NORWEGIAN MINISTRY
OF LABOUR AND SOCIAL AFFAIRS

Survey

The Norwegian Social Insurance Scheme

January 2015

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This survey is intended for information purposes only, giving a general overview of the Norwegian Social Insurance Scheme. It has no value as a legal document. No rights may be derived from the information given herein. All claims for Social Insurance benefits must be founded on applicable legislation.

January 2015

THE NORWEGIAN SOCIAL INSURANCE SCHEME

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 28 February 1997.

Family allowances are granted according to an act of 8 March 2002.

Cash benefit for families with small children is granted according to an act of 26 June 1998.

1. 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 provisions 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.

2. THE NATIONAL INSURANCE SCHEME'S BENEFITS

Persons insured under the National Insurance Scheme are entitled to old-age pension (see under 4), survivors' pension (see under 5), disability benefit (see under 6), basic benefit and attendance benefit in case of disablement (see under 6), technical aids etc. (see under 7), work assessment allowance (see under 8), occupational injury benefits (see under 12), benefits to single parents (see under 13), cash benefits in case of sickness, maternity, adoption (see under 10) and unemployment (see under 11), medical benefits in case of sickness and maternity (see under 9) and funeral grant (see under 14).

Many benefits from the National Insurance Scheme are determined in relation to a basic amount (B.a). This amount is annually adjusted by the King with effect from 1 May, in accordance with the increase in wages. In 2014, the average B.a. was NOK 87 328 and the B.a. per 1 January 2015 is NOK 88 370.

The rates of benefits given below apply per 1 January 2015.

3. FINANCING OF THE NATIONAL INSURANCE SCHEME

The National Insurance Scheme is financed by contributions from employees, self-employed persons and other members, employers' contributions and contributions from the state. Contribution rates and state grants are decided by the Parliament. Figures given here apply for 2015.

The following benefits are financed by contributions from the state only: Lump sum grants in case of maternity and adoption, grants to improve the functional ability of daily life, basic benefit, attendance benefit, guaranteed supplementary pension for persons disabled at birth or early in life, educational benefits, child care benefits, transitional benefits for survivors and single, divorced and separated supporters, benefits for surviving family nurses, means-tested funeral grants and advance payments of maintenance payment for children that exceed the reimbursement from the person liable.

Contributions from employees and self-employed persons are calculated on the basis of pensionable income. Contributions on pensionable income are not paid on income less than NOK 49 650. The contributions shall not exceed 25 per cent of income exceeding this threshold amount.

Cash benefits in the case of sickness, maternity and unemployment are taken into account as pensionable income. The same applies to work assessment allowance and benefits to single parents.

The contribution rate for employees is 8.2 per cent of the pensionable income (gross wage income). The contribution rate for a self-employed person is 11.4 per cent of the pensionable income (income from self-employment). The contribution rate for other kinds of personal income (pensions etc.) is 5.1 per cent.

The employers' contribution is assessed as a percentage of paid out wages. The employers' contributions are differentiated according to where the enterprises are established. There are regional zones based on geographical situation and level of economic development. The employers' contribution rates in these zones vary from 0.0 per cent to 14.1 per cent.

Total expenses of the National Insurance Scheme in 2014 were NOK 384 050 million. This amount represents approximately 35.3 per cent of the combined State and

National Insurance budgets and 12.4 per cent of the Gross Domestic Product. The state grants to the National Insurance Scheme amounted to NOK 100 153 million in 2014, equal to 26.1 per cent of the Scheme's total expenses.

Family allowances and the cash benefit for families with small children are financed over the State Budget.

4. OLD-AGE PENSION

As a consequence of the Pension Reform, the possibility of flexible drawing of old-age pensions for persons aged 62 to 75 has been introduced. In order to draw an old-age pension before attaining the age of 67, the pension must, when the person in question attains the age of 67, at least equal the minimum pension level for persons with an insurance period of 40 years.

The pension may be drawn fully or partially. The drawing alternatives are 20, 40, 50, 60, 80 and 100 per cent. Work and pension may be combined, without deductions being made in the pension. If one continues to work, additional pension entitlement is earned, up to and including the year in which one attains the age of 75, even if one has already started drawing the pension.

Pensions drawn with effect from 2011 and later will be subjected to a life expectancy adjustment. Life expectancy adjustment is a mechanism whereby the pensionable age or the pension level is linked with the development in the population's life expectancy. When the life expectancy of the population increases, one will have to work a little longer in order to be entitled to the same annual pension, because the pension entitlement one has earned will have to be divided on a longer life expectancy. The pension is calculated by dividing one's pension capital by an annuity divisor. The divisor is determined on the basis of the remaining life expectancy at the time pension drawing begins. This mechanism entails that the annual pension amount will be higher, the longer pension drawing is deferred. The provisions on pension drawing is designed to be neutral, meaning that the sum of the old-age pension one receives during one's period as a pensioner, shall be independent of when pension drawing starts.

The pension reform has also had an impact on the indexation provisions. Pensions in payment are indexed to wages, and then subtracted 0.75 per cent. The minimum pension level will be indexed to wages, but adjusted according to the effect of the life expectancy adjustment for pensioners who are 67 year of age. Pension rights in the course of acquisition are indexed to the average wage rate.

As a consequence of the pension reform, new provisions have also been introduced for pension calculation for persons born after 1953. For persons born in the years 1954–1962, the old age-pension will consist of proportional parts calculated according to the new and the old earning provisions. Persons born in 1963 or later will have their entire pension calculated according to the new earning provisions. The old provisions are described in Section 4.1, and the new provisions are described in Section 4.2.

