



IGP Country Profile 2022

Norway

Prepared by:
Storebrand Livsforsikring AS



Preface

This Country Profile has been prepared by **Storebrand Livsforsikring AS** for the International Group Program (IGP).

The International Group Program (IGP) is a network of major life insurance companies (Network Partners) operating throughout the world, who work together to meet the group insurance and pension needs of international corporations and their affiliates, branches, and subsidiaries.

Since 1967, the International Group Program has been an industry leader in the field of international benefits management, serving more multinational companies than any other network. IGP is represented in around 70 countries throughout the world and is known for the flexibility and quality of service we provide to our clients.

Working closely with our headquarters' staff in Boston, our regional offices in Brussels and Singapore, IGP Network Partners offer corporate clients the advantages of experienced local insurance management coupled with the resources of a professionally trained staff that specializes in international employee benefits.

IGP is managed by John Hancock Life Insurance Company (U.S.A.), the U.S. operation of Manulife Financial Corporation, a leading financial services group based in Toronto, Canada. Manulife offers its clients a diverse range of financial protection products and wealth management services. Both Manulife Financial and John Hancock are internationally recognized brands that have stood for financial strength and integrity for more than a century.

The information contained in the IGP Country Profiles is considered proprietary and any material extracted from a profile must be attributed to IGP.

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Your Local Link to IGP in Norway: Storebrand Livsforsikring AS

Storebrand Livsforsikring AS The IGP Network Partner in Norway

Storebrand Livsforsikring AS is part of the Storebrand Group. The Storebrand Group is a leading player in the Nordic market for long-term savings and insurance. Storebrand manages more than NOK 1,097 billion and is Norway's largest asset manager.

The company has also established life insurance, asset management and health insurance activities in Sweden. By the end of 2020 there are 1,824 employees (including SPP).

Storebrand's history dates back to 1767 and they celebrated their 250th anniversary in 2017. The company has provided occupational pensions to Norwegian employees since 1917, 50 years before social security was established. The Storebrand Group consists of four business areas: life insurance, P&C, asset management and banking. The group's head office is in Lysaker and it has a nationwide network of offices in Norway. The Swedish life insurance and pension provider, SPP, is a part of the Storebrand Group. Together they are the Nordic region's leading provider of life insurance and pensions. Storebrand Group offers a comprehensive range of products to retail customers, corporate customers, municipalities and the public sector.

Storebrand Investment Management AS manages funds for the Storebrand Group and provides discretionary management for external customers. The company had funds exceeding NOK 1,097 billion (USD 112 billion) under management at the end of 2021, making it one of Norway's largest private sector investment management operations.

For 2022, Storebrand Livsforsikring AS has been rated A Stable (Standard & Poor's.)

In 2018 the World Economic Forum in Davos rated Storebrand as the world's second most sustainable company.

Storebrand Livsforsikring AS has been an IGP Network partner since 1992.

Key Products

Life

- Life
- Accidental Death and Disability
- Permanent and Total Disability Rider
- Dependent Life
- Widow's and Orphans' Benefits

Disability

- Accident and Sickness
- Long-Term Disability (as part of the Pension Plan)
- Waiver of Premium

Pensions

- Insured Pensions

Other

- Group Personal Accident
- Travel Accident
- Workmen's Compensation

Social Security Benefits and Customary Private Employee Benefits

Introduction:

The main general social insurance schemes in Norway are the National Insurance Scheme, the Family Allowance Scheme and the Scheme for Cash Benefit for Families with Small Children:

- Benefits from the National Insurance Scheme are granted according to an act of February 28, 1997.
- Family allowances are granted according to an act of March 8, 2002
- Cash benefit for families with small children is granted according to an act of June 26, 1998.

Personal scope of the National Insurance Scheme

As a general rule, all persons who are either resident or working as employees in Norway or on permanent or movable installations on the Norwegian Continental Shelf, are compulsorily insured under the National Insurance Scheme. The same applies to persons living in Svalbard (Spitsbergen), Jan Mayen, and the Antarctic and Sub-Antarctic dependencies (Bouvet Island, Peter I Island and Queen Maud Land), provided that they are employed by a Norwegian employer or were insured under the National Insurance Act prior to their stay in these areas. Compulsorily insured are also certain categories of Norwegian citizens working abroad.

Citizens from EEA countries working on Norwegian ships, except hotel and restaurant staff on cruise ships registered in the Norwegian International Ship's Register, are compulsorily insured. Foreign (not EEA) citizens not resident in Norway or any other Nordic country, who are employed on ships in foreign trade, registered in the regular Norwegian Ship's Register, are compulsory insured only with regard to entitlement to occupational injury benefits and funeral grants. Persons of the same category, but employed on ships in the Norwegian International Ship's Register, are not compulsorily insured for any contingency.

Excluded from compulsory insurance are foreign citizens who are paid employees of a foreign state or of an international organisation. Under specified conditions the same applies to persons with a short-term employment in the Realm and persons exclusively in receipt of pension from abroad etc.

