

FOCUS



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ABC ABOUT PENSIONS – WHAT YOU NEED TO
KNOW ABOUT YOUR PENSION

P. 4 **TORHILD KALSTØ**
P. 18 **OSO- AND PENSION
COMPENSATION SCHEME (NRPK)**

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Raymond Midtgård – Union leader

Foreword

with Raymond Midtgård – Union Leader

Dear members,

This booklet puts the FOCUS on an important topic – pensions. Pensions are something we will all have to deal with, and it's an issue that concerns many, especially when it comes to security for the future. It's essential that we all have a basic understanding of how the pension system works, what rights we have, and what we can expect when the time comes.

In this booklet, we've included one of our foremost experts on the subject, Torhild Kalstø, who will guide us through the key aspects of pensions. Torhild has extensive experience and deep knowledge of pension matters, and she will explain the different schemes in a way that makes them easier for us to understand.

The booklet will cover, among other things, what the pension reform entails, how to plan for retirement, and which choices should be made along the way to ensure a financially secure future. Through clear explanations and useful advice, we aim to provide you with the tools you need to make informed decisions about your pension.

Sincerely,
Raymond Midtgård
Union Leader



**Pension adviser,
Torhild Kalstø**

Torhild Kalstø is a pension advisor with many years of experience in her field. She has built a solid expertise through both training courses and individual consultations with people from all over the country. With her extensive knowledge of pensions and many years of practical experience, she has assisted individuals, unions, and companies in navigating a complex pension system.

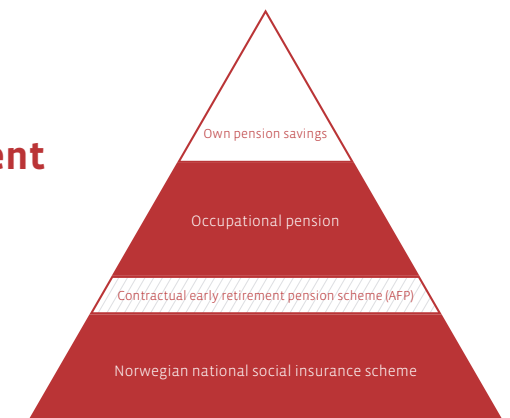
Kalstø has traveled throughout Norway to hold courses and guide people of all ages, and she has a unique ability to explain complicated topics in a clear and practical way. Her advisory services cover everything from providing insights into pension regulations to individual planning for a secure financial future.

With a strong commitment to helping people make the most of their pension rights, Torhild Kalstø is a valued advisor who makes pension planning easier and more accessible for her clients.

You can find information on individual special schemes at the end of the booklet. We encourage everyone reading this booklet to check if there are specific schemes at their workplace, in addition to those we outline here.

We will review these schemes:

- **Norwegian national social insurance scheme**
- **Contractual early retirement pension scheme (AFP)**
- **Occupational pension**
- **Paid-up policy**
- **Sailor's pension**
- **Severance packages and pensions**



Pension is Long-Term Planning

Have you thought about what your pension will be like and how you can influence it? How well prepared are you? It's never too early to think about pensions.

Pension is what you will live on when you stop working.

- You must be aware of pensions while you are working.
- Don't wait until you are old to familiarize yourself with the pension regulations.
- The earlier you acquire knowledge about pensions, the more you can influence it.

THE NATIONAL INSURANCE SCHEME

- Pension from the National Insurance Scheme – provides everyone with a certain residency period in Norway a lifelong pension (minimum five years of residency in Norway).



Scan the code to read more about the pension from the National Insurance Scheme.

In 2011, a new pension reform and new rules were introduced. Among other things, flexible withdrawal of old-age pension from the age of 62 was implemented. To take advantage of this opportunity, you must have earned a pension that exceeds the minimum pension from the age of 67.

