

Norway

Exchange rate: U.S.\$1.00 equals 8.97 kroner.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1936.

Current law: 1997.

Type of program: Dual universal and social insurance systems.

Coverage

Universal pension: All residents, including resident alien 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 base amount, born after 1897 (reduced amount for pensioners born before 1897 and their surviving dependents).

Base amount equals 51,360 kroner as of January 1, 2002, 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: For employed, 7.8% of income (reduced to 3.0% of income, including payments in kind, lodging, or pension, if under age 17 or over age 69); for self-employed, 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 persons are calculated on the basis of pensionable income (gross wage income including cash sickness, maternity, and unemployment benefits) in excess of 22,200 kroner a year; however, contributions may not exceed 25% of annual income above 22,200 kroner. No earnings limit for contribution purposes.

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

Government: National government meets any deficit.

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

Qualifying Conditions

Universal old-age pension: The pensionable age is 67 years; 3 years' coverage, age 16 to age 66; payable abroad under

special conditions. Entitlement is not dependent on ceasing employment.

In the event that 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.

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

In the event that 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.

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

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

Universal survivor pension: Deceased has 3 years' coverage immediately preceding death or claim, and surviving spouse was married to deceased for 5 years or more or is caring for dependent child(ren).

Earnings-related survivor pension: Orphans under age 18, or full orphans under age 18 (under age 20, if a student).

Old-Age Benefits

Universal old-age pension: Up to 100% of base amount if single, 150% for aged couple. Full pension for 40 years' coverage, reduced for shorter coverage.

Income-tested supplement: 50% of pension for a spouse not drawing an old-age pension; 40% of base amount for each child under age 18; up to 79.33% of base amount if ineligible for earnings-related pension (79.33% if the spouse is a pensioner); 158.66% if supporting a spouse aged 60 or older.

Benefit adjustment: Benefits are adjusted automatically for changes in general price and income levels, corresponding with adjustments of 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 earnings and the year's base amount divided by the base amount.

The maximum earnings for benefit purposes is 6 times base amount plus 1/3 of income between 6 times and 12 times base amount. Limit is 7.0 points per year.

Full pension with 20 years' coverage for persons born before 1917. Requirement increases year by year to 40 years for persons born later.

The pension is reduced proportionally 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 of the base amount.

Permanent Disability Benefits

Universal disability pension: Up to 100% of the base amount if totally disabled; 40 years of coverage for full pension; computed as if covered through the 66th year if certain coverage conditions are met.

Partial disability pension: Pension is reduced in proportion to the loss of earning capacity.

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

Income-tested supplement: 50% of the pension for a spouse aged 60 or over; 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 of the base amount.

Earnings-related disability pension: Same as for the earnings-related old-age pension (see above). Years of coverage are credited as if worked to age 67 if certain coverage conditions are met.

Earnings-related partial disability pension: The pension is reduced proportionally 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 of the base amount.

Survivor Benefits

Universal survivor pension: Up to 100% of base amount. Full pension if the deceased or the spouse has 40 years of coverage, with coverage projected through the 66th year.

If the surviving spouse's income exceeds 1/2 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.

Income-tested supplement: Up to 79.33% of the base amount if ineligible for earnings-related pension.

Child care benefit: If the survivor or parent is pursuing education or working outside the home and the annual income is lower than 410,880 kroner. If the annual income is below 308,160 kroner, the benefit equals 70% of the expenses for child care not exceeding 2,571 kroner a month for one child;

maximum of 3,801 kroner per month for three or more children. Benefit is reduced by 50% if the annual income is between 308,160 kroner and 410,880 kroner.

Earnings-related survivor pension: 55% of earnings-related pension of deceased as if worked to age 67.

Transitional grant: Surviving spouse is temporarily unable to work; divorced, separated, and unwed parents (including child care benefit).

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 20 if student) receive the full survivor pension (basic plus earnings-related pension) of the parent who was entitled to the highest amount; 40% of base amount is paid for the second child and 25% for each additional child. Divided equally if two or more children.

Funeral grant: 4,000 kroner. An income-tested supplement can provide up to 8,250 kroner.

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

Administrative Organization

Ministry of Health and Social Affairs provides general supervision.

National Insurance Administration administers the program at the national and county levels.

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

Local insurance offices administer 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.

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 employer's obligation to pay cash benefits for first 16 calendar days.

Medical benefits: All residents, including resident alien seamen serving on Norwegian ships. Special provisions for seamen, military personnel, and (for cash benefits) fishermen, casual workers, and temporarily unemployed.

Source of Funds

Insured person: Contributions for sickness and maternity benefits are taken from the contributions made for Old Age, Disability, and Survivors (see above).

Employer: Contributions for sickness and maternity benefits are taken from the 14.1% of payroll contribution made for Old Age, Disability, and Survivors (see above). In addition, the employer pays the total cost of cash sickness benefits for the first 16 days.

Government: National government meets any deficit.

No maximum earnings for contribution purposes.

Qualifying Conditions

Cash sickness benefit: Fourteen days of employment or self-employment.

Cash maternity benefit: Six months of employment or self-employment during the past 10 months (mother, father, or both).

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

Additional grant: Widowed, divorced, separated, and unwed mothers with 3 years of insurance immediately preceding 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 covered by 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 14-day waiting period (may voluntarily insure for 100% of earnings, a shorter waiting period or both).

