

NORWAY

R E P O R T

for the period ending 31 May 2016 in accordance with Article 22 of the Constitution of the International Labour Organisation, from the Government of Norway on the measures taken to give effect to the provisions of the

CONVENTION (NO 128) INVALIDITY, OLD-AGE AND SURVIVORS' BENEFITS, 1967

ratification of which was registered on 1 November 1968.

I

AMENDMENTS IN LEGISLATION AND ADMINISTRATIVE REGULATIONS ETC

Part I General Provisions

Reference is made to previous reports.

Part II Invalidity Benefit

Regarding Work Assessment Allowance, reference is made to the previous report.

By an act of 16 December 2011, in effect from 1 January 2015, the disability pension was replaced by the disability benefit. Disability pension were transferred to the new regulations from 1 January 2015. All disability pensions were recalculated as disability benefits. There are some transitional rules for persons receiving recalculated benefits.

Regarding disability pension prior to 2015, reference is made to previous reports.

New disability benefit from 2015

An insured person between the age of 18 and 67, whose income capacity is permanently reduced by at least 50 per cent due to illness, injury or defect, is entitled to disability benefit if he/she has been insured for at least three years before the contingency. If an

insured person 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 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. 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. for persons living with a spouse/cohabitant, and 2.48 B.a. for others. 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. for persons living with a spouse/cohabitant, and 2.91 B.a. for others.

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. By an act of 15 December 2015, in effect from 1 January 2016, the total amount of disability benefit and children supplement may not exceed 95 per cent of the income prior to the disability.

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

The new disability benefit is taxed as income from work, while the previous disability pension was taxed as pension. The disability benefit rate is increased in order to compensate for the higher tax level. The disability pensions for existing recipients prior to January 2015 were recalculated in such a way that the net effect would be zero for a person whose only income was from disability benefits.

When the benefit is taxed at the same level as income from work, it becomes easier for the recipient to consider her options, because it is easier to compare the benefit with income from work.

Basic Benefit

The basic benefit (granted if the disability involves significant extra expenses) was increased 1 January 2012, 2013, 2014, 2015 and 2016. Annual rates applying for 2016 are:

NOK 8 040, NOK 12 276, NOK 16 104, NOK 23 724, NOK 32 148, and NOK 40 152.

Attendance Benefit

The attendance benefit (granted if the disabled needs special attention, nursing, etc.) was increased 1 January 2012, 2013, 2014, 2015 and 2016. Annual rates applying for 2016 are:

NOK 14 412, NOK 28 824, NOK 57 648 and NOK 86 472.

The Basic Amount

The basic amount (abbreviated B.a.), is fundamental for determining disability benefits. The basic amount is adjusted once a year in accordance with increases of the general real income level, with a view to give the pensioners a fair share in the general economic growth.

During the period under review the basic amount and the special supplement (which is calculated as a percentage of the basic amount) were increased several times, as shown in the table below:

Period	Basic amount	Full special supplement	Special supplement for disabled persons married to another pensioner		Special supplement for pensioners supporting a spouse over 60 years of age	Special supplement for other married pensioner and single	
1 May 2012	82 122	82 122 100%	60 770 74.0%	*82 122 100%	164 244 200%	82 122 100%	NOK of BA
1 May 2013	85 245	85 245 100%	63 081 74.0%	*85 245 100%	170 490 200%	85 245 100%	NOK of BA
1 May 2014	88 370	88 370 100%	65 393 74.0%	*88 370 100%	176 740 200%	88 370 100%	NOK of BA

General remark: Pensions are paid monthly, for 12 months per year. The monthly amounts are rounded off to the nearest NOK. Therefore, the annual amounts may deviate slightly from the amounts found by simply applying the given percentage to the basic amount of the year in question.

* Married pensioners are each entitled to the same special supplement amount as single pensioners if both spouses receive a minimum pension.

For a pensioner married to a pensioner who had a supplementary pension, which was higher than the special supplement, the special supplement was equal to 74.0 per cent of the basic amount (minimum rate). However, the total supplementary pension and special supplement could not represent a lower amount than twice the special supplement according to ordinary (i.e. the higher) rate. The same provisions applied to cohabitants that previously have been married to each other or have children together.