4.1 Old-age Pension – old provisions

Old-age pension consists of a basic pension, a supplementary pension and/or a special supplement, and possible supplements for children and spouse (income-tested). For old-age pensions drawn with effect from 2011 or later, for persons born in 1943 or later, a pension supplement is granted instead of the special supplement. Basic pension, supplementary pension and/or special supplement or pension supplement is divided by the person's annuity divisor at the time of drawing, and then adjusted depending on whether the pension is drawn fully or partially. The pension will be adjusted annually in line with the increase in wages, and then subtracted 0.75 per cent.

4.1.1 Basic Pension and Supplements for Spouse and Children

Persons, who are insured for pension purposes and who have a total insurance period of three years between the age of 16 and the year they become 66, are entitled to a basic pension. The condition of present insurance affiliation does not apply to persons who have been insured for at least 20 years (on the basis of periods of residence etc.) or are entitled to a supplementary pension, cf. Section 4.1.2.

The basic pension is calculated on the basis of the insurance period, and is independent of previous income and contributions paid. A full basic pension requires an insurance period of minimum 40 years. If the insurance period is shorter, the basic pension will be proportionally reduced. For persons who are not insured for pension purposes and who have less than 20 years of insurance (based on residence periods etc.), the basic pension is calculated on the basis of the same number of years as the supplementary pension.

As a starting point, a full basic pension equals 100 per cent of the B.a. (NOK 88 370). However, the full basic pension will be 85 per cent of the B.a. if the pensioner's spouse (or a cohabitant whom he/she previously was married to, has or has had children together with or has been living with for at least 12 of the last 18 months) receives pension or has an annual income exceeding 2 B.a. (NOK 176 740).

The basic pension is divided by the person's annuity divisor at the time of drawing, and then adjusted depending on whether the pension is drawn fully or partially. The pension will be adjusted annually in line with the increase in wages, and then subtracted 0.75 per cent.

A pensioner, who has attained the age of 67, who is in receipt of a full old-age pension and who is supporting a spouse (or a cohabitant whom he/she was previously married to or has children together with) who is not a pensioner, may be entitled to a supplement of up to 25 per cent of the minimum pension level at the high rate.

An old-age pensioner supporting children under the age of 18, may be entitled to a supplement of up to 20 per cent of the minimum pension level at the high rate for each child.

If the pensioner's income exceeds a set ceiling, the supplement for supported spouse/children will be reduced by 50 per cent of the exceeding income.

If the basic pension is reduced because of insufficient insurance periods, the supplements will be reduced proportionally.

4.1.2 Supplementary Pension

The aim of the scheme is to maintain, to a certain degree, the accustomed standard of living upon retirement.

A person is entitled to a supplementary pension if his/her annual income exceeded the average B.a. of any year for three years after 1966. Full credit (pension points) is given for income up to 6 B.a. (NOK 530 220). Furthermore, 1/3 of income between 6 B.a. and 12 B.a. (NOK 1 060 440) is credited as pensionable income. (Before 1992 income up to 8 B.a. was credited at full rate and income between 8 B.a. and 12 B.a. at 1/3.) Income exceeding 12 B.a. is disregarded.

The amount of the supplementary pension depends on the number of pension earning years and the annual pension points. A full supplementary pension requires as a general rule 40 pension-earning years. In the case of less than 40 pension-earning years, the pension is reduced proportionally.

Pension points are computed for each calendar year by dividing the pensionable income up to 6 B.a. (before 1992: 8 B.a.) minus one B.a., with the B.a. Income between 6 B.a. (before 1992: 8 B.a.) and 12 B.a. is divided by 3 B.a.

Example: If the pensionable income was six times the average B.a. in 2014:

$$\frac{(6 \text{ x NOK } 87\,328) - \text{NOK } 87\,328}{\text{NOK } 87\,328} = 5 \text{ pension points}$$

The maximal pension point, which can be credited for any one year, is 7. However, from 1971 to 1991, the maximal pension point was 8.33.

A full annual basic supplementary pension is 42 per cent (supplementary pension percentage) of the amount which appears when the current B.a. is multiplied by the average pension point figure for the person's twenty best income years (final pension point). If the person concerned has earned pension points for less than twenty years, the average of all pension point figures credited is used. For years prior to 1992 the supplementary pension percentage is 45. The supplementary pension is then divided by the pensioner's annuity divisor at the time of drawing, and then adjusted depending on whether the pension is drawn fully or partially. The pension will be adjusted annually in line with the increase in wages, and then subtracted 0.75 per cent.

Persons who are taking care of children under 7 years of age and of disabled, sick and elderly persons at home are credited a pension point figure in the supplementary pension scheme up to 3.00 (for the years 1992–2009), or up to 3.50 (for 2010 and later years). This corresponds to pension entitlements based on an income from work of NOK 353 480 and NOK 397 665, respectively.

Surviving spouse etc. (cf. Section 5.1) will at age 67 transfer to old age pension, and receive his/her personally acquired supplementary pension, or 55 per cent of the aggregated supplementary pension of both the survivor and the deceased, if this is more favourable.

4.1.3 Special Supplement / Pension Supplement

Pensioners who have no, or only a small, supplementary pension, are entitled to a special supplement from the National Insurance Scheme. A full special supplement is payable if the insurance period is at least 40 years. The special supplement is reduced proportionally in the case of a shorter period. A supplementary pension is deducted from the special supplement.

To pensions drawn with effect from 2011 or later, a pension supplement is granted instead of the supplementary pension. The pension supplement equals the difference between the minimum pension level and the pension basis (basic pension and supplementary pension).

The minimum pension level is determined with several rates, depending on marital status and the income of the spouse/cohabitant. A person, who has at least 40 years of insurance, is entitled to an unreduced minimum pension level at the age of 67. The pension supplement is reduced proportionally in the case of a shorter insurance period.

4.2 Old-age Pension – new provisions

According to the new provisions, old-age pension consists of an income-based pension, calculated on the basis of previous income, cf. Section 4.2.1. A guaranteed pension will be granted to persons who have earned no, or only a small, income-based pension, cf. Section 4.2.2.

