



European  
Social  
Charter

Charte  
Sociale  
Européenne



COUNCIL  
OF EUROPE

CONSEIL  
DE L'EUROPE

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## **EUROPEAN SOCIAL CHARTER**

Addendum to the  
10<sup>th</sup> National Report on the implementation  
of the European Social Charter

submitted by

**THE GOVERNMENT OF NORWAY**

(Article 23 for the period  
01/01/2008 – 31/12/2011)

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Report registered by the Secretariat on  
7 June 2013

**CYCLE 2013**



The cost-sharing ceiling for 2013 is NOK 2 040.

Pensioners receiving the minimum pension are exempted from such cost-sharing.

The Act on Social Services in the Labour and Welfare Service (“lov om sosiale tjenester i arbeids- og velferdsforvaltningen”) of 18 December 2009 state that social financial assistance are available for those who do not have sufficient economic means to cover basic needs through work or by filing economic claims. It is a non-contributory scheme based on a subjective right, with discretionary elements. There is no age condition. The claimant is guaranteed entitlement to the benefit if s/he satisfies the conditions laid down by law and municipalities are legally obliged to provide social financial assistance.

Social financial assistance is complementary to all other subsistence allowances and is provided as a last resort assistance (safety net). This means that social financial assistance may be granted in addition to all forms of income and income support: salary from work, benefits from the National Insurance Scheme (unemployment benefits, disability benefits, old-age pension etc.), the Family Allowance Scheme and the Scheme for Cash Benefit for Families with Small Children, Housing allowances provided by the Housing Support Scheme etc.

Social financial assistance is means-tested against all types of income and income support (salary from work, pensions, benefits and allowances). All assets (bank deposits, savings, life insurance etc.) are taken into account. The award of financial assistance may be made contingent upon selling real estate (e.g. holiday cottage) or selling movable assets (e.g. car, boat) that is not necessary for the persons’ subsistence. If housing expenses are disproportionately high and higher than the person may afford on a long-term basis, the condition of reducing housing expenses by changing to a more moderate flat/house can be imposed.

The Labour and Welfare Service (Arbeids- og velferdsforvaltningen) may set conditions for receiving social financial assistance. As a basic guideline, the conditions cannot be an unreasonable burden for the claimant. The terms have to be linked to the claimant’s need for help, and be aimed at making him or her self-reliant.

No fixed amount of the minimum level of the benefit is set by law. The benefit has to be set at a level that secures the claimant "a dignified life" or a "decent minimum". Government guidelines are provided on how to interpret the Act with respect to the term "secure subsistence". They point out the expenses for which support should be given. The Ministry of Labour gives guidelines on reasonable amounts for subsistence allowance (“stønad til livsopphold”). The government guidelines for subsistence allowance include the most ordinary expenses in daily life: food and drink, clothing and shoes, hygienic articles, licence for television, daily newspaper, phone expenses, expenses related to participation in leisure activities and transportation costs. Housing costs, heating/electricity, housing insurance, furniture etc., are not included but are to

be considered on a concrete and individual basis. The benefit amount varies according to family composition and size.

The government guidelines on reasonable amounts for subsistence allowance (“stønad til livsopphold”) are defined for the following categories: Single persons, married couples/couples cohabiting, persons living in common households and children 0-5, 6-10 and 11-17 years of age. Arithmetic relations between the mentioned amounts:

- Single person: 100%
- 2nd adult: + 66%
- Children:
- 11 – 17 years + 64%
- 6 – 10 years + 51%
- 0 – 5 years + 38%

The benefit amount varies due to the means-testing and individual discretion. Government guidelines on reasonable monthly amounts for subsistence allowance (“stønad til livsopphold”) given by the Ministry of Labour, excluding housing allowance, electricity, housing insurance etc. are (2012):

- Single person: NOK 5,373
- Married couple/couple cohabiting: NOK 8,924
- Persons living in common house-holds: NOK 4,462
- Children:
- 0 - 5 years: NOK 2,049
- 6 -10 years: NOK 2,724
- 11-17 years: NOK 3,415

### **State housing allowance**

The state housing allowance aims to secure those who have a combination of high housing costs and low income a reasonable accommodation. The benefit depends on the household’s total economic resources and housing costs and is offered to people living in rented and owner occupied accommodation.