From 1 January 2015, disability pension is paid by two rates pending on whether the disabled person has another adult person to share living costs with:

Period	Basic amount	Minimum amount for disabled persons married /cohabitating with other adult (ordinary rate)	Minimum amount for disabled persons living alone (high rate)	
1 May 2015	90 068	205 355 228%	223 368 248%	NOK of BA
1 May 2016	92 576	211 073 228%	229 588 248%	NOK of BA

When two disabled persons are married/cohabitate, each of them are entitled to receiving disability pension with ordinary rate, provided that they both have full insurance period of 40 years.

Invalidity benefits to beneficiaries who were disabled at birth or at a young age (legislative development):

As regards Work Assessment Allowance and Disability pension prior to 2015, reference is made to previous reports.

The yearly minimum disability benefit (invalidity benefit) for beneficiaries disabled at birth or at a young age is 2.66 B.a. for persons living with a spouse/cohabitant, and 2.91 B.a. for others.

Family allowances

Year	Benefit per child 0–18 years of age (NOK)
2012	11 640
2013	11 640
2014	11 640
2015	11 640
2016	11 640

The Norwegian Family Allowance Scheme is a flat-rate per capita system. As is shown in the table above, the annual rate has remained NOK 11 640 per child, irrespective of the number of children, throughout the reporting period.

Supplements for spouse and supplements for two children for recipients of disability benefit

For supplements to disability pension (prior to January 2015), reference is made to previous reports. There are no supplements for spouses in the new disability benefit scheme.

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 child supplement is reduced if the annual income (pension and wages) exceeds certain limits. As from 1 May 2016, these limits are:

- For two children living with both parents NOK 462 880
- For two children living with one of the parents NOK 324 016

By an act of 15 December 2015, in effect from 1 January 2016, the total amount of disability benefit and children supplement may not exceed 95 per cent of the income prior to the onset of disability.

For disability pension recipients granted spouse supplement prior to January 2015 and/or child supplement before January 2015 certain transitional rules apply.

Part III Old-age Benefit

Reference is made to previous reports.

From 1 January 2011, the minimum level of the old age pension was substituted by four rates for minimum pension level (low-, ordinary-, high- and special rate). These rules apply for persons born in 1953 or earlier.

Old age pension for persons born in 1954 or later, is calculated according to new rules in chapter 20 of the National Social Security Act. Depending on whether the recipient lives alone or is married/cohabitant she is eligible for a minimum-pension (garantipensjon) by the ordinary or high rate. The rates are the same as old age pension based in chapter 19 of the National Social Security Act, for persons born before year 1963. The rates are determined annually by the King in council.

	Low rate	Ordinary rate	High rate	Special rate
1 May 2011	125 338	145 822	157 639	236 471
1 May 2012	129 294	150 425	162 615	243 935
1 May 2013	133 546	155 372	167 963	*251 957
1 May 2014	137 768	160 285	173 274	270 240
1 May 2015	139 728	162 566	175 739	274 085
1 May 2016	142 915	166 274	179 748	280 337

* From 1 January 2014 NOK 261 957

The Pension Insurance Schemes for Fishermen

Reference is made to previous reports.

During the period under review, the annual benefit amounts for persons with maximum qualifying periods (1,560 weeks), were 1.6 B.a. Fishermen with shorter qualifying periods, receive a proportionally reduced pension.

The Pension Insurance for Seafarers

Reference is made to previous reports.

Pension rates applying during the period under review (credited per month of service, up to a maximum of 360 months):

Period	Type of benefit	Officers	Sailors	
			For sea service before 1 May 1993	For sea service after 30 April 1993
2011 – 2016	Ordinary rate	0.91 per cent of B.a.	0.65 per cent of B.a.	0.65 per cent of B.a.

A war time supplement is granted for sea service between 1 September 1939 and 31 December 1945.

Part IV Survivors' Benefit

Reference is made to previous reports.