4.2.1 Income-based Pension

All pensionable income earned between the ages of 13 and 75 counts towards the pension.

For each year of pension earning, a pension capital is accumulated. The annual pension earning equals 18.1 per cent of pensionable income. All income up to a ceiling of 7.1 B.a. (NOK 627 427) is included.

The income-based pension is determined on the basis of the pension capital at the time of drawing. The pension capital is then converted to an annual pension by dividing it by the pensioner's annuity divisor. The annuity divisor reflects the remaining life expectancy at the time of drawing.

4.2.2 Guaranteed Pension

Persons, who are insured for pension purposes and who have a total insurance period of three years between the age of 16 and the year they become 66, are entitled to a guaranteed pension. The condition of present insurance affiliation does not apply to persons who have been insured for at least 20 years (on the basis of periods of residence etc.).

The guaranteed pension is granted at two different rates, depending on marital status and the income of the spouse/cohabitant. The guaranteed pension in determined on the basis of the insurance period, and is independent from both previous income and paid contributions.. The guaranteed pension is reduced proportionally in the case of a shorter insurance period than 40 years.

The guaranteed pension is reduced by 80 per cent of the income-based pension.

5. SURVIVORS' BENEFITS

5.1 Benefits to Surviving Spouse

A surviving spouse (or cohabitant who previously has been married to or has children with the deceased) under 67, who has not started drawing old-age pension and who is not entitled to a disability pension, is entitled to pension benefits if he/she is insured with entitlement to pension benefits and the deceased was insured and able to work for at least three years immediately prior to death. The surviving spouse is also entitled to benefits if the deceased had been drawing a pension for a period of at least three years prior to his/her death. If the deceased had earned a supplementary pension, the surviving spouse is not required to be insured. In these cases, a corresponding basic pension is also granted. Furthermore, the condition that the survivor shall be insured for the granting of a basic pension is waived if either the survivor or the deceased has been a resident in the Realm for at least 20 years.

Survivors' pension is granted to a surviving spouse etc. if the marriage lasted for five years or the survivor has or previously had children with the deceased or is taking care of the children of the deceased and the aggregated duration of the marriage and the period of care after the death is at least five years.

A divorced spouse etc. who has not remarried at the time of the death of the former spouse, is entitled to benefits according to the same rules provided that the death occurs within five years after the divorce, and the marriage has lasted for at least 25 years, or 15 years if there were children in the marriage. The five-year requirement does not apply if the divorced survivor at the time of the death was receiving maintenance payments from the deceased. The benefits terminate if the beneficiary re-marries.

A full survivors' pension consists of a basic pension equal to the B.a., and 55 per cent of the supplementary pension which the deceased received, or would have been entitled to, as totally disabled. If the deceased was 67 years or older, earning up to the time of death is included, but not longer than the 75th year for persons born in or after 1943, or longer than the 69th year for persons born i 1942 or before.

If the deceased, due to the length of the insurance period, would have got or had a reduced basic pension, the survivor's basic pension is reduced proportionally.

In addition, the surviving spouse is entitled to a special supplement of 1 B.a. The special supplement is reduced proportionally in the case of a shorter insurance period than 40 years. The amount of any supplementary pension is deducted from the special supplement.

The survivors' pension is subject to an income test. If the surviving spouse etc. in fact has, or may be expected to get, an annual income exceeding 50 per cent of the B.a., the pension will be equal to the difference between a full pension and 40 per cent of the exceeding income. A surviving spouse etc. under the age of 55 is expected to have an annual earned income of 2 B.a. (NOK 176 740). For a survivor without earned income, the pension will be reduced by NOK 53 022, unless the person concerned have a reasonable cause for not having any income. Survivors who are not employed at the time of death, are allowed a reasonable transitional period.

A transitional benefit may be granted to a surviving spouse etc. who is not entitled to a survivors' pension. The transitional benefit is determined according to the same rules as a survivors' pension.

An education benefit is granted to a surviving spouse who needs education or vocational training to be able to maintain him-/herself.

Child care benefit is granted to a surviving spouse etc. who, due to education or work, must leave the necessary care of the children to someone else. The benefit equals 64 per cent of the expenses for child care, but is limited to NOK 45 345 for the first child, NOK 59 169 for two children and NOK 67 043 for three or more children. If the surviving spouse etc. has income exceeding 6 B.a. (NOK 530 220), he/she receives no child care benefit.

When a surviving spouse etc. must move to find work, grants are made to cover removal expenses.

Education benefit, child care benefit and grants to cover removal expenses may be granted even if the deceased did not fulfil the requirement of three years of insurance immediately prior to the contingency, provided that the survivor is insured with entitlement to pension benefits. These benefits are only paid as long as the survivor continues to be insured in this respect.

5.2 Children's Pension

Children under 18, insured with entitlement to pension benefits, are entitled to a children's pension if one or both parents are deceased. It is a condition that the deceased was insured with entitlement to pension benefits for three years immediately prior to the death. The surviving child is also entitled to benefits if the deceased had been drawing a pension for a period of at least three years immediately prior to his/her death. Children undergoing education receive the pension up to twenty years of age if both parents are deceased.

If one parent is dead, the full annual children's pension for the first child equals 40 per cent of the B.a. (NOK 35 348), and to each subsequent child 25 per cent of the B.a. (NOK 22 093).

If both parents are dead, the first child receives a children's pension equal to the survivors' pension which would have been paid to the parent who was entitled to the highest pension. The full children's pension for the second child equals 40 per cent of the B.a., and 25 per cent of the B.a. for each subsequent child.

When there are two or more children, the pensions are added together and divided equally among the children.

Children's pension assessed as a percentage of the B.a. is granted at reduced rate in accordance with the reduction a possible basic pension to a surviving spouse is subjected to due to uncompleted insurance periods (ref. 5.1).

6. DISABILITY BENEFITS

Disability benefits comprise disability benefit, basic benefit and attendance benefit.

