

# MEMORANDUM

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DEPARTMENT: General Secretariat



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## ■ Appointment of member of Executive Board and First Deputy Governor

### 1 Proposed decision

It is proposed that the General Council decide

- to appoint Kerstin af Jochnick as a member of the Executive Board of the Riksbank, and First Deputy Governor, with a term of office of six years starting from 1 January 2012,
- that Kerstin af Jochnick's salary will be SEK 177 000 per month from 1 January 2012 and that the terms and conditions of employment that otherwise cover the employees of the Riksbank shall apply,
- that ordinance (2003:55) on retirement benefits for certain employees with management positions in the government sector shall apply, and
- that during the statutory qualification period of one year, Kerstin af Jochnick shall normally receive full salary, without the obligation to work, during the first six months of the period.

### 1 Considerations

#### 1.1 Special employment terms

Svante Öberg's and Lars Nyberg's terms of office as members of the Executive Board expire on 31 December 2011. The Sveriges Riksbank Act (1980:1385) does not provide any limitations regarding the possibility of re-election. The General Council can on each occasion freely consider whether a member shall be re-elected. However, both Svante Öberg and Lars Nyberg have informed the General Council that they are not available for re-election.

It is therefore necessary to appoint two new members to the Executive Board. The General Council may freely choose a member but according to the preliminary works to the Sveriges Riksbank Act (bill 1997/98:40 p. 41) they should take into account that appropriate expertise is represented on the Executive Board. The recruitment process has led to Kerstin af Jochnick being proposed as one of the new members of the Executive Board of the Riksbank.

Pursuant to Chapter 1, Section 4 of the Sveriges Riksbank Act, a member of the Executive Board shall be appointed for a period of five or six years. The General Council believes that Kerstin af Jochnick's term of office should be six years as Per Jansson will at the same time be appointed for a term of office of five years. This avoids a situation in which the terms of office of several members expire at the same time.

There is also a need to appoint a new First Deputy Governor to succeed First Deputy Governor Svante Öberg, whose term of office expires on 31 December 2011. The First Deputy Governor has the role of the Governor's alternate. In the event of the First Deputy Governor's impediment, another Deputy Governor shall serve as the Governor's alternate. Kerstin af Jochnick will now also be appointed to the position of First Deputy Governor. Her salary will be the same as for the retiring First Deputy Governor, that is SEK 177 000 per month.

Otherwise, the same general terms of employment that cover the employees of the Riksbank will apply. The principles that apply to the employees of the Riksbank regarding, for example, holidays, remuneration of costs and salary during sick leave will also apply to Kerstin af Jochnick. This is also the case for staff benefits regarding, subsidised lunches, medicines, staff loans and so on.

### **1.2 Pension terms**

The General Council of the Riksbank decided on 21 May 1999 and 1 February 2002 respectively on certain guidelines for Executive Board members' pension terms. The basic rule then was that the regulation (RFS 1996:4) issued by the Administrative Board of the Riksdag on the implementation of the ordinance on pensions for senior government officials, etc. (1995:1038) shall apply to members of the Executive Board. This ordinance has now been revoked and replaced by ordinance (2003:55) on retirement benefits for certain employees with management positions in the government sector. According to this ordinance, a manager has under certain conditions the right to an income guarantee from the time that the employment comes to an end until the right to a pension according to the pension agreement for employees of the central government, etc. (PA03) commences. Kerstin af Jochnick is thus entitled to retirement benefits in accordance with regulation (RFS 2003:9) on the implementation of the ordinance (2003:55) on retirement benefits for certain employees with management positions in the government sector. According to this regulation, the ordinance applies unless otherwise decided by the General Council.

### **1.3 Secondary occupations**

Pursuant to Chapter 3, Section 1 of the Sveriges Riksbank Act, a member of the Executive Board shall immediately report to the General Council if the member has certain occupations or assignments in addition to their employment as member of the Executive Board of Sveriges Riksbank, so-called secondary occupations. Following a specification in the paragraph of such employments and assignments a general prohibition is noted against members "holding any other employment or assignment which makes them unsuitable as members of the Executive Board". On 8 February 2008, the General Council decided on certain principles regarding Executive Board members' secondary occupations.

### **1.4 Reporting certain financial conditions**

Pursuant to Chapter 4, Section 4 of the Sveriges Riksbank Act, each member of the Executive Board must notify to the Riksdag in writing any assets and liabilities and other financial interests that could affect confidence in the Riksbank. On 22 Septem-

- ber 2004, the General Council decided on certain investment recommendations for members of the Executive Board.

### **1.5 Qualification period**

Regarding the statutory qualification period of one year, Kerstin af Jochnick shall, like the other members of the Executive Board, normally receive full salary, without the obligation to work, during the first six months of the period. On 28 October 2011, the General Council decided on certain principles regarding payment during the qualification period.