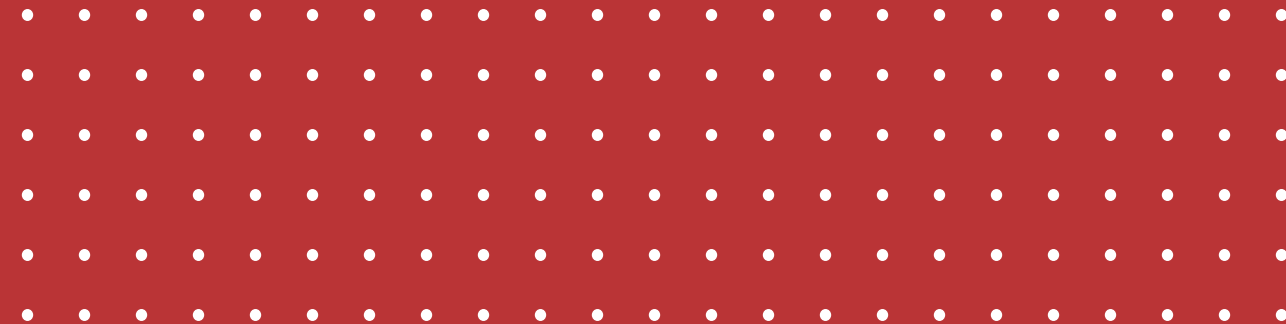
When you choose to start withdrawing your pension earlier, it means that the total amount will be distributed over more years.

The difference in annual pension when retiring at 62 compared to retiring at, for example, 67 **can** be relatively large.

- You can adjust the withdrawal of old-age pension in the following percentages: 20%, 40%, 60%, or 80%. This means you can withdraw part of your pension while continuing to work and earn more pension. This can be useful for those who want to gradually reduce their work hours.
- You can stop and start your pension whenever you wish. You can only change your withdrawal percentage once a year.

How is your pension calculated?

You will receive more in pension the more years you have worked and the more you have earned – but there is a limit to how high your pension from the National Insurance Scheme can be.



- A new calculation model in 2011 for everyone born in 1963 and later.
- 18.1% is deducted from your salary up to 7.1 G.
- Income above 7.1 G does not accumulate pension.

For individuals born up to 1962, the pension is calculated based on a transitional arrangement. Pension is regulated by the National Insurance Scheme and paid out by NAV.

- **Different rules apply for foreigners, read page 20 and 21 (we will create a separate document about this and suggestions for an email).**

Longevity adjustments mean that the annual pension at a given retirement age will be lower for each new age cohort, if life expectancy continues to increase.

The reason is that each cohort of retirees lives increasingly longer, and the number of retirees therefore increases in relation to the number of working-age individuals.

CONTRACTUAL EARLY RETIREMENT PENSION SCHEME OR AFP

AFP is a supplement to the retirement pension from the National Insurance Scheme, so you must start withdrawing your retirement pension (at least 20 percent) from the National Insurance Scheme to begin withdrawing AFP. The retirement pension can be stopped the month after starting AFP withdrawal if you wish.

To receive AFP, you must work in a company that participates in the AFP scheme. To qualify for AFP, you must meet conditions related to your 62nd birthday and the timing of your AFP withdrawal.

- **Seniority** counts from the time you turn 53 up to and including the day before your 62nd birthday. To qualify, during this period, you must work at least 7 out of 9 years in a company affiliated with the AFP scheme. Your employment must be your primary job, and you must hold at least a 20 percent position.

Your pensionable salary from your employer must also be higher than your other income.

- **Benefits age 59 to 62** (applies from birthday to birthday) be aware that some benefits may disqualify you from receiving AFP. You are not eligible for AFP if you receive a pension, severance pay, redundancy payment, or other similar pension benefit from your current or previous employment. Exceptions apply if the value of these benefits is less than 1.5 G per year.
- **Employed and actual worker** To qualify, you must hold at least a 20 percent position in an affiliated company, have an income of more than 1 G, and remain employed and actively working up to the desired withdrawal date. **You cannot apply for AFP after leaving your employer.**
- **Sick Pay** If you are more than 80 percent on sick leave for over 104 weeks within the last 3 years, you will not qualify for AFP. However, if you are close to qualifying for AFP and able to work 20 percent, you may still qualify.



You can read the rules about other income by visiting afp.no

You can read more about this at afp.no





PRIVATE OCCUPATIONAL PENSION

- Private occupational pension is the pension you receive from working in the private sector. It is in addition to the pension you receive from the National Insurance Scheme
- Mandatory occupational pension was established by law in 2006
- You can find out if you have an occupational pension from previous employers by visiting norskpensjon.no
- Earliest withdrawal at age 62

We focus on two types of occupational pensions:

1. **Defined benefit pension** is a pension paid out for life, amounting to a certain percentage of your final salary. This product was more common in the past, but now very few have this type of plan. No private companies establish defined benefit pension plans today. These plans are very expensive and unpredictable. Some of you have retained paid-up policies; these are discontinued defined benefit plans. In 2006, it was mandated that

everyone should have a mandatory occupational pension.