The compulsory insurance coverage is maintained during a temporary stay abroad. A stay abroad of less than one year is regarded as temporary. If the person concerned takes paid work abroad, however, the insurance coverage terminates.

Persons who according to the above mentioned regulations are not insured, but are either staying in Norway or are staying outside Norway and have been insured in Norway for at least three of the last five calendar years preceding the application, and having close connections with the Norwegian society, may apply for voluntary insurance.

Social Security Benefits and Customary Private Employee Benefits

Social Security Contributions: NIS (National Insurance Scheme)

Employer and employee contributions covering retirement, death, sickness, disability, medical, workers' compensation, maternity, family allowances and unemployment benefits are equal to 14.1% and 8.2% of the employee's pensionable salary respectively.

Employer contributions for prescribed sectors may be reduced based on municipality.

Pensionable salary for employee contribution purposes is based on the employee's annual earnings (including cash benefits in case of sickness, maternity and unemployment and prescribed allowances), subject to a maximum employee contribution of 25% of income over NOK 60,000 per year. Employees do not contribute if pensionable salary is less than NOK 60,000 per year.

Pensionable salary for employer contribution purposes is based on reportable payroll.

Short-Term Sickness: employers finance 100% of any employer paid daily cash benefits.

OTP plans (Mandatory Occupational Pension plans)

Death in Service Benefits and Long-Term Disability Benefits: employers normally finance 100% of the total contribution.

Under a DC plan, employers normally finance 100% of the total contribution.

Under a DC plan and hybrid plan, the minimum employer contribution is equal to 2% of the employee's pensionable salary.

Under a DC plan, employer contributions are subject to a maximum of:

- 0.22G* where the employer contribution is based on a fixed amount, or
- 7% of the employee's pensionable salary for contribution purposes up to 12G*, plus 18.1% of the employee's pensionable salary for contribution purposes between 7.1G* and 12G*.

Under a hybrid plan, employer contributions are subject to a maximum of 7% of the employee's pensionable salary up to 12G* plus 18.1% of the employee's pensionable salary between 7.1G* and 12G*.

Pensionable salary for contribution purposes is normally total annual salary (payments for overtime and other fluctuating emoluments are normally exempted) up to 12G*.

Under a DC plan and hybrid plan, pensionable salary for contribution purposes must be at least equal to the employee's annual earnings between G* and 12G*.

Under a DB plan, employers normally finance 100% of the total contribution; employer contributions are variable.

Where the plan is contributory, the maximum employee contribution is equal to 4% of the employee's pensionable salary and the employee contribution must not exceed the employer contribution.

Workers' Compensation

Employers finance 100% of the workers' compensation insurance plan premium.

*G is equal to NOK 111,477 effective May 1, 2022.

DEATH BENEFITS	
State & Compulsory Benefits	Typical Employer Practice
<p>Benefit Provider Death in service benefits are provided through the National Insurance Scheme (NIS) and mandatory occupational pension (OTP) plans (OTP plans are provided by all employers with few exceptions).</p> <p>Other social welfare benefits may apply that are outside the scope of this report.</p> <p>Type of Plan NIS – The NIS provides benefits on a defined benefit (DB) basis; benefits are funded through a pay-as-you-go system.</p> <p>OTP plans – OTP plans provide benefits on a DB or defined contribution (DC) basis; new plans are generally on a DC basis; effective January 1, 2014, OTP plans may be provided on a hybrid basis with a guaranteed minimum investment return equal to zero.</p> <p>Eligibility NIS – All employees are covered.</p> <p>OTP plan – All employees are covered. Exclusions may apply for those under age 13, over normal retirement age for a DB plan or over age 75 for a DC plan and hybrid plan, or working less than 20% of a full time position.</p> <p>Benefits NIS To qualify for the survivors' pension and children's pension the deceased must have at least three years of qualifying insurance immediately preceding death.</p> <p>Survivors' pension (income tested) – The survivors' pension is payable to a qualifying spouse where under age 67 and not in receipt of the old age pension, and:</p> <ul style="list-style-type: none"> • married to the deceased for at least five years, or • with a child(ren) of the deceased, or • taking care of the deceased's child(ren) at the time of death (the duration of the marriage plus the period of expected care after the death must be at least five years). <p>The survivors' pension is equal to the sum of the basic pension, 55% of the supplementary pension and the pension supplement (see Retirement section for detail) projected to age 67.</p> <p>The survivors' pension ceases in case of marriage.</p> <p>The basic pension and pension supplement are reduced proportionally where the period of qualifying insurance (including projected insurance) is less than 40 years.</p>	<p>Benefit Provider Most multinational and local leading employers provide supplementary death in service benefits; benefits are provided through a group life (GL) plan.</p> <p>Supplementary death in service benefits may also be provided through a mandatory occupational pension (OTP) plan that provides benefits that are in excess of mandated minimum (see State & Compulsory Benefits for detail).</p> <p>Type of Plan The GL plan would be insured.</p> <p>Eligibility All employees are typically covered.</p> <p>Benefits The sum insured is generally one, one and a half or two times salary or 5, 10, 15, 20 or 40 times the basic amount (G). The normal maximum is 60 times G although 80 times G may be provided occasionally for very high earners. Effective May 1, 2022, G is equal to NOK 111,477.</p> <p>Rider benefits may include total permanent disability and accidental death and disablement.</p> <p>Employer Contribution Employers would finance 100% of the GL insurance plan premium including rider benefits.</p> <p>Employee Contribution Not applicable.</p>

