

Norway

Exchange rate: US\$1.00 equals 6.74 kroner.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1936.

Current law: 1997 (national insurance).

Type of program: Universal and social insurance system.

Coverage

Universal pension: All residents, including resident noncitizen seamen serving on Norwegian ships outside territorial waters. Pension income is independent of previous income or contributions paid.

Earnings-related pension: All employed and self-employed persons earning over the base amount and born after 1897; the base amount is reduced for pensioners born before 1897 and their surviving dependents.

The base amount equals 56,861 kroner as of January 1, 2004, and varies automatically with changes in general price and income levels, subject to adjustment once or twice a year.

Special systems for seamen, fishermen, forestry workers, railway employees, and public employees.

Source of Funds

Insured person: 7.8% of income (reduced to 3.0% of income, including payments in kind, lodging, or pension, if under age 17 or older than age 69).

Self-employed person: 10.7% of income up to 12 times the base amount, plus 7.8% of income exceeding 12 times the base amount.

Contributions from employed and self-employed insured persons are calculated on the basis of pensionable income (gross wage income including cash sickness, maternity, and unemployment benefits) in excess of 23,000 kroner a year; however, contributions may not exceed 25% of annual income above 23,000 kroner.

There is no maximum income limit for contribution purposes for employed and self-employed insured persons.

Employer: 14.1% of payroll. Contribution rates are reduced in certain geographic areas, except for enterprises in certain sectors.

Starting in 2004, the system of varying rates for employers is being reformed to eliminate three intermediate levels. In 2007, only the full rate and a zero percent rate will be applied.

Government: National government meets any deficit.

All of the above contributions also finance sickness and maternity, work injury, and unemployment benefits.

Qualifying Conditions

Old-age pension

Universal old-age pension: Age 67 with 3 years' coverage between ages 16 and 66. The pension is payable abroad under special conditions. Entitlement is not dependent on ceasing employment.

Earnings test: If the insured continues to work at age 67, an earnings test is applied to the pension until the insured ceases to work or reaches age 70. The value of the pension is reduced by 40% of the wages exceeding twice the base amount.

Dependent supplement (income-tested): For a dependent spouse and children under age 18.

Special supplement: A supplement is provided to persons with limited work histories or low income.

Earnings-related old-age pension: Age 67 with 3 years' earnings above the base amount. The pension is payable abroad. Entitlement is not dependent on ceasing employment.

Earnings test: If the insured continues to work at age 67, an earnings test is applied to the pension until the insured ceases to work or reaches age 70. The value of the pension is reduced by 40% of the wages exceeding twice the base amount.

Disability pension

Universal disability pension: Three years' coverage immediately preceding the date of the claim (1 year in some instances). Earning capacity is permanently reduced by 50% or more for persons aged 16 to 66. The pension is payable abroad under special conditions.

Dependent supplement (income-tested): For a dependent spouse and children under age 18.

Earnings-related disability pension: Three years' earnings above the base amount. Earning capacity is permanently reduced by 50% or more for persons aged 16 to 66. The pension is payable abroad.

Temporary disability benefit: Payable instead of the disability pension if future improvement of work capacity is probable. Three years' coverage immediately before the onset of disability; 1 year in some cases. Earning capacity must be reduced by at least 50% (30% or 40% in selected counties).

Survivor pension

Universal survivor pension: The insured had 3 years' coverage immediately before the date of death or was receiving a pension from the National Insurance Administration. The surviving spouse was married to the insured for at least 5 years or provides care for at least one dependent child.

Universal orphan's pension: The insured had 3 years' coverage immediately before the date of death or was receiving a pension from the National Insurance Administration. Orphans must be under age 18 (under age 20 if a full orphan and a student).

Special supplement: A supplement is provided if the survivor is ineligible for an earnings-related survivor pension.

Child care benefit: If the survivor or parent is a full-time student or works outside the home.

Earnings-related survivor pension: The insured had 3 years' earnings above the base amount.

