

IGP Country Profile

Norway





Table of Contents

| | |
|---|-----------|
| Introduction | 3 |
| Understanding Norway's social security system | 3 |
| Employer sponsored benefits plans | 3 |
| Customary employee benefits | 4 |
| Death benefits | 4 |
| Disability benefits | 4 |
| Medical benefits | 5 |
| Retirement benefits | 6 |
| Legislative news | 8 |
| Trends | 9 |
| Typical employee benefits plans and benchmarking | 10 |
| Overview of the average pension saving for different industries | 10 |
| Comprehensive employee benefits for skilled workers in Norway | 10 |
| Useful links | 11 |
| More information on Storebrand Livsforsikring AS | 11 |

Introduction

Understanding Norway's social security system

Most customary employee benefits in Norway are on top of a generous National Insurance Scheme.

Persons insured under the National Insurance Scheme are entitled to old-age pension, survivors' pension, disability benefit, basic benefit, and attendance benefit in case of disablement, technical aids etc., work assessment allowance, occupational injury benefits, benefits to single parents, cash benefits in case of sickness, maternity, adoption and unemployment, medical benefits in case of sickness and maternity and funeral grant. 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 May 1, in accordance with the increase in wages. In 2025, the B.A. is NOK 130,160.

Employer sponsored benefits plans

Required by Law

- Workers' Compensation
- Mandatory Occupational Pension (OTP)
- Defined Contribution – minimum cover.

Optional

- Retirement Pension in addition to the minimum OTP-cover
- Group Life
- Disability Pension
- Waiver of premium, disability contribution
- Group Accident as rider to Group Life
- Group TPD as rider to Group Life
- Health insurance
- Travel insurance
- Critical illness etc.

Customary employee benefits

Death benefits

Benefit provider

Most multinational and local leading employers provide supplementary death in service benefits; benefits are provided through a group life (GL) plan.

Supplementary death in service benefits may also be provided through a mandatory occupational pension (OTP) plan that provides benefits that are more than mandated minimum (see State & Compulsory Benefits for detail).

Type of plan

The GL plan would be insured.

Eligibility

All employees are typically covered.

Benefits

The sum insured is generally one, one and a half or two times salary or 5, 10, 15, 20 or 40 times the basic amount (G). The normal maximum is 60 times G although 80 times G may be provided occasionally for exceedingly high earners.

Rider benefits may include total permanent disability and accidental death and disablement.

Contributions

- Employers would finance 100% of the GL insurance plan premium including rider benefits.
- Employee Contribution Not applicable.

Disability benefits

Short-term sickness

Employers do not typically provide supplementary short-term sickness benefits.

Long term disability

Benefit provider

Most multinational and local leading employers provide supplementary long-term disability benefits. Benefits are provided through:

- Total permanent disability (TPD) insurance (either as a group life (GL) insurance plan rider or a stand-alone plan).
- Long Term disability pension

Eligibility

All employees are typically covered.

Waiting period

The waiting period may be up to two years.

Payment period

Benefits are payable as a lump sum.

Benefits

- Total Permanent Disability - The sum insured, payable for at least 50% disability, is generally one, one and a half or two times salary or 5, 10, 15, 20 or 40 times the basic amount (G). The normal maximum is 60 times G although 80 times G may be provided occasionally for exceedingly high earners.
- The long-term disability pension is a pension on top of the social security disability pension that pays a maximum of just over NOK 469.000. This amount is 66% of 6 x Base Amount (G). If your employees earn more than 6G it is quite common to offer a disability pension for the full salary. Maximum disability pension is 75% of salary. Most common to offer is 66% of salary up to 12 x G.

Contributions

- Employers would finance 100% of the TP and the disability pension premium
- Employee contribution: Not applicable.

Medical benefits

Benefit provider

Approximately 90% of all medical costs are covered by the Norwegian Social Security System.

Less than 20% of multinational and local leading employers provide supplementary medical benefits (prevalence is increasing); benefits are provided through a group private health insurance (PMI) plan.

Eligibility

All employees are typically covered.

Benefits

Medical benefits typically include all inpatient costs and specialist treatment including outpatient care, physiotherapy and chiropractic treatment; some medicines are also included.

Cover would normally extend to treatment in foreign hospitals, which are often under contract to the insurer. Transportation costs and the costs of a companion may also be included.

Contributions

- Employers would finance 100% of the group PMI plan premium.
- Employee Contribution Not applicable.

Retirement benefits

Benefit provider

Retirement benefits are offered through:

- AFP - Most private sector employers provide supplementary retirement benefits; benefits are provided through a contractual retirement plan (AFP), which may be mandated under collective bargaining agreements.
- OTP - Supplementary retirement benefits may also be provided through a mandatory occupational pension (OTP) plan that provides benefits that are more than the mandated minimum (see State & Compulsory Benefits for detail) or a “top hat” plan for executives and/or high earners (although top hat plans are decreasing in popularity due to unfavorable taxation treatment).
- Voluntary Retirement pension – defined contribution plan on top of the OTP and in addition to the AFP

Type of plan

OTP

As an employer, you are obliged to pay an amount corresponding to at least two percent of the employees' salary to pension savings. The following minimum requirements need to be met:

- Annual minimum contribution of 2% of salary up to 12 G (Base Amount)
- Pension withdrawal at the earliest from 62 and the payment time for a minimum of 10 years, at least until the age of 77
- Waiver of premium included. Future payments to the pension scheme up to the age of 67 are covered if an employee becomes disabled.
- All employees over the age of 13 must be part of the scheme regardless of employment percentage.

