



What is AFP?

AFP is a collectively agreed pension scheme in the private sector. In connection with the pensions reform, the private sector AFP contractual pensions scheme was completely revised in 2011. The main features of the new AFP scheme, which applies from 1 January 2011, are described here.

AFP is a private sector tariff-based pension scheme. AFP is an ungraded lifelong supplement to the retirement pension from the National Insurance scheme (alderspensjon fra Folketrygden). After you have turned 62 years old, you largely determine yourself when you want to draw AFP. In the new AFP scheme you can continue to work while drawing pension and AFP is not means-tested against your employment income. A condition for entitlement to AFP is that you work for a company that is bound by a tariff agreement with AFP right up until you start receiving your pension.

The pensions reform supports 'the work approach' and makes it more profitable than previously to remain in employment longer.

AFP requirements

How long must I have worked for in order to receive AFP?

To be entitled to AFP, you must have sufficient seniority with one or more affiliated companies. The principal rule is that for seven out of the last nine years before you reach the age of 62 you must have worked for one or more companies affiliated to the AFP scheme for Fellesordningen, Spekter or FA. The company or companies must have been affiliated to the schemes during the same period. For workers born during the years 1944 to 1954, the seniority requirement is less strict: 1944 to 1951: 3 out of 5 years, 1952: 4 out of 6 years, 1953: 5 out of 7 years, 1954: 6 out of 8 years.

Your working hours expressed as a percentage must have been at least 20 throughout the eligible seniority period. The employment must have been your main source of employment and have given you a pensionable income that was higher than income from other employers you might have. Rules have been established in connection with this concerning income, dividends, profits, etc. If you have further questions about this please contact Fellesordningen.

What affiliation must I have to the company?

You must be employed and an actual employee with at least a 20 percent position with an affiliated company at the time you start drawing your pension (the time of drawing). You must also have had such an affiliation for the last three years before the time of drawing. More detailed rules have been established relating to sick-leave, leave and other interruptions to employment, as well as rules linked to bankruptcy and redundancy.

In some companies only one, or parts, of the company may be covered by a collective agreement. In those cases the AFP scheme will generally be limited only to employees who work in parts of the company with a collective agreement. All employees linked to the areas of a company's operations which are affiliated to the joint scheme will in principle be covered by the AFP scheme. Workers linked to other areas within the company will however not be co-

vered by the scheme. If there is doubt about whether the company is a member of the AFP scheme, contact Fellesordningen.

Circumstances which could exclude you from AFP

Employees who during the last years before reaching the age of 62 have received a pension, severance pay or other similar payments from their current or former employment may lose their entitlement to AFP if the payments exceed 1.5 Norwegian base amounts (G) over the course of a year. More detailed rules have been established concerning the senior policy programme and fees paid in connection with termination of an employee's employment.

If you have received a disability pension (uførepensjon) from the National Insurance scheme after you reached the age of 62, you will not be entitled to AFP.

If at the time of drawing your pension and during the previous year, you had a pensionable income which does not correspond to an annual income of at least 1G, you will not be entitled to AFP.

Can I receive AFP even though I am also working at the same time?

You can earn an unlimited amount while you are receiving AFP alongside a retirement pension from the National Insurance scheme. AFP is an ungraded payment. This means that you will always be paid 100 percent even if you decide to grade your retirement pension from the National Insurance scheme.

When and how do I apply for AFP?

You must apply for AFP yourself. You can apply electronically through Din pensjon at www.nav.no or via www.afp.no. Fellesordningen will send your employer a separate form after processing of your application has begun.

You must apply for AFP at the same time as you apply for a retirement pension from the National Insurance scheme. This is because the private sector AFP is a supplement to the National Insurance scheme retirement pension.

If you apply electronically, you can apply for AFP and retirement pension at the same time.

Participants in the joint AFP scheme

There is only one private sector AFP scheme (Fellesordningen for AFP). The parties to this joint scheme are the National Confederation of Trade Unions (LO), the Confederation of Norwegian Enterprise (NHO), the Confederation of Vocational Unions (YS), the Enterprise Federation of Norway (Virke), the Employers' Association Spekter and the Norwegian Employers Association for the Financial Sector (FA). Other participants in the scheme are Arbeidsbevegelsens Arbeidsgiverforening, SAMFO, the Association of Vocational Rehabilitation Enterprises, Glass- og fasadeforeningen, the Norwegian Association of Heavy Equipment Contractors, the Norwegian Hauliers' Association and the Norwegian Shipowners' Association.