2. **Defined contribution pension** can be compared to a piggy bank, where the company deposits a contribution into your pension account. The pension funds are invested in funds, and you can choose the level of risk you want to take. The contribution must be between 2 and 7 percent of salary up to 12 G. Additionally, the company can provide an extra contribution of up to 18,1% if the employee's salary is between 7,1 – 12 G.

The plan includes a waiver of contribution in case of disability. This means that if you become disabled, contributions to the pension plan continue until age 67 according to your disability level.

Not sure about the amount of your defined contribution pension? Then you should check with your employer.

For both of these pensions, the basis is your regular salary and fixed supplements (such as night shift premiums).

If you are unsure whether you have paid-up policies from previous employment, you can check this by visiting norskpensjon.no



PAID-UP POLICIES

Occupational pension can be withdrawn no earlier than age 62. Defined benefit pensions and paid-up policies are lifelong, but if the amount is low, they can be paid out over fewer years in larger amounts. Contact the company managing your pension to get more information.

When is it wise to start withdrawing your pension?

There is no definitive answer to this question, as we don't know how long we will live. The value of the pension you haven't yet withdrawn increases annually in line with wage growth in Norway (G-regulation). The pension that is being paid out is adjusted by wage growth minus 0.75 percent, meaning it increases at a slightly lower rate.



PENSION AND TAXES

In principle, there is little difference between taxes on pension income and taxes on salary, but if you start withdrawing your pension while still working, you will pay higher taxes compared to when you are only working.

You will pay:

- Tax on salary
- Tax on pension
- Combined pension and salary income for calculating bracket tax

So... early pension withdrawals come at a cost.

Tax deduction – You are eligible for a tax deduction from the National Insurance Scheme and AFP as long as your pension income is below a certain amount (note that withdrawing only private AFP does not qualify for this deduction).

The amount of the tax deduction is determined annually by the Norwegian Parliament.

“

*Early pension
withdrawals
come at a cost*

SAILOR'S PENSION HAS CHANGED

The service-time-based sailor's pension applies to those born before January 1, 1970, with sea service before January 1, 2020. You must have at least 150 months of sea service to qualify for the pension.

If you have between 12 and 149 months of service in other maritime schemes, these can count toward reaching the 150-month requirement.

You are eligible for the pension starting at age 60, but you must stop working at sea first. After age 62, this restriction no longer applies.

If you do not have enough months of service to qualify for the pension, you may, under certain conditions, be eligible for a one-time payment. The pension stops when you turn 67.

The income-based sailor's pension applies to those born on or after January 1, 1970, or if you first earned service time in the Maritime Pension Fund (MPK) after January 1, 2020. The minimum accrual period is

3 years to qualify for this pension. You can choose when to start the pension, from as early as age 62 until the month you turn 70. You are free to combine work and pension and can accrue new pension rights up until age 70.

You choose the payout period, but it cannot be shorter than 7 years.

The right to the pension balance ends upon the pensioner's death.

If you have worked on Norwegian ships or floating rigs, you may qualify for the sailor's pension.

- The old scheme pays out between ages 60 and 67 and is often called the service-time-based sailor's pension since the payment amount depends on your accrued sea service time.
- The new scheme can be taken from age 62 at the earliest and must be paid out over a minimum of 7 years.
- The reason for these changes is that the new rules are aligned with the AFP.

SEVERANCE PACKAGES AND PENSIONS: IMPORTANT CONSIDERATIONS

If you are offered a severance package, it is essential to carefully consider how this might impact your pension. A severance package often involves ending your employment before retirement age, which can have multiple consequences for your pension accrual.

Firstly, a severance package can reduce the number of years contributing toward your pension, potentially leading to lower pension payments in the future. This can be particularly impactful if you are close to retirement age. Severance packages may also affect accrual in the national insurance scheme, occupational pensions, and any private pension schemes.

Furthermore, it is important to assess whether the severance package includes compensation for lost pension accrual or if you will need to manage this independently. It is also worthwhile to examine whether the severance package affects your eligibility for AFP (contractual early retirement pension scheme), which could be reduced or lost altogether if you leave the workforce too early.

Therefore, it is wise to seek advice from a pension expert before accepting a severance package to make an informed decision for both your short-term and long-term financial security.

Receiving a severance package can also have consequences for pension accrual, such as reduced pension payouts or loss of entitlements. Thus, obtaining the right guidance is crucial to ensure a secure financial future.



WHAT IF YOU BECOME ILL?