DEATH BENEFITS	
State & Compulsory Benefits	Typical Employer Practice
<p>Benefits</p> <p>Children's pension – The children's pension is payable to qualifying children where under age 18 (age 20 for a full orphan in education) and is equal to 0.4 times the basic amount (G) for the first orphan and 0.25G for each subsequent orphan; Effective May 1, 2022, G is equal to NOK 111,477.</p> <p>In case of full orphans, the children's pension is increased to the highest survivors' pension that would have been payable to a surviving spouse for the first orphan, 0.4G for the second orphan and 0.25G for each subsequent orphan. The children's pension is divided equally between each orphan. The children's pension is reduced proportionally where the deceased's period of qualifying insurance (including projected insurance) is less than 40 years.</p> <p>Funeral grant – A means tested funeral grant of up to NOK 26,011 (in 2022) may be payable to cover funeral expenses.</p> <p>OTP plans</p> <p>Under a DC plan or a DB plan (more common), the survivors' pension is typically equal to 50% to 60% of the deceased's projected pension. The survivors' pension is normally payable for the life of the survivor (may be limited to 10 years); survivors' pensions continue to be payable for as long as an orphan's pension is in payment.</p> <p>Under a DC plan or DB plan (more common), the orphan's pension is typically equal to 40% to 60% of the deceased's projected pension for the first orphan and 25% for each additional orphan; the orphan's pension may be payable until age 21 (no age limit if disabled).</p> <p>A survivors' pension and/or orphan's pension are not compulsory provisions.</p> <p>Under a DC plan, any remaining balance (after accounting for any payable survivors' pension or orphan's pension(s)) in the deceased's total accumulated fund is payable as a lump sum.</p>	

DISABILITY BENEFITS	
State & Compulsory Benefits	Typical Employer Practice
<p>Short-Term Sickness Benefit Provider Short-term sickness benefits are provided by the employer for the first 16 days and thereafter through the National Insurance Scheme (NIS). Other social welfare benefits may apply that are outside the scope of this report.</p> <p>Eligibility All employees are covered.</p> <p>Waiting Period There is no waiting period.</p> <p>Payment Period The payment period is up to 260 days within the preceding three years.</p> <p>Benefits To qualify for the daily cash benefit the employee must:</p> <ul style="list-style-type: none"> • have at least four weeks of employment immediately preceding the sickness, and • be under age 67, and • have a reference salary equal to at least 0.5 times the basic amount (G), excluding the first 16 days where benefits are payable by the employer. Effective May 1, 2022, G is equal to NOK 111,477. <p>The first 16 days are payable by the employer where the employee has at least four weeks of qualifying service with the employer (the first 16 days may be payable through the NIS where the employee has at least four weeks of employment immediately preceding the sickness).</p> <p>Daily cash benefits are equal to 100% of the employee's reference salary, subject to a maximum reference salary of 6G. Special provisions apply for those between age 67 and age 70.</p>	<p>Short-Term Sickness Employers do not typically provide supplementary short-term sickness benefits.</p>