Transitional benefit: A surviving spouse who is ineligible for a survivor pension may, under certain conditions, be eligible for a transitional benefit.

Earnings-related orphan's pension: The insured had 3 years' earnings above the base amount. Orphans must be under age 18 (under age 20 if a full orphan and a student).

Old-Age Benefits

Old-age pension

Universal old-age pension: Up to 100% of the base amount if single; 150% for an aged couple. The full pension is paid with 40 years' coverage.

Partial pension: A proportionately reduced pension is paid for a coverage period shorter than 40 years.

Dependent supplement (income-tested): 50% of the insured's pension for a dependent spouse who is not drawing an old-age pension; 40% of the base amount for each dependent child under age 18.

Special supplement: 79.33% of the base amount for a single person. A proportionally reduced supplement is paid for a coverage period shorter than 40 years.

Benefit adjustment: Benefits are adjusted automatically for changes in general price and income levels, corresponding with adjustments made to the base amount.

Earnings-related old-age pension: 42% of the current base amount multiplied by the insured's average annual number of pension points in the 20 years with the most points. The number of pension points in a year equals the difference between the worker's pensionable earnings and the year's base amount divided by the base amount.

The maximum earnings for benefit purposes are 6 times the base amount plus 1/3 of income between 6 times and 12 times the base amount. The limit is 7 points per year.

The full pension is paid with 20 years' coverage for persons born before 1917; the coverage requirement increases for persons born in 1917 or later, up to a maximum of 40 years.

Partial earnings-related pension: A proportionately reduced pension is paid for an incomplete coverage period.

Earnings adjustment: Recorded earnings, wage limits, and pensions in force are adjusted automatically for changes in general price and income levels, corresponding with adjustments made to the base amount.

Permanent Disability Benefits

Disability pension

Universal disability pension: Up to 100% of the base amount if totally disabled. The insured must have 40 years of coverage for a full pension. Years of coverage are credited as if the insured worked to age 67, if certain coverage conditions are met.

Partial pension: The pension is reduced in proportion to the assessed loss of earning capacity.

The minimum disability pension is 50% of the projected old-age benefit.

Dependent supplement (income-tested): 50% of the pension for a spouse aged 60 or older; 30% of the base amount for each child under age 18; 533 kroner to 2,668 kroner a month for substantially increased expenses; up to 61.55% of the base amount if ineligible for the earnings-related pension.

Constant-attendance supplement: Normally, 888 kroner a month; may be increased to 5,730 kroner a month.

Benefit adjustment: Benefits are adjusted automatically for changes in general price and income levels, corresponding with adjustments made to the base amount.

Earnings-related disability pension: 42% of the current base amount multiplied by the insured's average annual number of pension points in the 20 years with the most points. The number of pension points in a year equals the difference between the worker's pensionable earnings and the year's base amount divided by the base amount. Years of coverage are credited as if the insured worked to age 67, if certain coverage conditions are met.

The maximum earnings for benefit purposes are 6 times the base amount plus 1/3 of income between 6 times and 12 times the base amount. The limit is 7 points per year.

Temporary disability benefit: 66% of earnings up to six times the base amount in the year before the onset of disability or the average of the last 3 years, whichever is higher. The benefit is payable for 1 to 4 years; may be extended if a return to work is deemed probable.

The minimum benefit is 1.8 times the base amount.

Partial pension: The pension is reduced proportionately for persons with shorter periods of coverage.

Earnings adjustment: Recorded earnings, wage limits, and pensions in force are adjusted automatically for changes in general price and income levels, corresponding with adjustments made to the base amount.

Survivor Benefits

Survivor pension

Universal survivor pension: Up to 100% of the base amount. The full pension is paid if the insured had 40 years of coverage, with coverage projected through to age 66.

Income test: If the surviving spouse's income exceeds 1/2 of the base amount, the pension equals the difference between

the full pension and 40% of the excess of spouse's income above 1/2 the base amount.

Special supplement: 79.33% of the base amount if ineligible for the earnings-related pension. The supplement is reduced proportionately if the insured had less than 40 years of coverage.