II

PART I GENERAL PROVISIONS

Article 6

2. Wages of the skilled manual male employee are computed in accordance with the provisions of Article 26, Title I. Reference is made to Article 26 paragraph 6(b) and to Article 10, cf. Article 26 Title I, C.

PART II INVALIDITY BENEFIT

Article 9

1. Recourse is had to paragraph 1, subparagraph (a)
2. -
3. A:
 - (a) For the fiscal year 1 January–31 December 2014, the most recent year for which statistical data is available at the time of drawing up the report,

approximately 2 618 467 persons at the age between 17 and 67 had registered gross earned income ("pensionable income") equal to or exceeding the basic amount. 2 680 096 17 and above

b) The total number of employed persons in 2015 between the age 17 and 74 was 3 124 312.

Employed persons include persons who have performed paid work of at least one hour's duration, in addition to persons who has such work but who temporarily is absent due to sickness, holidays, paid leave or persons who are compulsory military service or compulsory civilian national service. Persons attending job-creation programmes with salary from employer are also included.

c) The percentage of (a) / (b) = $(2\,680\,096 / 3\,124\,312) = 85,8 \%$

We would, however, like to point out that *all members* of the Norwegian National Insurance Scheme are mandatorily insured against invalidity, irrespective of whether they have been occupationally active.

4. –

Article 10

1. Recourse is had to Article 26, paragraph 6(b).

(i) Statistical information is given in the form set out in Titles I and II under Article 26.

cf. Article 26, Title I

A) Reference is made to previous reports as to the calculation of benefit prior to 2015.

Reference is made to information given under part I as to the increase of the B.a. during the period under review.

Recourse is had to the provisions of paragraph 3 of Article 26.

The maximum pensionable income for the purposes of the calculation basis is 6 times the B.a.

B) Recourse is had to Article 26, paragraph 6 (b) for selecting the skilled manual male employee.

(i) and (ii)

We find the highest number of men employed in the industry Wholesale and retail trade (193 000 persons in 2015, LFS).

The average annual pay in 2015 for a male worker with an occupation in the category Crafts and related trades workers in the industry Wholesale and retail trade was NOK 422 400. This follows the guidelines of cross-tabulating ISIC rev. 4 and ISCO-08/major group 7.

2. The annual gross wages of a standard beneficiary are computed on the basis of average hourly wages inclusive holiday allowance and pay for floating holidays according to Article 26 paragraph 9.

The benefits have been computed on the B.a. as it applies at the end of the report period.

- C) According to information from Statistics Norway, the hourly wages of the skilled manual male employee in the category Crafts and related trades workers in the industry Wholesale and retail trade was in average NOK 422 400.

The pay is based on payment for normal working hours. It does not include pay for overtime, but covers basic salaries, variable additional allowances and bonuses.

cf. Article 26, Title II

Reference is made to previous reports as to calculation of benefits granted prior to 2015.

D), E), F) and G):

The standard beneficiary is a male manual employee with a wife and two children. Having lived and worked in Norway from January 2001 until he becomes disabled in January 2016, he has earned 15 years of insurance.

The benefits are calculated on the basis of average pensionable income of the best three of the previous five years before the onset of disability, and actual and future periods of insurance, and of actual and future years of pension points.

Previous earnings equal NOK 422 400 a year.

Reference is made to Article 11, paragraph 1 and 2.

As the years of insurance to be taken into account vary according to the age when the beneficiary becomes disabled and his age when arriving in Norway, we

have made two examples: Showing the calculation of invalidity benefit payable to a standard beneficiary born in 1971 and in 1983.

In the first example, the beneficiary has an insurance period of 32 years, as future years are taken into account.

In the second example, future periods of insurance gives the beneficiary the 40 years required for full disability benefit.

Example 1 (cf. Article 10)

The beneficiary is born June 1971 and having lived in Norway from January 2001 he has an actual insurance period of 15 years when disabled in January 2016.

The beneficiary in this example gets a total insurance period of 32 years.