DISABILITY BENEFITS	
State & Compulsory Benefits	Typical Employer Practice
<p>Long-Term Disability Benefit Provider</p> <p>Long-term disability benefits are provided through the National Insurance Scheme (NIS) and mandatory occupational pension (OTP) plans (OTP plans are provided by all employers with few exceptions). Other social welfare benefits may apply that are outside the scope of this report.</p> <p>Eligibility NIS - All employees are covered. OTP plan - All employees are covered. Exclusions may apply for those under age 13, over normal retirement age for a DB plan or over age 75 for a DC plan and hybrid plan.</p> <p>Waiting Period NIS and OTP plans - There is no waiting period.</p> <p>Payment Period NIS - Effective January 1, 2015, the disability pension would continue up to age 67 so long as the disability continues. The work assessment allowance is payable for up to four years (may be extended for special cases). Other benefits continue indefinitely so long as the disability continues. OTP plans - The disability pension would continue up to retirement age so long as the disability continues.</p> <p>Benefits NIS The disability pension, the supplement for children and the basic and attendance benefits (if granted in addition to a disability pension that is reduced due to the period of qualifying insurance) are reduced proportionally where the period of qualifying insurance (including projected insurance) is less than 40 years.</p> <ul style="list-style-type: none"> • Disability pension (income tested): To qualify the employee must have at least three years of qualifying insurance immediately prior to the disability, be between age 18 and age 67, and have working capacity assessed as being permanently reduced by at least 50%. <p>The pension is equal to 66% of the employee's reference salary (the average of the best three years within the five years preceding disablement, subject to a maximum of six times the basic amount (G)), reduced for partial disability. Effective May 1, 2022, G is equal to NOK 111,477.</p> <p>The minimum pension is equal to 2.28G per year if part of a couple and 2.48G per year if single (2.66G and 2.91G respectively for those disabled prior to age 26 or age 36 if employed for at least 50% of the period from age 26).</p> <ul style="list-style-type: none"> • Supplement for children (income tested): To qualify the employee must be in receipt of the disability pension and supporting a child under age 18. The annual supplement is equal to 0.4G for each child. 	<p>Long-Term Disability Benefit Provider</p> <p>Most multinational and local leading employers provide supplementary long-term disability benefits; benefits are provided through total permanent disability (TPD) insurance (either as a group life (GL) insurance plan rider or a stand-alone plan). Supplementary long-term disability benefits may also be provided through a mandatory occupational pension (OTP) plan that provides benefits in excess of the mandated minimum (see State & Compulsory Benefits for detail).</p> <p>Eligibility All employees are typically covered.</p> <p>Waiting Period The waiting period may be up to two years.</p> <p>Payment Period Benefits are payable as a lump sum.</p> <p>Benefits The sum insured, payable for at least 50% disability, is generally one, one and a half or two times salary or 5, 10, 15, 20 or 40 times the basic amount (G). The normal maximum is 60 times G although 80 times G may be provided occasionally for very high earners.</p> <p>Effective May 1, 2022, G is equal to NOK 111,477.</p> <p>Employer Contribution Employers would finance 100% of the TPD insurance plan premium or the GL insurance plan premium including rider benefits.</p> <p>Employee Contribution Not applicable.</p>

DISABILITY BENEFITS	
State & Compulsory Benefits	Typical Employer Practice
<p>Long-Term Disability Benefits</p> <ul style="list-style-type: none"> • Basic and attendance benefits - To qualify for the basic benefit the employee must have significant extra expenses due to the disability. The benefit ranges from NOK 8,232 to NOK 41,052 per year in 2022, dependent upon the degree of expenses. <p>To qualify for the attendance benefit the employee must require special attention or nursing; the benefit is equal to NOK 14,748 per year in 2022.</p> <ul style="list-style-type: none"> • Work assessment allowance - To qualify the employee must have at least three years of qualifying insurance immediately prior to claiming the allowance (or have at least one year of insurance immediately prior to claiming the allowance if capable of work during that one year), be between age 18 and age 67, have working capacity assessed as being reduced by at least 50%, and be undergoing prescribed rehabilitation measures. <p>The allowance is equal to 66% of pensionable salary (based on the year preceding the disability or the average of the three years preceding the disability, whichever is higher), subject to a maximum pensionable salary of 6G and a minimum allowance of 2G (2.44G if disabled prior to age 26).</p> <p>Special provisions apply for those between age 62 and age 67.</p> <p>Prescribed supplements may also be payable, such as NOK 27 per day for each dependent child under age 18.</p> <p>OTP plans Under a DB plan, a long-term disability insurance rider often provides a disability pension typically equal to the projected retirement pension.</p> <p>A disability pension is not a compulsory provision.</p> <p>Waiver of premium insurance is compulsory for a degree of disability assessed as at least 20%.</p>	

MEDICAL BENEFITS	
State & Compulsory Benefits	Typical Employer Practice
<p>Benefit Provider Medical benefits are provided through the National Insurance Scheme (NIS).</p> <p>Eligibility All employees are covered; cover extends to all residents.</p> <p>Benefits Medical benefits include accommodation and treatment, including medicines, in hospitals.</p> <p>Copayments may apply for treatment outside of hospitals, such as NOK 160 during the day for treatment by a general practitioner and NOK 375 during the day for a specialist in 2022.</p> <p>The maximum co-payment is equal to NOK 2,921 per year (in 2022) for expenses related to treatment by physicians and psychologists, important drugs and transportation expenses related to examination and treatment.</p> <p>The maximum copayment is equal to NOK 2,921 per year (in 2022) for physical therapy, dental treatment that is subject to reimbursement and accommodation fees at rehabilitation centers and treatment abroad.</p> <p>Co-payment exemptions may apply, such as for prescribed diseases, prescribed pensioners, qualifying children and necessary medical examinations during pregnancy and after confinement.</p>	<p>Benefit Provider Less than 20% of multinational and local leading employers provide supplementary medical benefits (prevalence is increasing); benefits are provided through a group private health insurance (PMI) plan.</p> <p>Eligibility All employees are typically covered.</p> <p>Benefits Medical benefits typically include all inpatient costs and specialist treatment including outpatient care, physiotherapy and chiropractic treatment; some medicines are also included.</p> <p>Cover would normally extend to treatment in foreign hospitals, which are often under contract to the insurer. Transportation costs and the costs of a companion may also be included.</p> <p>Employer Contribution Employers would finance 100% of the group PMI plan premium.</p> <p>Employee Contribution Not applicable.</p>

