value, unless otherwise stated in the law.

Benefit types

Meals

- The meal benefit (*kostförmån*, in Swedish) can be given as a free meal or as a subsidized meal. The benefit of free meals is tax exempt, provided that (i) the meal is provided by someone who has no connection with the employer; and (ii) the meal is provided without a right for compensation/reimbursement. Examples given by the tax authorities include lunches teachers take together with the pupils of the school (regarded as an educational lunch and not free time for the teachers), Christmas lunch provided to the whole personnel and meals during conferences. There are very strict compliance rules and conditions for a meal benefit to be tax-exempt for the employee.



Country Tax Guide: Sweden

- If the benefit is not tax-exempt, the benefit is taxed (at the level of the employee and subject to employer's social security contributions) based on a fixed value (in 2025) per day irrespectively of the costs:
 - Free meals for the whole day: SEK 305;
 - Free lunch or dinner: SEK 122;
 - Free breakfast: SEK 61.
- These limits apply e.g. if the employer organizes a dinner at the restaurant, invites an employee for lunch, provides a canteen with meals. Even if the actual costs of such meals on such occasions exceed the standard amount, the employee is taxed only up to the above mentioned standard amounts.
- If the employee pays part of the meal(s), the tax value of the benefit is the difference between the price the employee has paid and the above-mentioned fixed value.
- The employer may grant the benefit as meal vouchers or other payment methods to be used in restaurants and cafes. Then the amount as stated in the voucher is taxable (at the level of the employee and subject to employer's social security contributions). If the employee buys such vouchers from the employer, the benefit is the difference between the price the employee has paid and the value as stated on the voucher.
- Example:
 - An employee receives SEK 2,100 per month from his employer (e.g. loaded on a special payment card). SEK 1,400 of this is a direct subsidy from the employer and the remaining SEK 700 is deducted from the employee's net salary (see Option 2 under Procedure).
 - The employee is taxed for the SEK 1,400 the employer has transferred to the payment card. Assuming the tax rate is 30%, the tax is SEK 420 (30% x SEK 1,400). In total, the employee pays SEK 1,120 (SEK 700 + SEK 420) for the meal benefit of SEK 2,100.

Cars

- Company car is a taxable benefit. The tax value depends on e.g. the type of the vehicle according to separate calculation rules. The tax value of the benefit is increased by 1.2 times if the employer pays also for the fuel.

Commuting

- Commuting expenses are regarded as private living costs, which the employee may deduct under strict conditions in his personal tax return. The employer cannot reimburse cost or provide funds to employees for commuting costs without it becoming a taxable benefit for the employee.



Country Tax Guide: Sweden

Childcare

- Considered part of Household Services in Sweden.
- Employers may grant funds to subsidize employees for certain household services (*RUT-arbete*, in Swedish) and certain repairs, refurbishment and construction work relating to the employee's permanent dwelling (*ROT-arbete*, in Swedish). These actually relate to a tax measure granted under individual taxation rules: individuals are entitled to a tax credit in respect of such services under certain conditions (e.g. the service must be performed by a company or by a self-employed individual subject to social security contributions).
- There are two ways to benefit from the regime:
 - Option 1: the individual pays an invoice from the service provider but the invoice already is reduced by the tax credit. The service provider then receives the other part of the payment from the tax authorities after filing an application to the tax authorities and informing the individual about this. In the following yearly tax return, the tax credit for household work, construction work and refurbishment are taken into account and calculated accordingly, depending on the level of income of the individual and other applicable tax credits. This model was originally planned to combat tax avoidance and paying for such services without a receipt. In other words, the employer is not involved at all in the process (i.e. no such benefit is provided to the employee by the employer).
 - Option 2: The employer pays or reimburses the employee for the service. The employer reports this to the tax authorities as a payment of such benefit including all the details of it (reported at the same time as other payroll information is given). The employer must report such reimbursement to the tax authorities in a separate form. The reimbursement is a taxable benefit for the employee but still creates a cash-flow advance to him, as he can obtain the tax benefit during the tax year. The credit depends on the level of income of the individual and other applicable tax credits. Hence, the reimbursed cannot, however, be a lumpsum.
- Services covered by household services (**RUT-arbete**) include e.g. cleaning, washing and ironing as well as childcare, which are performed in, or in relation to, the taxpayer's dwelling. The tax credit is also given for babysitting services which can include minor assistance with children's homework or other schoolwork (maximum 10% of the total time spent with the children) as well as bringing or picking children up from school and from other activities.
- Services covered by construction services (**ROT-arbete**) include e.g. repair, maintenance, refurbishment or construction work. Such services are not common to be given as benefits to employees.
- The different types of services are treated differently when calculating the tax credit. For housework services (i.e. *RUT-arbete*), 50% of the amount paid is deductible. For construction work and refurbishment (i.e. *ROT-arbete*), 30% (increased temporarily to 50% for services rendered from 12 May to 31 December 2025) of the amount paid for the work (excluding materials) is deductible.
- In general, a taxpayer may claim a maximum of SEK 75,000 in total for both categories (i.e. construction work and housework services), of which SEK 50,000 must be related to construction work and 75,000 is the maximum that can be related to housework services.