6.1 Disability benefit

An insured person between 18 and 67, whose income capacity is permanently reduced by at least 50 per cent due to illness, injury or defect, is entitled to a disability benefit if he/she has been insured for at least three years up to the contingency. For an insured person who is receiving Work Assessment Allowance when the claim for disability benefit is made, it is sufficient that the income capacity is permanently reduced by 40 per cent.

The benefit is payable as long as the person remains insured. This requirement does not apply if the person has been resident in the Realm for at least 20 years.

The disability benefit is calculated on the basis of the average pensionable income of the best three of the previous five years before the onset of disability. Income exceeding 6 B.a. (NOK 530 220) is not taken into account. The disability benefit rate per year is 66 per cent of the calculation basis. The yearly minimum is 2.28 B.a. (NOK 201 480) for persons living with a spouse/cohabitant and 2.48 B.a. (NOK 219 156) for others.

Future insurance periods up to and including the year in which the person attains the age of 66 are taken into account. Limitations apply if the person has had periods of some length abroad. If the total of previous and future insurance periods is less than 40 years, the disability benefit is proportionally reduced. A person who has been a resident for less than 20 years, is entitled to a disability benefit solely based upon previous income. However, calendar years with pensionable income less than one B.a. is not included in the calculation of the benefit.

Insured persons born disabled or having become disabled before reaching the age of 26, are entitled to a higher yearly minimum benefit. The yearly minimum is 2.66 B.a. (NOK 235 064) for persons living with spouse/cohabitant and 2.97 B.a. (NOK 262 459) for others. However, the requirements of sickness and documentation are stricter than the requirements that apply for the general determination of disability.

In the case of partial disability, the benefit is reduced proportionally.

A supplement of up to 40 per cent of the B.a. is on certain conditions granted for each supported child under the age of 18. The supplement is income-tested.

When the disability benefit is awarded, a limit for additional income is determined. This limit equals the income after the disability benefit was granted (if less than full disability), plus 0.4 B.a. If the person has a pensionable income above this limit, the benefit will be reduced proportionally. However, the degree of disability is not redetermined.

6.2 Basic benefit and attendance benefit

An insured person, who due to a permanent illness, injury of defect has certain necessary extra expenses or needs special attention or nursing, is entitled to basic benefit and attendance benefit.

A basic benefit is granted if the illness, injury or defect involves extra expenses above the lowest basic benefit rate. There are six basic benefit rates, which are adjusted each year by Parliament. Annual rates in 2015 are: NOK 7 836, NOK 11 976, NOK 15 708, NOK 23 136, NOK 31 356 og NOK 39 168.

An attendance benefit is granted if the disabled person needs special attention or nursing. There are four attendance benefit rates, which are adjusted by Parliament. Annual rates in 2015 are: NOK 14 052, NOK 28 104, NOK 56 208 og NOK 84 312.

The three highest rates are only granted to persons under the age of 18.

Parents providing special attention and nursing for a child which have received attendance benefit for at least three years, are entitled to attendance benefit for three months after the attention and nursing has come to an end due to the death of the child.

The basic benefit and the attendance benefit are reduced accordingly if granted in addition to a National Insurance pension that is reduced due to reduced insurance periods. The basic benefit and the attendance benefit are not reduced due to reduced insurance periods in cases where the benefit is granted independently, i.e. not as an addition to a pension.

7. BENEFITS FOR IMPROVING ABILITY TO WORK AND FUNCTION IN EVERYDAY LIFE (TECHNICAL AIDS ETC.)

Insured persons may be entitled to benefits for improving the ability to work and the ability to function in everyday life if residing in Norway and having been insured for at least three years immediately prior to claiming the allowance. An insurance period of one year is sufficient, if the claimant has been physically and mentally capable of carrying out ordinary, paid work during that year.

Benefits for improving the ability to work are granted to insured persons who due to illness, injury or defect have a permanently reduction of their ability to work or if the opportunity to choose occupation or work place considerably reduced. Benefits are granted in connection with measures that are necessary and appropriate in order to obtain or keep suitable work.

An insured person whose ability to function in everyday life is considerably and permanently reduced due to illness, injury or defect, is granted benefits in connection with measures that are necessary in order to improve his or her everyday life-function or in order to able to be nursed in his or her own home.

The benefit may be given as loan of, grant to or lending of technical aids, hearing aid, delineator for tailoring, seeing eye dog, reading and secretarial aid for blind and visually impaired persons, interpreter for hearing impaired persons, interpreter and escort assistance for deaf-blind persons, motor vehicle or other means of transport, orthopaedic aids, breast prosthesis, prosthesis for facial defects, eye prosthesis, wigs etc.

8. WORK ASSESSMENT ALLOWANCE

Insured persons may be entitled to Work Assessment Allowance if residing in Norway and having been insured for at least three years immediately prior to claiming the allowance. An insurance period of one year is sufficient, if the claimant has been physically and mentally capable of carrying out ordinary, paid work during that year.

Work Assessment Allowance is granted to insured persons between the ages of 18 and 67 whose working capacity is reduced by at least 50 per cent due to illness, injury or defect. Work Assessment Allowance shall cover living expenses and is normally granted when the person in question is undergoing active treatment or vocational measures, or when the person in question has tried such measures and is still considered to have a certain possibility of becoming employed, and is being followed up by the Norwegian Labour and Welfare Service.

Work Assessment Allowance is calculated on the basis of the pensionable income of the year before the working capacity was reduced by at least 50 per cent. The Work Assessment Allowance shall, however, be calculated on the basis of the average pensionable income of the last three calendar years prior to the contingency, if this results in a higher basis. The maximal calculation basis is 6 B.a (NOK 530 220). The benefit rate per year is 66 per cent of the calculation basis, and is paid for five days a week. Insured persons who had low, or no, pensionable income before the working capacity was reduced by at least 50 per cent, is guaranteed a minimal annual benefit of 2 B.a. (NOK 176 740). For persons born disabled or having become disabled before attaining the age of 26, the minimum allowance is 2.44 B.a. (NOK 215 623). In addition, a child supplement of NOK 27 is granted for each dependent child under the age of 18. The supplement is paid for five days a week.