RETIREMENT BENEFITS	
State & Compulsory Benefits	Typical Employer Practice
<p>Benefit Provider Retirement benefits are provided through the National Insurance Scheme (NIS) and mandatory occupational pension (OTP) plans (OTP plans are provided by all employers with few exceptions).</p> <p>Employers are required to provide supplementary retirement benefits where prescribed under a collective bargaining agreement; see Typical Employer Practice for detail.</p> <p>Other social welfare benefits may apply that are outside the scope of this report, such as the means tested supplementary allowance for permanent residents age 67 or over.</p> <p>Type of Plan NIS – The NIS provides benefits on a defined benefit (DB) basis; benefits are funded through a pay-as-you-go system.</p> <p>OTP plans – OTP plans provide benefits on a DB or DC basis; new plans are generally on a DC basis; effective January 1, 2014, OTP plans may be provided on a hybrid basis with a guaranteed minimum investment return equal to zero.</p> <p>Eligibility NIS – All employees are covered.</p> <p>OTP plans – All employees are covered. Exclusions may apply for those under age 13, over normal retirement age for a DB plan or over age 75 for a DC plan and hybrid plan.</p> <p>Normal Retirement Age NIS – The normal retirement age ranges from 62 years to 75 years for men and women, dependent upon the employees choice; however, in order to retire prior to age 67 the employee's old age pension at age 67 must be at least equal to the minimum pension for those with 40 years of qualifying insurance.</p> <p>OTP plans – The normal retirement age ranges from 62 years to 75 years for men and women; however, in order to retire prior to age 67 the employee's retirement pension must be at least equal to 0.2 times the basic amount (G) if under a DC plan and 0.3G if under a hybrid plan. Effective May 1, 2022, G is equal to NOK 111,477.</p>	<p>Benefit Provider Most private sector employers provide supplementary retirement benefits; benefits are provided through a contractual retirement plan (AFP), which may be mandated under collective bargaining agreements.</p> <p>Supplementary retirement benefits may also be provided through a mandatory occupational pension (OTP) plan that provides benefits that are in excess of the mandated minimum (see State & Compulsory Benefits for detail) or a "top hat" plan for executives and/or high earners (although top hat plans are decreasing in popularity due to unfavorable taxation treatment).</p> <p>Type of Plan An AFP provides benefits on a defined benefit (DB) basis.</p> <p>Eligibility All employees under a collective bargaining agreement that prescribes an AFP would be covered; around 80% of employees age 62 are currently eligible for an AFP.</p> <p>Normal Retirement Age The normal retirement age under an AFP ranges from 62 years to 70 years for men and women, dependent upon the employee's choice; however, in order to retire prior to age 67 the employee must receive the National Insurance Scheme old age pension.</p>

RETIREMENT BENEFITS	
State & Compulsory Benefits	Typical Employer Practice
<p>Benefits NIS</p> <p>The proportion of the OAP calculated under the old provisions and the proportion calculated under the new provisions is dependent upon the employee's year of birth. The OAP is calculated 100% under the new provisions for those born in 1963 or later.</p> <ul style="list-style-type: none"> • Under the <u>old provisions</u>, the old age pension (OAP) is equal to the sum of the: <ul style="list-style-type: none"> - basic pension – to qualify the employee must have at least three years of qualifying insurance; the pension is equal to G or 0.85G where the employee has a qualifying spouse. - supplements (income tested) – to qualify the employee must be age 67 or over, in receipt of a full old age pension, and supporting a qualifying spouse or supporting a child under age 18; the supplements are equal to 25% of NOK 210,730 for a spouse and 20% of NOK 210,730 for each child. - supplementary pension – to qualify the employee must have at least three pension point (PP) years (any year during which income exceeds the average G for that year, subject to a maximum of 40 years); the pension is equal to G times the final PP times an accrual factor (42% times the number of PP years since 1992 plus 45% times the number of PP years prior to 1992), divided by 40; the final PP is the average of the 20 highest PP years (the maximum PP accrued each year is seven or 8.33 prior to 1992, calculated based on annual pensionable salary up to 12G). - pension supplement – to qualify the employee must be in receipt of a full old age pension; the supplement is equal to the difference between the minimum pension level (ranges from NOK 173,025 to NOK 328,009, dependent upon circumstances) and the employee's basic pension plus supplementary pension. <p>The basic pension, supplements and pension supplement are reduced proportionally where the period of qualifying insurance is less than 40 years.</p> • Under the <u>new provisions</u>, the OAP is equal to the sum of the: <ul style="list-style-type: none"> - income-based pension – capital accrues each year at a rate equal to 18.1% of pensionable salary up to 7.1G; the capital is converted into a pension using an annuity divisor. - guaranteed pension – to qualify the employee must have at least five years of qualifying insurance; the pension ranges from NOK 193,862 to NOK 209,571, dependent upon circumstances, and is adjusted by an annuity divisor and reduced proportionally where the period of qualifying insurance is less than 40 years and by 80% of the income-based pension capital. 	<p>Benefits AFP</p> <p>To qualify for an AFP pension the employee must:</p> <ul style="list-style-type: none"> • have an annual income over 1G and an annual income over the average 1G in the previous year • be considered as having at least three consecutive years of qualifying service immediately preceding retirement • be considered as having at least three years of qualifying insurance within the five years preceding age 62 (for those born between 1944 and 1951), increasing gradually to seven years of qualifying insurance within the nine years preceding age 62 (for those born in 1955 or later). <p>An AFP pension is equal to the employee's total adjusted pensionable salary for each pension point year up to age 61 multiplied by 0.314% and adjusted for life expectancy.</p> <p>Where an AFP pension is paid prior to age 67, the AFP pension is adjusted so that the employee receives an increased pension prior to age 67 and a decreased pension from age 67 (the total value of the AFP pension remains unchanged).</p> <p>In addition, a supplement equal to a prescribed reference amount (determined according to year of birth) and adjusted for life expectancy is payable to employees born from 1944 to 1962, subject to a maximum supplement of 50% of an AFP pension.</p> <p>Top hat plan A top hat plan would provide benefits in respect of pensionable salary over 12G.</p> <p>Employer Contribution Employer contributions for an AFP are equal to 2.6% of total pensionable salaries in 2022.</p> <p>Pensionable salary for contribution purposes in respect of the new AFP is the employee's annual earnings between the average basic amount (G) for that year and 7.1 times the average G. Effective May 1, 2022, G is equal to NOK 111,477.</p> <p>In addition, the employer may be required to contribute 25% of each employee's pension payable under an old AFP plus a contribution in respect of an old AFP equal to (in 2022):</p> <ul style="list-style-type: none"> • NOK 11 for an employee working 0 to 19 hours • NOK 13 for an employee working 20 to 29 hours • NOK 20 for an employee working 30 hours or more. <p>Employee Contribution Employees do not contribute to an AFP.</p>