What will happen if I defer drawing my AFP?

Provided you have reached the age of 62 and meet the other conditions for entitlement to AFP and also draw a retirement pension from the National Insurance scheme, you can decide when you draw AFP yourself. To be entitled to a retirement pension from the National Insurance scheme before reaching the age of 67, you must have accrued rights which meet the condition concerning minimum pension level (guarantee pension level). The component of the AFP pension that is life-long and subject to adjustment will be taken into consideration when the Norwegian Labour and Welfare Administration (NAV) considers whether or not the minimum pension level requirement is met.

When you choose to draw AFP will affect the size of your annual payments. Under the new pension scheme, it will pay you to remain in employment for longer. If you wait before starting to draw your AFP, you will receive a higher annual pension payment. This is because the pension will then be paid over fewer years. For AFP, this effect ceases on reaching the age of 70. To see how your annual pension payments would change if you started drawing your AFP at different times, log in to Din pensjon at www.nav.no.

It is, however, important to be aware that the AFP scheme contains conditions which must be met both when you reach the age of 62 and at the time you start drawing your AFP. If an employee who has reached the age of 62 and meets the conditions for entitlement to AFP stops working for a company that is affiliated to the joint scheme without having applied to draw their AFP, the employee will lose their entitlement to AFP. This is because at the time of drawing their AFP employees must be in a job with a company that is affiliated to the scheme. Other changes in employment circumstances after reaching the age of 62 may also result in the entitlement to AFP being lost.

AFP rights during employment abroad

The collective agreements that regulate AFP rights do not apply outside Norway's borders. However, from January 2012 the AFP Statutes allow employees, in certain situations, to maintain membership in the AFP Scheme while working abroad. A condition for maintaining such membership is that Fellesordningen for AFP has approved the Norwegian company's application concerning membership of all employees working abroad.

Information for employers

Premium

The premium rate for 2013 for AFP is 2.0 percent of the company's total payments between 1 and 7.1 times the basic amount (G) to the company's workers. For 2014 the premium rate is 2.2 percent. For employees who have recently been employed by the company and certain other groups of employees, the premium basis is determined differently. No premiums are paid on salary payments to employees after the calendar year in which they reach the age of 61. Premium invoices for AFP are sent to employers every quarter. Under the new AFP scheme, there are no contributions for employers once AFP is granted.

Companies with employees who have taken out the old AFP must continue to pay contributions for these employees. To round off costs in the old AFP scheme, employers who were affiliated to the old AFP under Fellesordningen must also pay premiums at reduced rates for the old AFP during the years 2011 to 2015.

Retention of AFP-rights in the case of transfer of ownership of an enterprise

The Working Environment Act (arbeidsmiljøloven) states that in every transfer of ownership of an enterprise, the new employer is bound by any collective agreement that was binding on the former employer. AFP rights will therefore normally be maintained if ownership is transferred. However, this does not apply if the new employer, within three weeks after the date of transfer, declares in writing to the trade union that the new employer does not wish to be bound by the previous collective agreement.

How much pension will I receive?

NAV will determine the size of your AFP pension. Employees who wish to find out the size of their pension can log in to NAV's pension calculator Din pensjon at www.nav.no or contact NAV's Pensjon contact centre on telephone +47 55553334.

You can easily check online whether you are entitled to AFP!




At www.afp.no, you can take the AFP test, which will give you a good indication as to whether you are entitled to AFP. Via this website, you can also navigate directly to the pension calculator and other pension organisations. Note that this information is in Norwegian only.

Rules and regulations

The Norwegian government contributes to the AFP scheme. The conditions for state financing are laid down in the Act of 19.2.2010. Further details of the conditions for pension rights and for the financing of the scheme may be found in the Statutes, most recently approved by the Ministry of Labour on 26.1.2012. It is the current Statutes when the applicant claims a pension that determines whether a person is granted AFP or not. Note that the act and the statutes are in Norwegian only.

Useful information about Retirement pensions from the National Insurance Scheme can be found by following [this link](#).

Contact information

Phone 	22 98 98 00 Business hours 09.00-15.00
Mail 	For questions regarding employees' entitlement you can also send an e-mail to: afp@afpslv.no
Mail 	For questions regarding membership, calculation of premiums, invoices etc you can send an e-mail to: faktura@afpslv.no