Supplementary allowances can be granted to insured persons between the ages of 18 and 67. These allowances shall fully or partially compensate for expenses which they have incurred while undergoing vocational measures.

9. HEALTH CARE BENEFITS

All insured persons are granted free accommodation and treatment, including medicines, in hospitals. This follows from the provisions of the Act on Specialist Health Care and the Act on Mental Health Care. In the case of treatment given outside hospitals, the provisions of the Health and Care Services Act and the National Insurance Act apply.

The patient has to pay a share of the cost of treatment by a general practitioner or a specialist outside hospital, for treatment by a psychologist, for prescriptions of important drugs and for transportation expenses in connection with examination or treatment. The municipality, the regional health authority and/or the National Insurance cover the main part of the expenses. As per 1 January 2015 the cost-sharing amount in connection with treatment by a general practitioner is NOK 141 for each consultation and by a specialist NOK 320, and 38 per cent of the expenses of important medicaments (maximum NOK 520 per prescription). For reiterated prescriptions a new cost-sharing amount shall be paid when a supply equal to three months' consumption has been received.

There are certain exemptions from the cost-sharing provisions for special diseases and groups of people. Children under the age of 12 are completely exempted from cost-sharing for health services. Children under the age of 16 are exempted from cost-sharing for health services covered by cost-sharing ceiling 1, cf. below. Children under the age of 18 are exempted from cost-sharing for psychotherapy and dental treatment. Necessary medical examinations during pregnancy and after confinement are free. Persons who have attained the age of 67 and who are drawing full old-age pensions, are exempted from cost-sharing for important medicinal products, provided that the pension does not exceed the level of the minimum old-age pension. In addition, old-age pensioners, disability pensioners and persons receiving pensions from the collectively bargained AFP scheme, who receive special supplement from the National Insurance Scheme, are exempted from cost-sharing.

There is a cost-sharing ceiling for expenses related to treatment by physicians and psychologists, important drugs and transportation expenses related to examination and treatment (ceiling 1). After the ceiling has been reached, a card is issued giving entitlement to free treatment and benefits as mentioned for the rest of the calendar year. The ceiling is fixed by the Parliament for one year at a time, and for 2015 it is fixed to NOK 2 185.

Ceiling 2 includes physical therapy, some forms of dental treatment that is subject to reimbursement and accommodation fees at rehabilitation centres and treatment abroad. The ceiling is fixed by the Parliament on a yearly basis, and for 2015 it is fixed to NOK 2 670.

10. DAILY CASH BENEFITS IN THE CASE OF SICKNESS AND MATERNITY ETC.

10.1 Daily Cash Benefits in the Case of Sickness

An insured person who has an annual income of at least 0.5 B.a. (NOK 44 185) is entitled to daily cash benefits in the case of sickness if he/she is incapable of working due to sickness. It is, as a general rule, required that the occupational activity has lasted for at least 4 weeks prior to onset of sickness.

Daily cash benefits for employees equal 100 per cent of pensionable income, and are paid from the first day of sickness for a period of 260 days (52 weeks). Daily cash benefits in the case of sickness are paid by the employer for the first 16 calendar days, and thereafter by the National Insurance Scheme. During the period in which daily cash benefits are paid by the employer, no minimum income level is required. Income exceeding 6 B.a. (NOK 530 220) is not taken into account.

Self-employed persons get sickness benefits corresponding to 65 per cent of pensionable income from the 17th day of sickness for a period of 248 days. By voluntarily paying a higher rate of contributions, self-employed persons may receive 65 per cent of pensionable income from the first day of sickness or 100 per cent from the seventeenth day of sickness or the first day of sickness.

Old-age pensioners have no reduction in their pension when maintaining an earned income. Daily cash benefits in the case of sickness is granted to insured persons between 62 and 67 years of age, irrespective of whether they have started to draw their pensions. Insured persons between 67 and 70 years of age are entitled to daily cash benefits in the case of sickness for up to 60 days if the earned income exceeds 2 B.a (NOK 176 740). Daily cash benefits in the case of sickness are not granted to insured persons who have attained the age of 70.

10.2 Daily Cash Benefits in the Case of Absence from Work

Due to Care for a Sick Child etc.

An insured employee who is absent from work due to necessary care for a sick child at home or in a health institution, is entitled to daily cash benefits up to ten days, or fifteen days if there are more than two children, during a calendar year. Single parents are entitled to such benefits up to 20 days, or 30 days if there are more than two children, during a calendar year. Parents may receive such benefits up to and including the year of the child's 12th birthday. If the child is chronically sick or disabled, the benefits may be received up to and including the year of the child's 18th birthday.

An employee with disabled or chronically sick child/children may receive such benefits for ten extra days per disabled/sick child. The number of days is doubled for single parents.

When only one of the parents has custody of the child, the period of entitlement to benefits may, under certain conditions, be divided between them.

An insured employee is entitled to daily cash benefits during necessary care for children under 12 years of age, respectively 18 years of age, if the person having the daily child care is sick, or prevented from taking care of the child because he/she is accompanying another child to treatment or examination. An insured employee is also entitled to daily cash benefits during absence from work when the child due to sickness needs a follow-up doctor's visit etc, even if the child is not sick or in need of care that particular day.

Daily cash benefits in the case of absence from work due to care for a child are calculated as daily cash benefits for the person's own sickness and paid by the employer up to ten days during a calendar year. If the employee is entitled to receive benefits for more than ten days, the employer is obliged to pay, but will get a refund from the National Insurance Scheme.