RETIREMENT BENEFITS	
State & Compulsory Benefits	Typical Employer Practice
<p>Benefits</p> <p>OTP plans Under a DC plan and hybrid plan, the retirement benefit is based on the value of the total accumulated fund.</p> <p>Under a DB plan, the full pension typically ranges between 60% and 70% of final pensionable salary (average salary of the three or five years prior to retirement), inclusive of NIS benefits, reduced proportionately where the period of qualifying service is less than 30, 35 or 40 years of service.</p> <p>Under a DB plan, the retirement benefit must be at least equal to the benefit that would have been expected from a DC plan and must not be over (including NIS benefits) 100% of salary less than 6G, plus 70% of salary between 6G and 12G.</p> <p>Vesting NIS – Vesting is not a feature of state benefits.</p> <p>OTP plans – Vesting occurs after 12 months of service.</p>	<p>Vesting Vesting is not a feature of an AFP.</p>

WORKERS' COMPENSATION	
State & Compulsory Benefits	Typical Employer Practice
<p>Benefit Provider Workers' compensation is provided through a workers' compensation insurance plan (employers may voluntarily extend cover to include non-occupational injury and disease or extend benefits to include a degree of disability of under 15%).</p> <p>In case of sickness, disability or death due to an occupational accident or disease, workers' compensation is also payable in the same manner as non-occupational accident or disease (see Death in Service Benefits, Short-Term Sickness, Long-Term Disability and Medical Benefits sections for detail); however:</p> <ul style="list-style-type: none"> • Death in service benefits - The qualification criteria for the deceased and spouse may not be required, the children's pension is payable up to age 21 and benefits may not be reduced for a period of qualifying insurance of less than 40 years. • Short-term sickness - The qualifying insurance and qualifying service criteria do not apply and the payment period is for up to 260 days. • Long-term disability - The qualifying insurance criteria may not be required, the disability pension and work assessment allowance may be payable for an assessed working capacity reduction of at least 30% and benefits may not be reduced for a period of qualifying insurance of less than 40 years. In addition, an occupational injury indemnity of up to 0.75 times the base amount (G; effective May 1, 2022, G is equal to NOK 111,477) may be payable. • Medical benefits - Full coverage is provided. <p>Eligibility All employees are covered.</p> <p>Benefits Workers' compensation is payable in case of occupational injury and disease, as below. Additional compensation may be payable where the employee is not eligible for National Insurance Scheme (NIS) benefits; the NIS is also compensated at a rate equal to 120% of the claim amount, payable one year after the claim is settled.</p> <p>Medical Benefits - Medical benefits include expenses not covered through the National Insurance Scheme up to the date of settlement. In addition, benefits include compensation for average future annual expenses, ranging from 8 times annual expenses to 21 times annual expenses, dependent upon age.</p>	<p>Not Applicable.</p>