Child care benefit: The benefit depends on annual income.

Universal orphan's pension: 40% of the base amount for the first child, 25% for each additional child under age 18. Full orphans under age 18 (under age 20 if a student) receive the full survivor pension (the basic plus earnings-related pension) of the parent who was entitled to the highest amount; 40% of the base amount is paid for the second child and 25% for each additional child. The pension is divided equally if there are two or more children.

Earnings-related survivor pension: 55% of the insured's earnings-related pension, with coverage projected as if the insured had worked to age 67.

Transitional benefit: The benefit is equal to the value of the universal survivor pension plus the earnings-related survivor pension; if the insured was not eligible for an earnings-related pension, the benefit is equal to the value of the universal survivor pension plus the special supplement.

Earnings-related orphan's pension: 40% of the base amount for the first child, 25% for each additional child under age 18. Full orphans under age 18 (under age 20 if a student) receive the full survivor pension (the basic plus earnings-related pension) of the parent who was entitled to the highest amount; 40% of the base amount is paid for the second child and 25% for each additional child. The pension is divided equally if there are two or more children.

Funeral grant: An income-tested benefit of up to 15,540 kroner.

Benefit adjustment: Benefits are adjusted automatically for changes in general price and income levels, corresponding with adjustments made to the base amount.

Administrative Organization

Ministry of Health and Ministry of Social Affairs provide general supervision.

National Insurance Administration administers the program nationally.

National Insurance Administration's county offices administer county programs and supervise local offices.

Local insurance offices administer the program locally.

Generally, contributions, including employers' contributions, are collected through local tax offices. There is normally one office in each municipality.

Sickness and Maternity

Regulatory Framework

First law: 1909.

Current law: 1997 (national insurance).

Type of program: Social insurance system. Cash and medical benefits.

Coverage

Cash benefits: Employed and self-employed persons with income of not less than 1/2 the base amount. This income limit does not affect the employer's obligation to pay cash benefits for first 16 calendar days.

The base amount equals 56,861 kroner as of January 1, 2004, and varies automatically with changes in general price and income levels, subject to adjustment once or twice a year.

Medical benefits: All residents, including resident noncitizen seamen serving on Norwegian ships.

Special provisions (for medical benefits) for seamen, military personnel, and (for cash benefits) fishermen, casual workers, and the temporarily unemployed.

Source of Funds

Insured person: See source of funds under Old Age, Disability, and Survivors, above.

Self-employed person: See source of funds under Old Age, Disability, and Survivors, above.

Employer: See source of funds under Old Age, Disability, and Survivors, above. In addition, the employer pays the total cost of cash sickness benefits for the first 16 days.

Government: National government meets any deficit.

There is no maximum earnings ceiling for contribution purposes.

Qualifying Conditions

Cash sickness benefit: 28 days (4 weeks) of employment or self-employment.

Cash maternity benefit: Six months of employment or self-employment during the past 10 months (The qualifying condition may be met by the mother, father, or both).

Maternity grant: Paid to insured mothers who are not entitled to cash maternity benefits.

Additional grant: Payable to widowed, divorced, separated, or unwed mothers with 3 years of insurance coverage immediately before the claim.

Sickness and Maternity Benefits

Sickness benefit: 100% of covered earnings, payable from first full day of incapacity for up to 52 weeks; thereafter, the

insured is covered by a rehabilitation allowance or disability pension.

The maximum earnings for benefit purposes are 6 times the base amount.

Self-employed persons receive 65% of assessed covered earnings after a 16-day waiting period (may voluntarily insure for 100% of earnings, a shorter waiting period, or both).

Casual workers and the temporarily unemployed receive 65% of assessed earnings after a 14-day waiting period.

Parental care leave: To care for a sick child under age 12, the mother and father are entitled to 10 days per year each (single parent, 20 days); for more than two children, 15 days each (single parent, 30 days); for a disabled or chronically ill child under age 18, 20 days each (single parent, 40 days); for a sick child under age 18 and if the illness is potentially life-threatening, as long as it is necessary for the treatment of the child.