To be eligible for housing allowances the applicant must be 18 years of age or more and inscribed in the Norwegian national register and legally living in Norway. Exceptions are students and people serving the military, who have their own systems for housing support.

The habitation must be approved for all year use, be separate with a separate entrance, offer possibilities for resting and cooking and have separate bath and toilet.

Maximum income per year for eligible households (private accommodation):

Oslo (maximum):

- For households with one person: NOK 215 300
- For households with two persons: NOK 242 000

- For households with three persons: NOK 268 800
- For households with four persons: NOK 297 000
- For households with five persons: NOK 329 900

The rest of the country:

- For households with one person: NOK 191 300
- For households with two persons: NOK 216 700
- For households with three persons: NOK 242 400
- For households with four persons: NOK 269 100
- For households with five persons: NOK 295 600

Between “Oslo” and “the rest of the country” there are 14 larger cities and municipalities surrounding the larger cities with high housing costs, where the limits of maximum income are in the range between Oslo and the rest of the country. For people living in consile housing and for young disabled pensioners the maximum income is slightly higher.

For private housing the housing allowance is calculated as 70 per cent of the difference between the housing expenses and a "own expense". For public, rented housing provided by the municipality this rate is 80 per cent. The own expense is calculated on the basis of taxed income and fortune. 16 per cent of the fortune which exceeds a free amount is added to the income. For renters the free amount is NOK 250 000. For homeowners the free amount is the taxed fortune of the home up to a maximum of NOK 500 000. The income is adjusted by the number of persons living in the household by dividing the income of the household by the sum of weights of the persons living there. The weight of the first person is one and the others have the weight 0,1.

There is a minimum housing expense of NOK 17 700 a year. For calculated incomes less than NOK 90 000 a year the own expense is equal to the minimum expense. For incomes more than NOK 90 000, 17 per cent of the income which exceeds NOK 90 000 is added to the minimum expense. For incomes more than NOK 156 000 an extra progressive part is added. It is calculated out of the total income. The rate starts at 0,003 for incomes more than NOK 156 000, and is growing by an extra 0,003 per every increase of NOK 1 000 in the income, up to the maximum levels given in table. The income/fortune thresholds in 2012 by number of people in the household is given by: NOK 90 000/156 000 \*(the personal weight of the household).

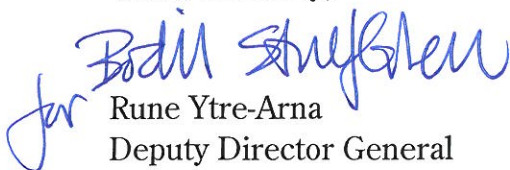
The maximum housing expenses, accepted for the purpose of calculating the housing allowance, are given in the table below. Between “Oslo” and “the rest of the country” there are 14 cities and municipalities where the limits of maximum housing expenses are in the range between Oslo and the rest of the country.


Number of persons in the household	Maximum housing expenses accepted/year (in NOK)	
	Oslo	Rest of the country
One	83 000	61 000
Two	87 500	65 500
Three	92 000	70 000
Four	96 500	74 500
Five or more	101 000	79 000

The most recent taxed income and fortune is normally used for the calculation of the allowance. Social assistance and family allowances are not included. If the income of the household declines substantial, the households can apply for the allowances to be calculated on current income. In this case social assistance and family allowances are included.

Pension income for old-age pensioners is in principle taxed similar to labour income. However, there are some special tax provisions for old age pensioners. First, pension income is taxed with a lower social security contribution rate (4.7 pct.) than wage income (7.8 pct.) Second, old age pensioners are eligible for a tax credit for pension income. The tax credit ensures that pensioners who only receive the minimum old age pension do not pay income tax. The tax credit is scaled down against pension income above the minimum level (but not against other incomes, such as labour income and capital income). The tax credit is determined regardless of the spouse's income and married early-retirement and old-age pensioners will each have their own credit. The tax credit was introduced in 2011 and replaced the so-called "tax limitation rule". The tax credit is NOK 30 300 in 2013, and is scaled down with a 15.3 pct. rate for pension income above NOK 170 750 and with a 6.0 pct. rate for pension income above NOK 259 800.

Yours sincerely,

  
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