From 1 July 2015, self-employed persons and freelancers can be awarded daily cash benefits from the National Insurance Scheme to the same extent that employed persons received the benefit from the Scheme (but not from the employer). Daily cash benefits in the case of absence for work due to care for child are paid by the employer for the first ten calendar days, and thereafter by the National Insurance Scheme. If the self-employed person or the freelancer only has care for a disabled or chronically sick child who has attained the age of 12 years, the National Insurance Scheme covers the daily cash benefits fully (from day one). The daily cash benefit is calculated as daily cash benefits for the person's own sickness, but given with 100 per cent of pensionable income up to 6 B.a. (NOK 530 220).

Due to Care for a Hospitalised Child etc. or a Close Relative during the Terminal Phase or during Training Courses

An insured occupationally active parent of a hospitalised child under 12 years of age is entitled to daily cash benefits from the National Insurance Scheme from the eight day of hospitalisation if the child is hospitalised due to a less serious sickness. If the child needs continuous attendance by one of the parents, benefits may be granted also after the discharge from hospital. Benefits are granted to only one of the parents at a time. Benefits are granted for disabled or chronically sick children up to 18 years of age.

An insured occupationally active parent of a hospitalised child under 18 years of age suffering from a serious or potentially fatal disease is entitled to daily cash benefits from the National Insurance Scheme if he/she must stay at the hospital while the child is hospitalised or at home because the child needs continuous attendance by one or both of the parents. No upper age limit applies in the case of mentally handicapped children.

Daily cash benefits may be granted at reduced levels, down to 50 per cent, when a supervision or relief arrangement is established for the child for parts of the day or for some days a week.

A person, who has received daily cash benefits for at least three years, is entitled to daily cash benefits for up to three months after the nursing has come to an end due to the death of the child.

An insured occupationally active person taking care of close relatives or friends at home during the terminal phase is entitled to daily cash benefits from the National Insurance Scheme for a period of up to 60 days for each patient.

An insured occupationally active parent is entitled to cash benefits during approved training courses which he/she attends in order to take better care of a disabled or chronically sick child. There is no age limit on these benefits.

Daily cash benefits due to care for a hospitalised child etc. are calculated in accordance with the same provisions as cash benefits in the case of sickness. However, for self-employed persons/freelancers, the benefits are granted at 100 per cent of pensionable income up to 6 B.a. (NOK 530 220) and without a waiting period.

10.3 Cash benefits in the Case of Maternity and Adoption

Pregnancy benefits
An employee who, according to law, has to refrain from working for a certain period prior to confinement due to hazardous working conditions/environment, is entitled to pregnancy benefits. This applies from the time she stops working and until three weeks prior to birth. Also self-employed persons are entitled to pregnancy benefits.

Parental benefits
Insured parents who have been in paid employment etc. for six out of ten months preceding the beginning of the period of paid leave, are entitled to parental benefits in the case of birth, or adoption of a child below the age of 15.

Parental benefits are not payable in the case of adoption of stepchildren. However, the adoptive parent has the same entitlement as fathers in cases where the adoption takes place during the parental benefit period following the birth of the child. This entitlement applies from the time of adoption and for the remaining part of the benefit period.

The parental benefit period is 49 weeks with 100 per cent compensation or 59 weeks with 80 per cent compensation. In the case of adoption, the benefit period is 46 or 56 weeks respectively. The parental benefits are calculated in the same way as cash benefits in the case of sickness.

Three weeks immediately prior to birth and six weeks immediately after the birth are reserved for the mother. In the case of adoption, this rule does not apply. If both parents are entitled to parental benefits, ten weeks of the benefit period are reserved for the father (the father's quota) and ten weeks are reserved for the mother (the mother's quota, which includes the six weeks immediately after birth). The remaining part of the benefit period of 26 or 36 weeks may be shared between the parents. However, the father can only make use of the common parental benefit period if the mother goes out to work, takes a publicly approved full-time education, combines work and approved education to give a full time total, is unable to take care of the child because of injury or illness, is admitted to a health institution or takes part in either an introduction programme or a qualification programme on full time.

In the case of multiple births or adoptions, the parents are entitled to parental benefits for five more weeks (seven weeks with reduced compensation) for each child more than one.

If the mother receives a disability pension, the father may receive parental benefits for a period equivalent to the father's quota even if the mother does not go out to work or to take a full-time education etc.

Parental benefits may be combined with reduced working hours. A written agreement with the employer concerning the extent and duration of the part-time work is required. The parental benefit is reduced correspondingly, but the benefit period is extended. Both the mother and the father can make use of this possibility. Only the three weeks prior to and the six weeks after the delivery which are reserved for the mother are excluded.

The parental benefit period may be postponed if the parent works full-time. A written agreement with the employer must be presented before the start of the postponement.

The parental benefit must be used within three years of the birth or adoption.

Lump sum maternity and adoption grants
Women who do not qualify for parental benefit, are entitled to receive a lump sum grant of NOK 44 190 in case of birth or adoption. Fathers who adopt alone or who, under certain circumstances, take over the care for the child, may also be entitled to this grant.

Grants for parents adopting children from abroad
Parents who adopt children from abroad receive a lump sum grant of one B.a (NOK 88 370).

11. UNEMPLOYMENT BENEFITS

Unemployment benefit partially compensates for loss of income due to unemployment. Working hours must have been reduced by at least 50 per cent compared to previous working hours.

In order to qualify for unemployment benefit, the member must be a genuine jobseeker, i.e. capable of work and registered as an applicant with the Labour and Welfare service. He or she must also, at short notice and in any part of Norway, be available for any type of part- or full-time work or labour market measure that he or she is physically and mentally capable of doing. The person concerned may be entitled to unemployment benefit even if he or she does not fully meet the availability requirement due to circumstances such as age, health or work of caring nature. If a person is considered to be unemployed by his or her own choice, i.e. if he or she has given notice voluntarily, refused to take a suitable job, refused to participate in labour market measures, a prolonged waiting period may be imposed, or benefits may temporarily be suspended.