	$\frac{\text{NOK } 422\,400 \times 66 \times 32}{100 \times 40}$	
(D)	Disability benefit	= NOK 223 027
	Amount of benefit granted a year	= <u>NOK 223 027</u>
(E)	Family allowance – two children	= <u>NOK 23 280</u>
(F)	Family allowance – payable during employment	= NOK 23 280
	Supplement for spouse	= NOK 0
	Supplement for two children	$\frac{2 \times 92\,576 \times 32 \times 40}{100 \times 40}$ = NOK 59 249
	Total family allowance during contingency	= <u>NOK 82 529</u>
(G)	Sum of benefits payable under contingency (D+F) as the per cent of the sum of the standard wage and family allowance payable under employment (C+E)	
	$D+F/C+E = 305\,556/445\,680 = 0.686) : \underline{68.6\%}$	

Example 2 (cf. Article 10)

The beneficiary is born June 1983 and having lived in Norway from January 2001 he has an actual insurance period of 15 years and 15 years of earning pension points when disabled January 2016.

The beneficiary in this example gets a total insurance period of 40 years and 40 years of earning pension points.

$$(D) \quad \text{Disability benefit} \quad \frac{\text{NOK } 422\,400 \times 66 \times 40}{100 \times 40} = \text{NOK } 278\,784$$

$$\text{Amount of benefit granted a year} = \underline{\text{NOK } 278\,784}$$

$$(E) \quad \text{Family allowance – two children} = \underline{\text{NOK } 23\,280}$$

$$(F) \quad \text{Family allowance – payable during employment} = \text{NOK } 23\,280$$

$$\text{Supplement for spouse} = \text{NOK } 0$$

$$\text{Supplement for two children} \quad \frac{2 \times 92\,576 \times 40 \times 40}{100 \times 40} = \text{NOK } 74\,061$$

$$\text{Total family allowance during contingency} = \underline{\text{NOK } 97\,341}$$

$$(G) \quad \text{Sum of benefits payable under contingency (D+F) as the per cent of the sum of the standard wage and family allowance payable under employment (C+E)}$$

$$D+F/C+E = 376\,125/445\,680 = 0.844 \text{) : } \underline{84.4\%}$$

<Article 10>

3. cf. Article 29

1. The invalidity pension (basic pension and supplementary pension) is calculated in relation to the B.a. The B.a. is adjusted annually, with effect from 1 May, in accordance with changes in the general income level.

2. and 3.

Period under review	Cost-of-living index <5>	Earnings <1>	Standard benefit <2>	
			Example 1	Example 2
A) 1 st quarter 2011	130.2	389 000	249 828 <3>	312 286 <4>
B) 1 st quarter 2016	143.4	422 400	289 936<3>	362 420 <4>
C) per cent A/B	90.7	92.1	86,2 <3>	86,2<4>

<1> Gross annual wage

- <2> In (A) the benefit comprises: basic pension, supplementary pension, supplement for spouse and two children. In (B) the benefit comprises Disability benefit and supplement for children. Family allowance is not included in neither (A) or (B). The calculations have been made on the basic amount as adjusted 1 May 2011 (A) and 1 May 2016 (B).
- <3> The beneficiary has a total insurance period of 32 years (cf. example 1).
- <4> Insurance period of 40 years.
- <5> 1998 = 100, Cost-of-living index.

Article 11

1. The benefits specified in Article 10 consist of the basic pension, linked to the insurance period, i.e. the time of residence in Norway, and supplementary pension linked to the number of years with income exceeding the basic amount, earning pension points. Recourse is had to our previous reports, and reference is made to the remarks above (Article 10) concerning the amount of future expected years to be included.

Recourse is had to paragraphs 1 and 2.

2. The benefit is calculated in the case of a standard beneficiary on the basis of a residence period of 5 years.

Reference is made to examples and calculations above under Article 10.

The standard beneficiary is a male manual employee with a wife and two children. Previous earnings equals NOK 422 400 a year.

Example 1 (cf. Article 11)

The beneficiary is born June 1971 and having lived in Norway from January 2011 he has an actual insurance period of 5 years when disabled January 2016.