Maternity benefit: 100% of covered earnings (self-employed, 65% of assessed earnings) for 42 weeks; alternatively, 80% for 52 weeks to insured parents (mother or father). The mother is required to take 3 weeks of the benefit period before the expected date of childbirth and at least 6 weeks immediately after giving birth; 4 weeks of the total maternity cash benefit period are reserved for the father as the "Father Quota." A reduced workweek may count as partial maternity benefit.

Maternity grant: 33,584 kroner if not receiving maternity benefit (also paid in the case of adoption); 1,765 kroner for giving birth at home.

Additional grant: Additional benefit is payable to widowed, divorced, separated, or unwed mothers.

Workers' Medical Benefits

Cash refunds of part or all of medical expenses; or service benefits furnished by providers under contract with funds. Benefits include part of doctors' fees (patients pay 117 kroner per consultation in most cases) and free care in a public hospital. Patients pay 36% of expenses for listed essential medicines (up to 450 kroner per prescription), laboratory services, and transportation in excess of 110 or 220 kroner per trip (free hospital choice after referral from doctor).

Patient's own expenses, including those for children aged 7 to 16, with certain exemptions for special diseases are limited to 1,550 kroner for 2004. The ceiling is set annually by Parliament. When the ceiling is reached, the patient is entitled to free treatment for the remainder of the year. Children aged 6 or younger have no copayments.

Pensions are reduced from the second month of institutional care; sickness benefit, from the fourth month.

There is no limit on duration.

Dependents' Medical Benefits

Dependents are insured in their own right. Coverage is based on residency.

Administrative Organization

Ministry of Health and Ministry of Social Affairs provide general supervision.

National Insurance Administration administers the program nationally.

National Insurance Administration's county offices administer county programs and supervise local offices.

Local insurance offices administer the program locally.

Work Injury

Regulatory Framework

First law: 1894.

Current law: 1997 (national insurance).

Type of program: Social insurance system.

Coverage

Employed persons, including personnel on Norwegian ships, fishing vessels, and permanent or movable installations on the Norwegian Continental Shelf (including noncitizens); students; and military personnel.

Self-employed persons may insure voluntarily.

Source of Funds

Insured person: None.

Self-employed person: 0.4% of income, as assessed for national tax purposes.

Employer: See source of funds under Old Age, Disability, and Survivors, above. Contribution rates are reduced in certain geographic areas, except for enterprises in certain sectors.

Government: National government meets any deficit.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

The cash sickness benefit provided under Sickness and Maternity is payable in case of work injury for up to 50 weeks; thereafter, the insured becomes entitled to rehabilitation allowances or a disability pension.

Permanent Disability Benefits

Permanent disability pension

Universal permanent disability pension: 100% of the base amount if totally disabled. (The pension is not reduced for a coverage period shorter than 40 years.)

Disability supplement: Up to 100% of the base amount if totally disabled and with 40 years of coverage for a full pension. The supplement is computed as if the insured was covered through to age 66, if certain coverage conditions are met.

Earnings-related disability pension: 42% of the current base amount multiplied by the insured's average annual number of pension points in the 20 years with the most points. The number of pension points in a year equals the difference between the worker's earnings and the year's base amount divided by the base amount. Years of coverage are credited as if the insured worked to age 67, if certain coverage conditions are met.

The maximum earnings for benefit purposes are 6 times the base amount plus 1/3 of income between 6 times and 12 times the base amount. The limit is 7 points per year. The base amount equals 56,861 kroner as of January 1, 2004, and varies automatically with changes in general price and income levels, subject to adjustment once or twice a year.

The full pension is paid with 20 years' coverage for persons born before 1917; the coverage requirement increases for persons born in 1917 or later, up to a maximum of 40 years.

Partial earnings-related pension: A proportionately reduced pension is paid for an incomplete coverage period.