Previously earned income is a condition for entitlement to unemployment benefit. The person concerned must have had an income from work of at least 1.5 B.a. (NOK 132 555) the preceding calendar year or an income from work of at least 3 B.a. (NOK 265 110) during the three preceding calendar years. Daily Cash Benefits in the Case of Sickness granted for maternity related illnesses, pregnancy benefits and parental benefits are considered as equal to income from work in this respect.

Unemployment benefit may be paid when the member has been unemployed and has been registered with the Labour and Welfare Service as a genuine jobseeker for at least three of the last fifteen days.

The calculation of unemployment benefit is based on income from work and income from daily cash benefits during unemployment, sickness, maternity and adoption. The calculation basis is the highest of the income of the preceding calendar year or the average over the three preceding calendar years. The maximal benefit basis is 6 B.a. (NOK 530 220). The benefit rate per day is 0.24 per cent of the calculation basis and is paid five days a week. This will normally give an annual compensation of 62.4 per cent of the calculation basis. A supplement of NOK 17 per day is granted for each dependent child under the age of 18.

The benefit period varies depending on earlier income from work. Income from work amounting to at least 2 B.a. (NOK 176 740) gives a benefit period of 104 weeks (2 years). Income amounting to less than 2 B.a. gives a benefit period of 52 weeks (1 year). When the initial benefit period has expired, a subsequent benefit period may immediately be granted provided that the requirements concerning previous income are met again.

12. BENEFITS IN THE CASE OF OCCUPATIONAL INJURY

Employees and certain other groups, e.g. military personnel and pupils/students are obligatorily covered for occupational injury under the National Insurance Scheme. Self-employed persons and freelancers may take out voluntary insurance.

An insured person who is the victim of an occupational injury is entitled to benefits according to special rules generally more favourable than the ordinary rules. This applies to medical benefit etc. as well as pensions. In addition to any other benefits, a compensation for non economic loss (reduced quality of life) may be granted on the basis of the medical nature and degree of the injury. The maximum compensation from the Social Insurance Scheme is 75 per cent of the B.a. (NOK 66 278) a year.

Injury, sickness or death caused by an accident at work is regarded as occupational injury. Certain diseases are regarded as equal with occupational injury. Fatigue injuries and mental suffering caused by continuous strain are generally not regarded as falling within the scope of the legislation concerning occupational injury.

As a main rule the injury or sickness must occur while working at the place of work during working hours.

Employees are also covered by an occupational injury compensation act outside the framework of the National Insurance legislation.

13. BENEFITS TO SINGLE PARENTS

A single parent who has a clear majority of the daily care for the child than the other parent may be entitled to transitional benefit, childcare benefit, education benefit and grants to cover necessary removal expenses in order to gain employment.

A parent is considered to be single if unmarried, divorced or separated and not living together with a person:
- with whom he/she has children,
- to whom he/she has been married, or
- who cannot be excluded from being the other parent.

Benefit is not granted if the single parent has had a cohabitant during 12 of the last 18 months.

As a main rule, it is required that the single parent has been insured for three years immediately prior to claiming benefits. Both the parent and the child must be resident and staying in Norway.

The transitional benefit is benefit intended to cover subsistence expenses. From the youngest child is one year old, there is a requirement of occupational activity, in the form of:
- education or work for at least 50 per cent of full time,
- establishing a business, or
- reporting to the Norwegian Labour and Welfare Administration as a genuine job seeker .

The maximum annual transitional benefit to a single parent is 2.25 B.a. (NOK 198 833). If the single parent has an annual income from work exceeding 0.5 B.a., the transitional benefit is reduced by 45 per cent of the exceeding income.

As a general rule, transitional benefit may be granted until the child attains the age of 8, but not for more than a total of 3 years. However, after a new child birth, a new transitional benefit may be granted until the child is one year old, or until the child is entitled to a place in a day care centre. Furthermore, the benefit period may be prolonged by two extra years if the parent undergoes education in order to gain employment. Also, for single parents with more than two children or for persons who became a single parent before attaining the age of 18, the benefit period may be prolonged by three years.

Childcare benefit, education benefit and grants to cover necessary removal expenses in order to gain employment are granted according to the same rules and mainly on the same conditions as for a surviving spouse, cf. Section 5.1. Childcare benefit may as a main rule be granted up to and including the fourth school year, but can in certain cases be granted for a longer period.

14. FUNERAL GRANT

A means-tested lump-sum of maximum NOK 22 083 may be granted by the National Insurance Scheme in the case of death, to cover expenses in connection with the funeral.

15. ADVANCE PAYMENT OF CHILD MAINTENANCE

Advance payment of child maintenance is granted for children under the age of 18, resident in Norway, if they are not living with both parents. This ensures a minimum child maintenance, when the child maintenance from the debtor is delayed or remains unpaid. It is a requirement that the maintenance payment from the debtor is to be collected through The Maintenance Contribution Collecting Agency.

The advance is income-tested, and is granted as either an increased advance amount, a full advance amount and a reduced advance amount (NOK 1 470, NOK 1 100 and NOK 730, respectively, per month, per child).

The increased advance amount is granted when the recipient's annual income is not in excess of NOK 238 900. The threshold for the full advance amount is NOK 363 200 (singles, one child). The reduced advance amount is granted up to a threshold of NOK 470 400. Persons with income in excess of this amount will not qualify for an advance.

An additional advance amount of NOK 370 per month per child aged 11 or older, is granted when the recipient's annual income is not in excess of NOK 238 900.

The threshold amounts and the advance amount are adjusted with effect from 1 July each year.

16. FAMILY ALLOWANCES

Family allowances are granted for children resident in Norway under the age of 18.