The beneficiary in this example gets a total insurance period of 22 years.

	<u>NOK 422 400 x 66 x 22</u>	
(D) Disability benefit	100 x 40	= NOK 153 331
Amount of benefit granted a year		= <u>NOK 153 331</u>
(E) Family allowance – two children		= <u>NOK 23 280</u>
(F) Family allowance		= NOK 23 280
Supplement for spouse		= NOK 0

$$\text{Supplement for two children} \quad \frac{2 \times 92\,576 \times 22 \times 40}{100 \times 40} = \text{NOK } 40\,733$$

$$\text{Total family allowance during contingency} = \underline{\text{NOK } 64\,013}$$

- (G) Sum of benefits payable under contingency (D+F) as the per cent of the sum of the standard wage and family allowance payable under employment (C+E)

$$(D+F)/(C+E) = 217\,344/445\,680 = 0.488): \underline{48.8\%}$$

Example 2 (cf. Article 11)

The beneficiary is born June 1976 and having lived in Norway from January 2011 he has an actual insurance period of 5 years when disabled January 2016.

The beneficiary in this example gets a total insurance period of 26 years.

$$(D) \quad \text{Disability benefit} \quad \frac{\text{NOK } 422\,400 \times 66 \times 26}{100 \times 40} = \text{NOK } 181\,210$$

$$\text{Amount of benefit granted a year} = \underline{\text{NOK } 181\,210}$$

$$(E) \quad \text{Family allowance – two children} = \underline{\text{NOK } 23\,280}$$

$$(F) \quad \text{Family allowance} = \text{NOK } 23\,280$$

$$\text{Supplement for spouse} = \text{NOK } 0$$

$$\text{Supplement for two children} \quad \frac{2 \times 92\,576 \times 26 \times 40}{100 \times 40} = \text{NOK } 48\,140$$

$$\text{Total family allowance during contingency} = \underline{\text{NOK } 71\,420}$$

- (G) Sum of benefits payable under contingency (D+F) as the per cent of the sum of the standard wage and family allowance payable under employment (C+E)

$$(D+F)/(C+E) = 252\,630/445\,680 = 0.567): \underline{56.7\%}$$

3. -

4. -

5. -

Article 12

Reference is made to previous reports.

Article 13

Reference is made to previous reports.

PART III OLD-AGE BENEFIT

Article 15

1. The pensionable age of the Norwegian National Insurance Scheme is flexible. Pension drawing may, according to the wishes of the individual concerned, begin at any time between attaining the age of 62 and attaining the age of 75.
2. -
3. -

Article 16

1. Recourse is had to paragraph 1, subparagraph (a).
2. -
3. A Reference is made to Article 9 above.

Article 17

1. Recourse is had to Article 16, paragraph 1 (a) and to Article 26.
- (i)
cf. Article 26, Title I

Reference is made to previous reports for the provisions concerning the calculation of old-age benefit and to Article 10 above.

A) Recourse is had to Article 26, paragraph 6 (b)

B) Recourse is had to Article 26, paragraph 9.

cf. Article 26, Title III

The standard beneficiary is a male born in January 1951, with previous wages (ref. Article 10 above) amounting to NOK 422 400 and with 3.56 pension points (based on the B.a. from 1 May 2016), and an average of 3.56 pension points throughout his working career.

His wife was born in January 1949, and is assumed to have been supported before becoming a pensioner (she has not earned supplementary pension of her own).

They both start drawing their pensions in January 2016.

The calculation is based on 30 years of earning pension points for a beneficiary born after 1937 (over-compensation is not taken into account) and on 30 years of residence for both spouses.

D)		$\frac{\text{NOK } 92\,576 \times 30 \times 85}{40 \times 100}$	
	Basic pension		= NOK 59 017
	Supplementary pension		
		$\frac{92\,576 \times 3.56 \times 6 \times 45}{40 \times 100}$	
		$\frac{92\,576 \times 3.56 \times 24 \times 42}{40 \times 100}$	
+			= NOK 105 298
	The pension basis		= NOK 164 315

Being born in January 1951, and starting to draw his pension with effect from January 2016, his annuity divisor is 1.156.