Even if you have reached the retirement age for pension withdrawal, you still retain the same rights as your younger colleagues until you turn 67. This means you are not necessarily required to retire if your health fails. You may still be entitled to sickness benefits and work assessment allowance (AAP), even if you have started receiving your pension.

It is also important to familiarize yourself with your employer's insurance schemes, as you may have different rights in the event of illness. Understanding these rights can help ensure that you are financially protected in case of illness or health challenges, even as you approach retirement age.



Would you like to have a conversation about your pension arrangements? Scan this QR code and fill out the form!

The pension talk in SAFE

We receive many questions about all the options that open up when it comes to pension withdrawals. Flexibility creates new opportunities, but it can also lead to uncertainty about which choices to make. Therefore, SAFE actively offers a conversation to paying members over 57 with Torhild, who can be a sounding board in this assessment.

Questions you may get answers to include:

- How do I find out how much I will actually receive from the National Insurance and my occupational pension?
- Can I do anything to improve my pension?
- When can I start taking my pension?
- How can I combine pension and work?
- How long can I work?

You can also receive helpful advice if your company is undergoing restructuring, and it is, or could be, relevant for you to consider a severance package.

If you want to discuss your pension arrangements, scan the QR code below and send it to us. Within a few days, you will receive a call from our pension expert, Torhild Kalstø, for a chat about your pension options.

We can offer webinars in connection with the release of the booklet:

- Pension for all
- Pension for Seniors 57 plus
- Pension course for union representatives



Read more about
Loss of license

Loss of license

If you are unfortunate and no longer meet the requirements for your health certificate, you should check if you are eligible to apply for loss of license.

Oljearbeidernes sosiale ordninger

OSO administrerer de sosiale ordninger som drives av fagforbundene på sokkelen for sine medlemmer.



Helsesertifikat for Oljeservice og Offshoreservice

Helsesertifikat
Helsesertifikat for Oljeservice og Offshoreservice



Helsesertifikat Operatør - Boring Forpleining

Helsesertifikat
Helsesertifikat for Operatør, Boring og Forpleining



Kompensasjonsordning pensjonsrettigheter

Pensjons-
Kompensasjonsordningen
Kompensasjonsordning vedrørende pensjonsrettigheter innen flyttbare enheter (NR)



Retrettfond dykkere

Retrettfond
Retrettfond for metningsdykkere

Skjerm bilde fra oso.as

OSO and pension-compensation scheme (NRPK)

Oljearbeidernes Sosiale Ordninger (OSO) is a collective term for social schemes managed by unions on the continental shelf for their members. This pension compensation scheme applies to employees covered by the rig agreement with NR, and is jointly owned by SAFE and the Forbundet Styrke union, with administration handled by SAFE.



Roselyn Riley
Responsible for the OSO scheme
918 73 208
rori@safe.no

• **Point 2.1 - Support for lost pension rights due to downsizing.**

Support is available for members dismissed due to downsizing who are between the ages of 57 and 60 if the minimum pension age is 60, or between 59 and 62 if the minimum pension age is 62.

Application requirements:

- Dismissed due to downsizing with at least 15 years of seniority in the applicable sector.
- Age requirement: between 57 and 60 if the minimum pension age is 60, or between 59 and 62 if it is 62.
- Receiving less than 60% of total pension benefits from the time of departure until the age of 67.

• **Point 2.2 - Support for loss of previously granted pension compensation due to shift from defined-benefit to defined-contribution pension in 2016.**

Application requirements:

- Dismissed due to downsizing with at least 15 years of seniority in the applicable sector.

- Age between 57 and 60 if the minimum pension age is 60, or between 59 and 62 if it is 62.
- Receiving less than 60% of total pension benefits from the time of departure until the age of 67.

• **Point 2.3 - Support for individuals born between 1960 and 1969 adversely affected by pension changes in NR.**

Application requirements:

- Covered by the mobile rig agreement as of 12.31.19.
- Employed under the mobile rig agreement at the time of pension departure.
- Employed by the company for the last three years or with five years of prior service under the mobile rig agreement at the time of departure.
- Receiving less than 60% of total pension benefits from departure until the age of 67.



SAFE in Archer attends union representative conference on the Kiel-fergen

Brief on the application process

1. Applications should be submitted upon retirement by filling out the application form on the scheme's website (www.oso.as) or by using this QR code.
2. Once we receive your application, you will receive an email from us requesting the necessary documentation. When this is received, the application will be sent to the board for processing.
3. If the board determines that the applicant is eligible, the application will be sent for calculation. Once the calculation is completed, it will be returned to the board for a final decision.
4. It is recommended to read the terms/guidelines of the scheme or contact Roselyn Riley for questions.