Country Tax Guide: Sweden

Well-Being

- There is a so-called wellness benefit (*friskvårdsbidrag*, in Swedish) which an employer may grant to employees to be used for exercising and/or wellness activities. The amount can be used only for paying for such services (e.g. entrance fee to a gym or swimming hall) but not to e.g. rent or buy equipment for exercising. The benefit cannot be used to purchase a gift voucher for such activities. Furthermore, in order for the benefit to be tax-exempt, the amount given and its conditions must be the same for every employee. The maximum amount per year per employee is SEK 5,000 (including VAT). If the benefit granted exceeds the maximum, the full amount of the benefit is taxable. The benefit can be given as a reimbursement of expenses incurred by the employee himself by representing a receipt. This can be done multiple times per year as long as the maximum of SEK 5,000 is not exceeded. The benefit can also be used for apps or webservices providing training.
- If the benefit does not include physical exercise (e.g. is for massage), the activity covered by the benefit can be maximum of SEK 1,000 per each time in order it to remain tax-exempt.
- The tax authorities do not publish a list of activities qualifying for the wellness benefit.

Tuition Assistance:

Training needed to maintain and develop skills needed for the employment are tax exempt. If the course or training does not relate to the work, the benefit is fully taxable at the level of the employee and is subject to employer's social security contributions.

However, instances whereby the employer pays for the employee's classes required to obtain a regular driver's licence (group B) are fully taxable as benefits in kind even if a driver's licence is required for conducting the work. Only specific additional driver's licences (e.g. group C and D) are tax exempt if the work requires such a qualification. (e.g. a truck licence).

Tuition provided to employee's minor children may qualify for reimbursement via the household services credit (RUT-arbete, see under childcare) provided it is minor assistance with children's homework or other schoolwork (maximum 10% of the total time spent with the children as a babysitter).

Other Benefits, If Any

- The following are examples of benefits that are not taxable at the level of the employee:
 - Premiums paid by the employer for life insurance, within the limits set by the state for state employees;
 - Benefit of medical care and free medicine in the case of illness abroad during a business trip and benefits of company health care, preventive treatment or rehabilitation, vaccination, and certain dental care;
 - Presents at Christmas (max SEK 550 including VAT per employee), 35th, 50th, 75th or 100th etc. anniversary of the employer (max SEK 1,650 including VAT per employee) and work anniversary of the

Country Tax Guide: Sweden



employee, retirement/end of employment or significant birthday of the employee (max SEK 15,000 including VAT per employee). If the present exceeds the maximum value, the whole amount of the gift is taxable. The present cannot be given as money (although a notional account specifying how the funds can be spent qualifies); and

- Amenities of minor value for all employees, such as coffee and fruit, training facilities.
- **Accommodation/free housing:** Taxable benefit. The value of the benefits is determined based on, inter alia, the location and the size of the apartment. Special calculation rules apply.
- **Holiday house, boat:** taxable benefit for the time the employee uses the holiday house/boat or has access to it.
- **Bicycle** benefit (both electronic bikes and normal pedal bikes): taxable only if the expenses exceed SEK 3,000 per year. In order to qualify for this tax treatment, the employer needs to provide the bicycle for a limited period e.g. by lending or renting it to the employee. The costs need to be paid directly by the employer. If the employer sells a bicycle to an employee at a lower price, the tax exemption does not apply. Furthermore, the benefit must be offered to all permanent employees at the workplace. If not all permanent employees at the workplace receive the same offer, the entire bicycle benefit is taxed. The benefit includes equipment that is a fixed part of the bicycle, such as a lamp, lock and also studded tires. However, the tax exemption does not cover equipment such as a helmet, shoes, bicycle bags or a trailer. The tax authorities' guidance provides a rather complicated calculation of the benefit taking into consideration of the depreciation of the bicycle.
- **Garage/parking:** free garage place or parking spot is tax-exempt if (i) the parking relates to a company car; and (ii) the employee does not live in the same city as the working place is. If the employee lives in the same city as where he works, the benefit of free parking is a taxable benefit.
- **Discounts** for purchasing goods produced or sold by the employer, provided, inter alia, that the discounts are granted to all employees and cannot be exchanged into cash, and are at the similar level of what other employers within the same branch of business are granting to their employees.
- From 1 July 2023 until 1 July 2026, the **charging** of certain vehicles (i.e. passenger cars, light trucks, motorcycles, mopeds or bicycles) at a charging point or an electrical outlet provided by the employer in connection with the workplace is a non-taxable benefit.
- **Mobile phone:** tax-exempt benefit provided that (i) the contract with the mobile service operator is with a fixed fee; (ii) the private use of the phone cannot be distinguished from the work-related use; and (iii) the use of a mobile phone is of "essential importance" for the employee's work duties. If those conditions are not fulfilled on a cumulative basis, the benefit is taxable.

Country Tax Guide: Sweden



Procedures

Benefits which are (partly) taxable for the employee need to be included in the salary statement and are subject to PAYE withholding obligations.

According to the tax authorities, benefits which are given as vouchers or using other corresponding payment forms are not regarded as benefits in-kind to be used outside the working place and cannot be regarded as tax exempt benefits. This refers to minor benefits usually given at the workplace, such as coffee, non-alcoholic beverages, a bouquet of flowers e.g. for an ill employee. If such benefits are given as a voucher and the employee has the freedom to decide how he uses the voucher, such benefit becomes fully taxable.

An exemption to this is the wellness benefit (for details, see Well-being).



The information contained in this country tax guide has been provided by the international tax experts at IBFD based on available data as of May 2025.

About IBFD: Founded in 1938 as the International Bureau of Fiscal Documentation, IBFD has developed into one of the most respected organizations studying and documenting international taxation systems and investment legislation. Today, the IBFD's activities include (but are not limited to) research and provision of tax information, databases and publications, consultancy for governments and tax administrators, and training on international tax matters for the public and private sectors. IBFD clients include ministries, international corporations, legal and accountancy practices, banks, educational institutions and others who look to the IBFD as a first-class source of information. As an independent, not-for-profit research foundation, the IBFD offers objective and unbiased information. For more information go to [IBFD.org](https://www.ibfd.org).