Earnings adjustment: Recorded earnings, wage limits, and pensions in force are adjusted automatically for changes in general price and income levels, corresponding with adjustments made to the base amount.

Workers' Medical Benefits

Comprehensive care is provided, including appliances.

Cost sharing: There is no cost sharing.

Survivor Benefits

Survivor pension: Up to 100% of the base amount. The full pension is paid if the insured had 40 years of coverage, with coverage projected through to age 66.

Income test: If the surviving spouse's income exceeds 1/2 of the base amount, the pension equals the difference between the full pension and 40% of the excess of the spouse's income above 1/2 the base amount.

Special supplement: 79.33% of the base amount if ineligible for the earnings-related pension. The supplement is reduced proportionately if the insured had less than 40 years of coverage.

Child care benefit: The benefit depends on annual income.

Orphan's pension: 40% of the base amount for the first child, 25% for each additional child under age 18. Full orphans under age 18 (under age 20 if a student) receive the full survivor pension (the basic plus earnings-related pension) of the parent who was entitled to the highest amount; 40% of the base amount is paid for the second child and 25% for each additional child. The pension is divided equally if there are two or more children.

Administrative Organization

Ministry of Health and Ministry of Social Affairs provide general supervision.

National Insurance Administration administers the program nationally.

National Insurance Administration's county offices administer county programs and supervise local offices.

Local insurance offices administer the program locally.

Unemployment

Regulatory Framework

First law: 1906.

Current law: 1970.

Type of program: Social insurance system.

Coverage

Employed persons, including public employees, and seamen; self-employed persons aged 64 or older, under special circumstances.

Source of Funds

Insured person: See source of funds under Old Age, Disability, and Survivors, above.

Employer: See source of funds under Old Age, Disability, and Survivors, above. Contribution rates are reduced in certain geographic areas, except for enterprises in certain sectors.

Government: National government meets any deficit.

There are no maximum earnings for contribution purposes.

Qualifying Conditions

Unemployment benefit: Annual earnings in the last year before unemployment (or average earnings during the 3 years before unemployment, if higher) of at least 75% of the base amount at the time of making a claim to the benefit. Must be registered at a public employment office and be able and willing to work. Unemployment is not due to voluntary leaving, discharge for misconduct, participation in a labor dispute, or the refusal of a suitable offer or retraining (disqualification for at least 4 weeks).

Unemployment Benefits

0.2% of annual income a day, up to 6 times the base amount. The benefit is payable after a 3-day waiting period. The benefit is paid for up to 78 weeks if annual income before unemployment was less than 90,740 kroner; 156 weeks if income was 90,740 kroner or more.

The maximum daily benefit is 745 kroner, plus 17 kroner a day for each dependent child under age 18.

Administrative Organization

Ministry of Labor and Municipal Affairs provides general supervision.

Directorate of Labor administers the program nationally, with benefits paid through local insurance offices.

Local employment offices administer the program locally.

Family Allowances

Regulatory Framework

First law: 1946.

Current law: 2002.

Type of program: Universal system.

Coverage

All resident children.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances: Child must be under age 18.

Family Allowance Benefits

Family allowances: 11,640 kroner a year for each child. Single parents receive benefits for one child more than is actually supported (extended child benefit). Single parents of children under age 3 who are entitled to extended child benefit and full transitional benefit under the National Insurance Act may also receive an extra infant supplement of 7,920 kroner a year. Beneficiaries living in the Arctic region receive an annual supplement of 3,840 kroner per child. The allowance is payable monthly.

Cash benefit for families with small children: Child must be between ages 1 and 3. To receive the full benefit (43,884 kroner per year per child), the child must not be in a day care center that receives a state grant. If the child, according to

agreement, is in a day care center less than 33 hours a week, the family may be entitled to a reduced cash benefit.

Administrative Organization

Ministry of Health and Ministry of Social Affairs provide general supervision.

National Insurance Administration administers the program nationally and supervises local offices.

National Insurance Administration's county offices administer the county programs and supervise local offices.

Local insurance offices administer allowances locally.