Apply here!



Read the bylaws here:



How to apply or check you pension step by step

Membership in the Norwegian National Insurance Scheme (Folketrygden) functions as insurance that provides you with health and pension rights.

If you work in Norway but live abroad, you may still be a member of the National Insurance Scheme. This depends on several factors:

- Work in Norway: You must work in Norway, and your employer must be registered in Norway and pay employer contributions for you.
- Connection to Norway: Even if you live abroad, you may still be a member of the National Insurance Scheme if you work in Norway.

There may be specific rules for your situation, so it is advisable to contact NAV for accurate information based on your employment and residence situation.



Visit NAV's
website

Norwegian BankID

One challenge for employees residing abroad is that they do not have access to Norwegian BankID. BankID is an important authentication method for logging into public services such as NAV. It is also used for communicating with NAV via email and accessing pensions, rights, and other essential services.

Without BankID, employees living abroad struggle to use these digital services, as it is required to verify their identity securely.

However, you can obtain Buypass

All new Buypass customers must undergo an identity verification process when establishing a customer relationship. This is due to the requirements Buypass must comply with regarding the issuance of electronic IDs at the highest security levels.

Ordering Buypass:

- You can order Buypass access if you have a personal identification number or a D-number.

Address in Norway:

- You must have a Norwegian address to order Buypass. It does not have to be your own private address – you can use the address of someone you know.

Collection:

- The card must be collected personally by you. You must appear in person; you cannot authorize someone else to collect it on your behalf.

Cost and Validity:

- The card costs approximately NOK 1,000 and is valid for three years.

You can read more about
this at buypass.com or
call +47 22 70 13 00



How to contact NAV

If you are unable to order Buypass, you can contact NAV either by phone or mail.

- You can send a letter to NAV, but this may be a slower method. NAV's website provides information on how to send written inquiries and which address to use for your specific case. (QR code)
- If you speak with NAV by phone regarding your rights, we recommend asking them to send the information to you in writing as well.
- Using Buypass and contacting NAV is relevant if you want information about your pension account, especially if you receive a severance package and have **AFP (Contractual Early Retirement Pension)**.

Applying for pension

If you wish to withdraw your pension and have accumulated sufficient entitlements, you can apply through your pension authority in the country where you reside if it is an **EU/EEA country, Switzerland, or the United Kingdom**.

- **Old-age pension** is applied for through **NAV**.
- **AFP (Contractual Early Retirement Pension)** is applied for through **NAV**.
- **Occupational pension** is applied for through the company where you have your occupational pension scheme.

Check out the
pension talk!



Conclusion

Do you have further questions or concerns about your pension? Torhild, our consultant, is here to help. We offer «Pension Talk» where you can schedule a session with her.

- I have extensive knowledge of pension schemes and insurance products and can assist businesses, unions, and individuals with all aspects of these.
- I focus on tailoring courses and pension discussions to the target audience, ensuring that the information is conveyed in an understandable and engaging way. Through the digitalization of my services, I can reach a larger audience and offer flexible solutions that suit both small and large groups.

With her extensive experience and specialization in pensions and insurance, she can be a valuable resource for anyone in need of advice and guidance in this area.

The administration in SAFE



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Membership management team: Casper Sommerstad, Anja Fjelde, and Gro Østbø are available to assist with your membership and answer any related questions.

HSE-department: Raymond Midtgård, Halvor Erikstein, Irene Bergljot Åstein Dahle, Mats Thune and Idar Martin Herland are ready to assist you with any HSE-related queries.



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Wage Negotiation Department:

Each area has its contact in SAFE. Kai Morten Anda, Gro Gullhaug, Levard Olsen-Hagen, and Trine Vikse, where the last two are also jurists, make up our wage negotiation department. They work on wage negotiations and case handling.

Kai Morten is the contact person for direct agreements within ROV and the floating rig agreement. Gro is the contact person for operator, drilling, catering, and ISO.

Jurists: Trine Vikse and Levard Olsen-Hagen are our skilled jurists at SAFE-house.

Trine is the contact person for offshore shipping and for temporary/leasing-related questions. Levard is the contact person for the well-service agreement and for onshore facilities.

Lawyer: Maren Skåden is the lawyer at SAFE. She has close dialogue with the wage negotiation and HSE departments and can assist with legal advice. kontakt henne via nrpk@safe.no.



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for a simple application form.