Amount of benefit granted a year	$\frac{\text{NOK } 164\,315}{1.156}$	= <u>NOK 142 141</u>
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E) The person supporting a spouse is given tax reduction.

F) The wife is entitled to an old-age pension of her own.

$$\text{Basic pension} \quad \frac{\text{NOK } 92\,576 \times 30 \times 85}{40 \times 100} = \text{NOK } 59\,017$$

$$\text{Special supplement} \quad \frac{\text{NOK } 92\,576 \times 30 \times 74}{40 \times 100} = \text{NOK } 51\,380$$

$$\text{The pension basis} = \text{NOK } 110\,397$$

Being born in January 1949, and starting to draw her pension with effect from January 2016, her annuity divisor is 1.030.

$$\text{The wife is entitled to an annual pension of} \quad \frac{\text{NOK } 110\,397}{1.030} = \text{NOK } 107\,182$$

G) Sum of benefits and family allowances payable during contingency as a percentage of the sum of the standard wage and family allowances payable during employment is

$$(D+F)/(C+E) = 253\,416/422\,400 = 0.600 : \underline{60.0\%}$$

2. -

cf. Article 29

1. Reference is made to Article 10 above.

2. and 3.

Period under review	Cost-of-living index <5>	Earnings <1>	Standard benefit <2>	
A) 1 st quarter 2011	130.2	389 000	242 773<3>	324 177 <4>
B) 1 st quarter 2016	143.4	422 400	249 323 <3>	334 142 <4>
C) per cent A/B	90.8	92.1	97.4 <3>	97.0 <4>

<1> Gross annual wage

<2> The benefit comprises basic pension for a married couple, supplementary pension and special supplement. The calculations are based on the basic amount as adjusted 1 May 2016.

<3> Calculations based on 30 years with pension points.

<4> Calculations based on 40 years with pension points (24 of these years are after 1991).

<5> 1998 = 100 (Cost-of-living index).

Article 18

1. Reference is made to previous reports.
Recourse is had to paragraph 1 (a) and 2.
2. For the standard beneficiary, with previous standard wages, calculation is based on 15 years of insurance time and 15 years of pension points. His wife has old-age pension with special supplement and is assumed to have 15 years of residence. The standard beneficiary in this example was born in January 1951, and his wife in January 1949. They both start drawing their pension in January 2016.

(i)	$\frac{\text{NOK } 92\,576 \times 15 \times 85}{40 \times 100}$	= NOK 29 509
Basic pension		
Supplementary pension		
	$\frac{92\,576 \times 3.56 \times 15 \times 42}{40 \times 100}$	= NOK 54 240

Being born in January 1951, and starting to draw his pension with effect from January 2016, his annuity divisor is 1.156.

Amount of benefit granted a year	$\frac{\text{NOK } 83\,749}{1.156}$	= <u>NOK 72 447</u>
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- (ii) His wife has her own old-age pension:

	$\frac{\text{NOK } 92\,576 \times 15 \times 85}{40 \times 100}$	= NOK 29 509
Basic pension		
Special supplement	$\frac{\text{NOK } 92\,576 \times 15 \times 74}{40 \times 100}$	= NOK 25 690

Being born in January 1949, and starting to draw her pension with effect from January 2016, her annuity divisor is 1.030.

His wife is entitled to an annual pension of	$\frac{\text{NOK } 55\,199}{1.030}$	= <u>NOK 53 591</u>
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3. -

4. -

PART IV SURVIVORS' BENEFIT

Article 21

Reference is made to previous reports.

Article 22

1. Recourse is had to paragraph 1(A)

Article 23

Recourse is had to Article 26.

(i) cf. Article 26, Title I

- A) Reference is made to Article 10, number 1 above.
- B) Recourse is had to Article 26, paragraph 6(b)

1. (i) and (ii)

We find the highest number of men employed in the industry Wholesale and retail trade (193 000 persons in 2015, LFS).