Additional retirement pension

It is quite common for most multinationals to have a pension plan with additional savings in addition to the mandatory level in the OTP plan.

Maximum savings for a pension plan (including OTP) under the Norwegian Tax Rules are:

- For salaries between 0 – 7.1 Base Amount: between 2 – 7%
- For salaries between 7.1 – 12 Base Amount: maximum 18.1 %

There is no pension payment/accrual from the national insurance scheme for salaries above 7.1 Base Amount.

Own Pension Account

A separate pension account was introduced on January 1st, 2021. The rule that one must be employed for 12 months to receive the separate pension account was then removed. The pension account will follow the employees throughout their professional careers as long as they are employed in a company with a defined contribution pension plan.

A disability pension plan is normally offered as a part of the retirement pension plan including a waiver of pension saving premium in case of disability.

AFP

AFP provides benefits on a defined benefit (DB) basis.

Eligibility

All employees under a collective bargaining agreement that prescribes an AFP would be covered; around 80% of employees aged 62 are currently eligible for an AFP.

Normal Retirement Age

The normal retirement age under an AFP ranges from 62 years to 70 years for men and women, dependent upon the employee's choice; however, to retire prior to age 67, the employee must receive the National Insurance Scheme old age pension.

Benefits

AFP

To qualify for an AFP pension the employee must:

- have an annual income over 1G and an annual income over the average 1G in the previous year
- be considered as having at least three consecutive years of qualifying service immediately preceding retirement
- be considered as having at least three years of qualifying insurance within the five years preceding age 62 (for those born between 1944 and 1951), increasing gradually to seven years of qualifying insurance within the nine years preceding age 62 (for those born in 1955 or later).

An AFP pension is equal to the employee's total adjusted pensionable salary for each pension point year up to age 61 multiplied by 0.314% and adjusted for life expectancy.

When an AFP pension is paid prior to age 67, the AFP pension is adjusted so that the employee receives an increased pension prior to age 67 and a decreased pension from age 67 (the total value of the AFP pension remains unchanged).

In addition, a supplement equal to a prescribed reference amount (determined according to year of birth) and adjusted for life expectancy is payable to employees born from 1944 to 1962, subject to a maximum supplement of 50% of an AFP pension.

Top hat plan

A top hat plan would provide benefits in respect of pensionable salary over 12G. There are no tax incentives for top hat plans, meaning for salaries above 12 x BA.

- NOK 11 for an employee working 0 to 19 hours
- NOK 13 for an employee working 20 to 29 hours
- NOK 20 for an employee working 30 hours or more.

Contributions

Employees do not contribute to an AFP.

Vesting

Vesting is not a feature of an AFP

Legislative news

Significant changes have taken place in defined contribution (DC) occupational pension schemes in Norway recently. New legislation introducing “Own Pension Accounts” was implemented in 2021, and in 2022 the membership of DC schemes has been extended to include all employees.



Please refer to the following articles that appeared in IGP Network News:

[Changes in workplace pensions \(2022\)](#)

Trends

Good health and employment until retirement age are important contributors to economic growth, welfare, and long-term sustainability in society.

Norway has a long history and traditions in creating healthy and safe workplaces. The Norwegian Work Environment Act was implemented in 1977.

In 2001, the Norwegian Government and the social partners signed the Inclusive Workplace Agreement (IW Agreement).

The IW agreement aims to prevent and reduce absenteeism, strengthen job presence, improve the working environment, and prevent exclusion and dropout from work. The agreement was amended in 2005, 2010 and 2014, and is to be prolonged through 2022.

Systematic and targeted actions to improve health and safety at work are necessary to achieve the goals of the IW Agreement.

Workplace Health Promotion is a new way of thinking and seems to have positive effects on job presence.

Rather than focusing on what causes illness, focus is now turned to health promoting factors. This illuminates the main question: Which improvements can the company make, so that the employees can stay healthy? A program called “Long-term health” is built on such a philosophy. The method establishes how managers and employees together can use their creativity and commitment to improve health, quality, efficiency and profitability.

The method focuses on how conditions ideally should be, and then the effort to make the necessary changes. Good results are created through clear goals and values, health promoting leaders and employees, and processes of change with a high degree of participation from the employees.

Typical employee benefits plans and benchmarking

Overview of the average pension saving for different industries



Comprehensive employee benefits for skilled workers in Norway

Typical employee benefits plan for multinational companies attracting skilled labor as engineers, IT consultants, oil and offshore in Norway.

- Disability pension - 66% of Pensionable salary for salaries up to 12 x Base Amount (including National Insurance). Payable up to age 67.
- Waiver of premium for retirement pension contribution. Payable until 67.
- DC pension plan: Pension contribution between 7 – 14% of salary.
- Children's pension: 50% of the first part of the old-age pension (payable until the age of 21, but doubled between the ages of 18-21)
- 30 Base Amount in case of death of employee, additional 2 Base Amount for each dependent child.
- Lumps sum payment in case of disability (TPD). Level of cover depends on the disability pension in place.
- Health insurance as a supplement to National Insurance
- Business Travel Insurance
- Workman's Compensation – mandatory cover for all

Useful links

Demographic information and macro-economic indicators

[CIA World Factbook](#) (please select the country to review)

[World Bank Group](#) (please select the country to review)

Social Security Benefits

www.nav.no/en

Government.no

www.regjeringen.no/en

Online legal resources

lovdata.no

Changes to the mandatory Occupational Pension Scheme (OTP):

www.skatteetaten.no/en/business-and-organisation/employer

More information on Storebrand Livsforsikring AS

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06/30/2025 - WCAG AA