WORKERS' COMPENSATION	
State & Compulsory Benefits	Typical Employer Practice
<p>Benefits</p> <p>Temporary Disability and Permanent Disability - Compensation for loss of income up to the date of settlement is provided.</p> <p>Compensation for loss of future income ranges from 22G to 30G, dependent upon annual income, and is:</p> <ul style="list-style-type: none"> • reduced in respect of partial loss of earnings capacity • reduced by 5% for each year the employee is over age 46 (subject to a maximum reduction of 90%) • increased by 3.5% for each year the employee is under age 45 if between age 35 and age 44 • increased by 35% plus 2.5% for each year the employee is under age 35 if age 34 or under. <p>Compensation for permanent disability ranges from 0.75G to 5.5G, dependent upon the assessed degree of disability, and is:</p> <ul style="list-style-type: none"> • reduced by 2% for each year the employee is over age 46 (subject to a maximum reduction of 50%) • increased by 2% for each year the employee is under age 45. <p>Death - Compensation for death is payable to a qualifying spouse and is equal to 15G, reduced by 5% for each year the deceased was over age 46 (subject to a maximum reduction of 80%).</p> <p>Compensation for death is payable to qualifying orphans and ranges from G to 6.5G, dependent upon the orphan's age at the time of death (doubled if the deceased was a single parent).</p> <p>Funeral expenses of up to 0.5G may be payable.</p>	

TERMINATION INDEMNITIES	
State & Compulsory Benefits	Typical Employer Practice
<p>Benefit Provider There are no state and compulsory termination indemnities, as such, in Norway.</p> <p>Employers may be required to provide supplementary termination indemnities where prescribed under a collective bargaining agreement; see Typical Employer Practice for detail.</p> <p>The minimum notice period ranges from one month to six months, dependent upon the employee's number of years of service and age.</p> <p>Eligibility Not applicable.</p> <p>Benefit Payment Not applicable.</p> <p>Benefits Not applicable.</p>	<p>Benefit Provider Employers may provide supplementary termination indemnities; benefits are provided through a severance agreement (SLV) which may be mandated under collective bargaining agreements. SLV cancelled as of 2022.</p> <p>Employer Contributions Not applicable.</p> <p>Eligibility Not applicable.</p> <p>Benefit Payment Not applicable.</p> <p>Benefits Not applicable.</p>

Type of Insurance	Contributions	Benefits
National Insurance	Employer: tax-deductible	Pensions are considered as taxable income. Lump-sum benefits are tax-exempt. Cash sickness benefits are fully taxable.
	Employee: not tax-deductible	
Employer Sponsored Plans: Pension plans • Employer contributions to tax-qualified pension plans	Employer: tax-deductible company expense	Fully taxed
	Employee: not taxable	
Employer Sponsored Plans: Pension plans • Employee contributions to tax-qualified pension plans	Employer: /	Fully taxed
	Employee: tax-deductible	
Employer Sponsored Plans: Life insurance Lump-sum death benefit plans	Employer: treated as salary	Tax free for the beneficiary
	Employee: taxable	

Benchmarking Information (based on Network Partner's portfolio)*

	%
Group Life Coverage	
Death benefit and Lump Sum Disability	18%
AD&D	
Survivor's benefits	
Employer contribution only	
Disability Coverage	
Long term disability	
Short term disability	
Employer contribution only	
Healthcare Coverage	
Hospitalisation	20%
Dental	
Vision	
Critical Illness	
Employee Assistance programme	
Employer contribution only	
Retirement Plans	
DC	31%
DC - Employer contribution only	
DB	43%
DB - Employer contribution only	
Other	
Wellness & Wellbeing Programmes	see Appendix
Flex benefits	

*It is important to emphasize that the percentages on the benchmark includes a package of benefits under the Group Life, Pension (DB and DC) and Health insurance.

Trends

See Appendix.

Sample Employee Benefit Plans

Collective Pension Plan (DC)

Pharmaceutical Industry

Number of Employees:	540
Eligibility:	Day of employment, minimum 20% employment + over age 20
Old age pension:	5% of salary between 0 Base Amount to 12 Base Amount (BA) 18.10 % of salary between 7.1 Base Amount to 12 Base Amount
Disability pension:	3% of Pensionable salary between 1-12 BA 66 % of Pensionable salary between 6-12 BA 25% of BA (fixed amount), Payable until age 67.
Waiver of contribution:	In the event of 100% disability.

Oil Drilling Equipment Industry

Number of Employees:	2,400
Eligibility:	Same as Pharmaceutical Industry.
Old age pension:	5% of salary between 0 Base Amount to 12 Base Amount (BA)* 5% of salary between 7.1 Base Amount to 12 Base Amount
Disability pension:	66% of pensionable salary including National Insurance Payable until age 67 3% of Pensionable salary between 1-12 BA 4% of Pensionable salary up to 6 BA (supplementary coverages for employees with children).
Waiver of contribution:	In the event of 100% disability.

