

**2<sup>nd</sup> PBSS Colloquium**  
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**Topic B. Longevity and annuitisation, risk sharing in pension design**

**Balancing distribution of surpluses, and the role of bookkeeping and the balance sheet in the Swedish public pay-as-you-go pension scheme**

*Kristoffer Lundberg, Danne Mikula and Ole Settergren*

This paper discusses the role of bookkeeping and the balance sheet in the Swedish public Pay-As-You-Go (PAYG) pension scheme. The paper gives a short presentation of the income statement and the balance sheet of the Swedish PAYG pension scheme, the balancing mechanism, and the proposed legislation for the distribution of system surplus.

A stochastic simulation model for projections of the Swedish pension scheme is presented as a tool to analyse alternative settings for different rules to identify and distribute surpluses. These model runs are then used to discuss the effects from alternative rules in respect to balancing risks and generational fairness.

**Keywords:** Actuarial bookkeeping, financial stability, balance mechanism, balance sheet, Pay-As-You-Go financing