The annual rate is NOK 11 640 for each child, i.e. NOK 970 per month per child.

Single parents are entitled to allowance for one more child than they actually have (extra allowance). Cohabitants who have children together or have been living together for at least 12 of the last 18 months are not entitled to the extra allowance.

Single parents with children under the age of three, who, according to the Family Allowance Act, are entitled to an extra allowance and in addition are entitled to a full transitional benefit according to the National Insurance Act, are entitled to a supplement. This supplement is granted per provider, regardless of how many children under the age of three he/she has. In 2015, the annual supplement is NOK 7 920, i.e. NOK 660 per month.

17. CASH BENEFIT FOR FAMILIES WITH SMALL CHILDREN

Cash benefit is granted for children resident in Norway between the ages of 13 and 23 months. The most important condition for receiving the full rate of the cash benefit is that the child is not in a day care centre that receives a public grant. If the child according to agreement is in the day care centre less than 20 hours weekly, the family can be entitled to a reduced cash benefit.

The cash benefit is calculated according to the following rates:

Agreed time in day care centre per week	Cash benefit in per cent of full rate	NOK per month for children aged 13–23 months
No use of day care centre	100	6 000
Up to 19 hours	50	3 000
20 hours or more	0	0

18. TAXATION OF SOCIAL SECURITY BENEFITS

Benefits from the National Insurance Scheme are taxable income, and is as a main rule taxed according to the same provisions as income from work, except for the lump-sum grants and the benefits in kind. However, special tax provisions ensure that pensioners and recipients of some other benefits are paying less tax than wage earners. These provisions ensure that a number of the minimum benefits of the National Insurance

Scheme are exempted from income tax. On the other hand, the so-called minimum deduction is slightly lower for pensions than for income from work.

For survivors pensioners, as well as for single parents receiving transitional benefits, a tax limitation provision ensures lower or no taxes for pensioners with low income and little wealth. As a result of this provision, income approximately equal to the level of the minimum pension is exempted from tax. Income in excess of this amount, including a wealth addition, is taxed at a rate of 55 per cent, so that the advantage is scaled down until it becomes more beneficial to be taxed according to the ordinary provisions on taxation of pensioners.

Old-age pensioners are entitled to a special tax deduction. This deduction ensures that pensioners with only a minimum pension are not liable to pay tax. The effect of the deduction is gradually reduced for pensioners with higher pensions. The supplement for pensioners supporting a spouse is tax free. Work assessment allowance is taxed as income from work.

From 1 January 2015, when the provisions on the new disability benefit entered into force, the disabiliy benefit is taxed as income from work.

In addition to the special tax provisions, pensioners are liable to pay a lower National Insurance contribution than employees etc., cf. Section 3.

Family allowances and cash benefits for families with small children are not taxable income. The children's Pension is not taxable until the year after the child attains the age of 17 years.

Pensioners who have moved abroad are taxed according to the provisions concerning taxation at source. The tax rate is set to 15 per cent. Some of the bilateral treaties for the avoidance of double taxation and the prevention of fiscal evasion, which Norway has established with other countries, stipulate that pensions may only be taxed in the country of residence. In such cases, the pensioner will not be liable to pay taxes according to the Norwegian provisions concerning taxation at source.

19. SOCIAL SECURITY AGREEMENTS

Norway has ratified bilateral social security agreements with the following countries:

Austria, Australia, Bosnia & Herzegovina, Canada, Chile, Croatia, France, Greece, Hungary (Medical Care), India, Israel, Italy, Luxembourg, Montenegro, the Netherlands, Portugal, Serbia, Slovenia, Switzerland, Turkey, the United Kingdom and the USA. An agreement with Quebec has also been concluded.

Moreover, there is a social security convention between the Nordic countries.

1 January 1994 the EEA Agreement entered into force. It applies for twenty-seven of the EU countries (Austria, Belgium, Bulgaria, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, the United Kingdom, Estonia, Cyprus, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia, the Czech Republic and Hungary), and three of the EFTA countries (Iceland, Liechtenstein and Norway).

These agreements may extend or limit the provisions otherwise in force.

20. THE SUPPLEMENTARY ALLOWANCE SCHEME

The purpose of the supplementary allowance scheme is to guarantee a minimum income for persons who have attained the age of 67 and who do not have sufficient pension or other economic means, due to the fact that they have less than 40 years of residence in Norway.

As a main rule, the National Insurance Scheme covers all residents of Norway, cf. Section 1. However, because 40 years of residence before the age of 67 is required to acquire a full residence based pension, those who have lived in Norway for a shorter period may not qualify for a pension that is adequate to live on. The supplementary allowance scheme is intended to guarantee a minimum income (necessary means of subsistence) for persons who have attained the age of 67 and find themselves without sufficient pension or other financial means because they have less than 40 years of residence. Eligible are persons who have attained the age of 67 and who are permanent residents of Norway.

The maximum amount of the allowance, set at a level corresponding to a defined minimum pension, is as per 1 January 2015 NOK 173 274 per year for single recipients and recipients with spouse or cohabitant under 67 years of age, and NOK 160 285 for each of the spouses/cohabitants when they both have reached the age of 67 years.

The allowance is subject to a strict means test and is reduced if the person or his/her spouse or cohabitant has other income from work or capital assets or Norwegian or foreign pensions. Also the capital asset itself may in principle be taken into account.

The allowance is supplementary in relation to the ordinary pension benefits of the general National Insurance Scheme. This excludes persons who are in receipt of an ordinary, i.e. unreduced conventional benefit.

The allowance is granted without conditions of qualifying periods or completed periods of insurance. Recipients are required to make a reapplication once a year by personal attendance at the local office of the Labour and Welfare Service.

The supplementary allowance scheme is neither a part of the comprehensive National Insurance Scheme, nor of the Social Assistance. It is fully financed over the Central Government Budget and it is managed by the Norwegian Labour and Welfare Administration.

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