Computer Industry

Number of Employees:	35
Eligibility:	Same as Pharmaceutical Industry.
Old age pension:	5% of salary between 0 Base Amount to 12 Base Amount (BA) 10% of salary between 7.1 Base Amount to 12 Base Amount
Disability pension:	66% of pensionable salary including National Insurance Payable until age 67 3% of Pensionable salary between 1-12 BA 4% of Pensionable salary up to 6 BA (supplementary coverages for employees with children).
Waiver of contribution:	In the event of 100% disability.

*(BA) 1 Base Amount = NOK 111,477 (as of May 1, 2022).

Sample Employee Benefit Plans

Collective Pension Plan (DC)

Retail Industry

Number of Employees:	1,000
Eligibility:	Same as Pharmaceutical Industry
Old age pension:	Minimum requirements (mandatory). 2% of salary between 1 Base Amount to 12 Base Amount (BA)*
Waiver of contribution:	Mandatory

Note: Maximum pensionable salary for all tax-deductible plans is 12 times Base Amount (BA).

Group Life Plans

Pharmaceutical Industry

Number of Employees:	1,500
Eligibility:	All employees.
Benefit:	20G in case of death of employee, additional 40% of pensionable salary for each dependent child.

Oil Drilling Equipment Industry

Number of Employees:	200
Eligibility:	All employees.
Benefit:	30G in case of death of employee, additional 2G for each dependent child.

Computer Industry

Number of Employees:	35
Eligibility:	All employees.
Benefit:	2 times annual salary in case of death of employee and partial disability cover.

*(BA) 1 Base Amount = NOK 111,477 (as of May 1, 2022).

Useful Links

Demographic information:

[CIA World Factbook](#) (please select the country to review)

Macro-Economic indicators:

[CIA World Factbook](#) (please select the country to review)

Social Security Benefits:

www.nav.no/en

Government.no:

www.regjeringen.no/en

Online legal resources:

https://lovdata.no/info/information_in_english

Changes to the mandatory

Occupational Pension Scheme (OTP):

<https://www.skatteetaten.no/en/business-and-organisation/employer/otp---mandatory-occupational-pension-scheme/>

More information on the IGP Network Partner:

[IGP – Your Local Link in Norway](#)

Storebrand:

<http://www.storebrand.no>

(Information available in Norwegian)

<http://www.storebrand.no/en>

(Information available in English)

Workplace Health Promotion, Inclusive Workplace Agreement and Occupational Safety and Health

Good health and employment until retirement age are important contributors to economic growth, welfare and long-term sustainability in society.

Norway has a long history and traditions in creating healthy and safe workplaces.

The Norwegian Work Environment Act was implemented in 1977.

In 2001, the Norwegian Government and the social partners signed the Inclusive Workplace Agreement (IW Agreement).

The IW agreement aims to prevent and reduce absenteeism, strengthen job presence, improve the working environment, and prevent exclusion and dropout from work. The agreement was amended in 2005, 2010 and 2014, and is to be prolonged through 2022.

Systematic and targeted actions to improve health and safety at work are necessary to achieve the goals of the IW Agreement.

Storebrand was the first Norwegian finance institution to sign the IW Agreement.

In 2005 Storebrand Life Insurance established a counselling program for health, safety and IW performance for our corporate clients. This counselling is part of Storebrand's commitment to social responsibility. Our target group includes municipalities and private and public businesses. About 500,000 Norwegian employees have their occupational pension schemes in Storebrand. Various Norwegian businesses also have disability insurance for their employees in Storebrand.

Storebrand Life Insurance seeks to motivate our clients to promote health in the workplace and create a more inclusive work environment. A healthy and extensive work life for managers and employees is our goal. It will benefit society in forms of reduced absenteeism, fewer disabled persons and postponed retirement age. This will be beneficiary to the employees, the employer and the insurance company if this is obtained by as many of our clients as possible.

Workplace Health Promotion is a relatively new way of thinking and seems to have positive effects on job presence.

Rather than focusing on what causes illness, focus is now turned to health promoting factors. This illuminates the main question: Which improvements can the company make, so that the employees can stay healthy? A program called "Long-term health" is built on such a philosophy. The method establishes how managers and employees together can use their creativity and commitment to improve health, quality, efficiency and profitability.

The method focuses on how conditions ideally should be, and then the effort to make the necessary changes. Good results are created through clear goals and values, health promoting leaders and employees, and processes of change with a high degree of participation from the employees.

In Storebrand, our clients are offered consulting, courses and training in health promoting methods, and we have established a team to support our customers concerning these subjects. We work close with selected clients who wish to increase work presence. High motivation within the management and among the employees is crucial in order to succeed. In addition to managers, safety representatives and union officials are important partners. We also offer networking, so that our clients may exchange experiences and inspire each other.

Storebrand rewards companies that have a good health and safety performance. In such companies the risk of illness, injuries and disabilities are reduced, and as a result, the company is charged a reduced premium for disability pension.

Recent documentation from the EU indicates that successful health and safety performance –injury prevention among others– is highly profitable for the enterprises. Profitability is an important prerequisite for long-term sustainability.