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

Care leave: To care for a sick child under age 12: mother or father, 10 days per year each (single parent, 20 days); more than two children, 15 days each (single parent, 30 days); disabled or chronically ill children under age 18, 20 days each (single parent, 40 days). For sick child under age 16, if illness is potentially life-threatening, parental leave is up to 780 days.

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 prior to the expected date of birth 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." Reduced work week may count as partial maternity benefit.

Maternity grant: 32,138 kroner if not receiving maternity benefit (also paid in case of adoption); giving birth at home, 1,765 kroner.

Workers' Medical Benefits

Cash refunds of part or all of medical expenses; or service benefits furnished by providers under contract with funds. Includes part of doctors' fees (patient pays 110 kroner per consultation in most cases); free care in public hospital; patient pays 36% of expenses for listed essential medicines (up to 330 kroner per prescription); laboratory services; and transportation in excess of 90 kroner per trip.

Patient's own expenses, including those for children aged 7 to 16, with certain exemptions for special diseases are limited to 1,350 kroner for 2002. Ceiling set by Parliament for 1 year at a time. When ceiling is reached, patient is entitled to free treatment for the remainder of the year.

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

Insured in their own right since coverage is based on residency.

Administrative Organization

Ministry of Health and Social Affairs provides general supervision.

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

National Insurance Administration county offices administer county program and supervise local offices.

Local insurance offices administer the program locally.

Work Injury

Regulatory Framework

First law: 1894.

Current law: 1997.

Type of program: Social insurance system.

Coverage

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

Self-employed persons may insure voluntarily.

Source of Funds

Insured person: Employed, none; self-employed person, 0.4% of income, as assessed for national tax purposes.

Employer: Contributions for work injury benefit are taken from the 14.1% of payroll contribution made for Old Age, Disability, and Survivors (see above). Contribution rates are reduced in

certain geographic areas, except for enterprises in certain branches.

Government: National government meets any deficit.

Qualifying Conditions

Work injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Cash sickness benefit under the sickness program is also payable in case of work injury for up to 50 weeks. Thereafter, the insured becomes entitled to rehabilitation allowances or disability pension.

Permanent Disability Benefits

Permanent disability pension: 100% of the base amount if totally disabled. No reduction in pension if coverage is shorter than 40 years.

Partial disability pension (exceeding 15%): Percentage of full pension is proportionate to the degree of disability (a lump-sum payment is made if disability is less than 30%).

Supplements: Up to 100% of the base amount if totally disabled; 40 years of coverage for full pension; computed as if covered through the 66th year if certain coverage conditions are met.

Constant-attendance benefit: 900 kroner to 5,400 kroner a month, according to need. In addition to any other benefits, up to 75% of base amount a year based on medical nature and degree of injury.

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 worked to age 67 if certain coverage conditions are met.

The maximum earnings for benefit purposes is 6 times base amount plus 1/3 of income between 6 times and 12 times base amount. Limit is 7.0 points per year.

Full pension with 20 years' coverage for persons born before 1917. Requirement increases year by year to 40 years for persons born later.

The pension is reduced proportionally 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 of the base amount.

Workers' Medical Benefits

Comprehensive care, including appliances; no sharing of cost by patient.

Survivor Benefits

Survivor pension: Same as the universal survivor pension under survivors benefits in Old Age, Disability, and Survivors (see above).

Orphan's pension: Same as the orphan's pension under survivor benefits in Old Age, Disability, and Survivors (see above).

Administrative Organization

Ministry of Health and Social Affairs provides general supervision.

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

National Insurance Administration 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 aged 64 or older, only under special circumstances.

Source of Funds

Insured person: Contributions for unemployment benefit are taken from the contributions made for Old Age, Disability, and Survivors (see above).

Employer: Contributions for unemployment benefit are taken from the 14.1% of payroll contribution made for Old Age, Disability, and Survivors (see above). Contribution rates are reduced in certain geographic areas, except for enterprises in certain branches.

Government: National government meets any deficit.

No maximum earnings for contribution purposes.

Qualifying Conditions

Unemployment benefit: Annual earnings in last year preceding unemployment (or average earnings during 3 years preceding unemployment, if higher) of at least 75% of base amount at time of application. Registered at public employment office, able and willing to work. Unemployment is not due to voluntary leaving, discharge for misconduct, participation in labor dispute, or refusal of 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; maximum is 745 kroner daily, plus 17 kroner a day for each dependent child under age 18. Payable after 3-day waiting period. Benefits paid for up to 78 weeks if annual income before unemployment is less than is 90,740 kroner; 156 weeks if income is 90,740 kroner or more.

Administrative Organization

Ministry of Labor and Municipal Affairs provides general supervision.

Directorate of Labor administers the program nationally, and benefits are payable through local insurance offices.

Local employment offices administer the program locally.

Family Allowances

Regulatory Framework

First and current law: 1946.

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

An award of 11,664 kroner a year for each child. In addition, an annual supplement of 7,884 kroner per child between ages 1 and 3. Single parents receive benefits for one child more than is actually supported. Beneficiaries living in the Arctic region receive an annual supplement of 3,792 kroner per child. The allowance is payable monthly.

Administrative Organization

Ministry of Health and Social Affairs provides general supervision.

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

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

Local insurance offices administer allowances locally.