The average annual pay in 2015 for a male worker with an occupation in the category Crafts and related trades workers in the industry Wholesale and retail trade was NOK 422 400. This follows the guidelines of cross-tabulating ISIC rev. 4 and ISCO-08/major group 7.

The pay is based on payment for normal working hours, 7,5 hours a day, 5 days a week, 260 days per year. It does not include pay for overtime, but covers basic salaries, variable additional allowances and bonuses.

2. Reference is made to Article 10, number 1 above.
- C) Reference is made to Article 10, number 1 above.

cf. Article 26, Title IV

Reference is made to previous reports.

The standard beneficiary is a widow/widower with two children while the late breadwinner was a male manual employee with previous wages NOK 422 400, pension points equal to 3.56. The late breadwinner has been credited 15 years of insurance period and 15 years of pension points.

Reference is made to Article 10 and the calculation of invalidity benefits. As the provisions vary according to the age of the breadwinner and the number of years of pension points that he has earned, we have made two examples: Showing the calculation of survivors benefit payable to a standard beneficiary born in 1971 and in 1978.

Example 1 (cf. Article 23)

The late breadwinner of the beneficiary was born in 1971 and had an actual insurance period of 15 years and 15 years of earning pension points when deceased January 2016.

The late breadwinner in this example gets a total insurance period of 37 years and 37 years of pension points:

	<u>NOK 92 576 x 37</u>	
(D) Basic pension	40	= NOK 85 633

Supplementary pension

<u>NOK 92 576 x 3.56 x 37 x 42 x 55</u>	
40 x 100 100	= NOK 70 421

Amount of benefit granted a year	= <u>NOK 156 054</u>
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(E) Family allowance – two children	= <u>NOK 23 280</u>
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(F) Family allowance (single parent)	= NOK 34 920
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Children's pension

<u>(NOK 92 576 x 40) + (NOK 92 576 x 25)</u>	x	<u>37</u>	
100	40		= NOK 55 661

Total family allowance	= <u>NOK 90 581</u>
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- (G) Sum of benefits payable under contingency (D+F) as per cent of the sum of the standard wage and family allowance payable under employment (C+E)

$$(D+F)/(C+E) = 249\,800/445\,680 = 0.560): \underline{56.0\%}$$

Example 2 (cf Article 23)

The late breadwinner of the beneficiary was born in 1968 and had an actual insurance period of 15 years and 15 years of earning pension points when deceased January 2016.

The late breadwinner in this example gets a total insurance period of 40 years and 40 years of earning.

- | | | | | |
|-----|------------------------------------|---|--------------------|----------------------|
| (D) | Basic pension | $\frac{\text{NOK } 92\,576 \times 40}{40}$ | | = NOK 92 576 |
| | Supplementary pension | | | |
| | | $\frac{92\,576 \times 3.56 \times 40 \times 42}{40 \times 100}$ | x $\frac{55}{100}$ | = NOK 76 131 |
| | Amount of benefit granted a year | | | = <u>NOK 168 707</u> |
| (E) | Family allowance – two children | | | = NOK 23 280 |
| (F) | Family allowance – (single parent) | | | = NOK 34 920 |
| | Children's pension | | | |
| | | $\frac{(92\,576 \times 40) + (92\,576 \times 25)}{100}$ | x $\frac{40}{40}$ | = NOK 60 174 |
| | Total family allowance | | | = <u>NOK 95 094</u> |
- (G) Sum of benefits payable under contingency (D+F) as per cent of the sum of the standard wage and family allowance payable under employment (C+E)

$$(D+F)/(C+E) = 263\,801/445\,680 = 0.592): \underline{59.2\%}$$

3. cf. Article 29

Reference is made to Article 10, number 3 above.

2. and 3.

Period under review	Cost-of-living index <5>	Earnings <1>	Standard benefit <2>	
A) 1 st quarter 2011	130.2	389 000	222 007 <3>	237 175 <4>
B) 1 st quarter 2016	143.4	436 908	249 800 <3>	263 801 <4>
C) per cent A/B	90.7	89	88.9 <3>	89.9 <4>

<1> Gross annual wage

<2> The benefit comprises: basic pension, supplementary pension, children's pension and the additional family allowance. Calculation has been made on the basic amount as adjusted 1 May 2016.

<3> The late breadwinner of the beneficiary has a total insurance period of 37 years cf. example 1).

<4> Earnings and insurance period of 40 years.

<5> 1998 = 100 (Cost-of-living index).

Article 24

1. The benefit specified in Article 23 shall, in a contingency covered, be secured to a person whose breadwinner was entitled to basic pension and supplementary pension.

Entitlement to basic pension is linked only to periods of residence in Norway including expected future years of residency.

To be entitled to supplementary pension, the insured person must have had an annual income exceeding the basic amount for at least three years after 1966, including future expected years of earning.

Recourse is had to paragraph 1 and 2.

Benefits will be calculated in the case of a standard beneficiary whose breadwinner has completed a period of 5 years of residence and 5 years of earning pension points.

Example 1 (cf. Article 24)

The late breadwinner of the beneficiary was born in June 1971 and had an actual insurance period of 5 years and 5 years of earning pension points when deceased in January 2016. The late breadwinner in this example gets a total insurance period of 27 years and 27 years of pension points, and the transitional provisions of "over-compensation" do not apply.

(D)	<u>NOK 92 576 x 27</u>	
Basic pension	40	= NOK 62 489
Supplementary pension		

- $$\frac{\text{NOK } 92\,576 \times 3.56 \times 27 \times 42}{40 \times 100} \times \frac{55}{100} = \text{NOK } 51\,388$$
- Amount of benefit granted a year = NOK 113 877
- (E) Family allowance – two children = NOK 23 280
- (F) Family allowance – (single parent) = NOK 34 920
- Children's pension
- $$\frac{(\text{NOK } 92\,576 \times 40) + (\text{NOK } 92\,576 \times 25)}{100} \times \frac{27}{40} = \text{NOK } 40\,618$$
- Total family allowance = NOK 75 538
- (G) Sum of benefits payable under contingency (D+F) as percent of the sum of the standard wage and family allowance payable under employment (C+E)
- $$(D+F)/(C+E) = 189\,415/445\,680 = 0.425 : \underline{42.5\%}$$

Example 2 (cf. Article 24)

The late breadwinner of the beneficiary was born in June 1976 and had an actual insurance period of 5 years and 5 years of earning pension points when deceased in January 2016.

The late breadwinner in this example gets a total insurance period of 32 years and 32 years of earning.

- $$\frac{\text{NOK } 92\,576 \times 32}{40} = \text{NOK } 74\,061$$
- (D) Basic pension
- Supplementary pension
- $$\frac{\text{NOK } 92\,576 \times 3.56 \times 32 \times 42}{40 \times 100} \times \frac{55}{100} = \text{NOK } 60\,905$$
- Amount of benefit granted a year = NOK 134 966
- (E) Family allowance – two children = NOK 23 280
- (F) Family allowance (single parent) = NOK 34 920
- Children's pension

$$\frac{(\text{NOK } 92\,576 \times 40) + (\text{NOK } 92\,576 \times 25)}{100} \times \frac{32}{40} = \text{NOK } 48\,140$$

$$\text{Total family allowance} = \underline{\text{NOK } 83\,060}$$

- (G) Sum of benefits payable under contingency (D+F) as per cent of the sum of the standard wage and family allowance payable under employment (C+E)

$$(D+F)/(C+E) = 218\,026/445\,680 = 0.489 : \underline{48.9\%}$$

PART V STANDARDS TO BE COMPLIED WITH BY PERIODICAL PAYMENTS

Reference is made to previous reports.

PART VI COMMON PROVISIONS

Reference is made to previous reports.

III

Reference is made to previous reports.

IV

No decisions have been made by the Courts of Law or other tribunals involving questions of principle concerning the application of the Convention.

V

The present report will be communicated to the Social Partners concerned in Norway.

Oslo, June 2016