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This survey is intended for information purposes only, giving a general overview of the Norwegian Social Insurance Scheme. It has no value as a legal document. No rights may be derived from the information given herein. All claims for Social Insurance benefits must be founded on applicable legislation.

THE NORWEGIAN SOCIAL INSURANCE SCHEME

The main general social insurance schemes in Norway are the National Insurance Scheme, the Family Allowance Scheme and the Scheme for Cash Benefit for Families with Small Children.

Benefits from the National Insurance Scheme are granted according to an act of 28 February 1997.

Family allowances are granted according to an act of 8 March 2002.

Cash benefit for families with small children is granted according to an act of 26 June 1998.

1. PERSONAL SCOPE OF THE NATIONAL INSURANCE SCHEME

Compulsorily insured under the National Insurance Scheme are all persons who are either resident or working as employees in Norway or on permanent or movable installations on the Norwegian Continental Shelf. The same applies to persons living in Svalbard (Spitsbergen) and Jan Mayen who are employed by a Norwegian employer or who were insured under the National Insurance Act prior to their stay in these areas. Compulsorily insured are also certain categories of Norwegian citizens working abroad.

Citizens from EEA countries working on Norwegian ships, except hotel and restaurant staff on cruise ships registered in the Norwegian International Ship's Register, are compulsorily insured. Foreign (not EEA) citizens not resident in Norway or any other Nordic country, who are employed on ships in foreign trade, registered in the regular Norwegian Ship's Register, are compulsory insured only with regard to entitlement to occupational injury benefits and funeral grants. Persons of the same category, but employed on ships in the Norwegian International Ship's Register, are not compulsorily insured for any contingency.

Excluded from compulsory insurance are foreign citizens who are paid employees of a foreign state or of an international organisation. Under specified conditions the same

applies to persons with a short-term employment in the Realm and persons exclusively in receipt of pension from abroad etc.

The compulsory insurance coverage is maintained during a temporary stay abroad. A stay abroad of less than one year is regarded as temporary. If the person concerned takes paid work abroad, however, the insurance coverage terminates.

Persons who according to the above mentioned regulations are not insured, but are either staying in Norway or are staying outside Norway and have been insured in Norway for at least three of the last five calendar years preceding the application, and having close connections with the Norwegian society, may apply for voluntary insurance.

2. BENEFITS

Persons insured under the National Insurance Scheme are entitled to old-age (see under 4), survivors' (see under 5) and disability pensions (see under 6), time limited disability benefit (see under 6), basic benefit and attendance benefit in case of disablement (see under 6), rehabilitation benefits (see under 7), occupational injury benefits (see under 11), benefits to single parents (see under 12), cash benefits in case of sickness, maternity, adoption (see under 9) and unemployment (see under 10), medical benefits in case of sickness and maternity (see under 8) and funeral grant (see under 13).

Many benefits from the National Insurance Scheme are determined in relation to a basic amount (B.a). This amount is adjusted by the Parliament once or more times each year, in accordance with changes in the general income level. The main adjustment takes place 1 May each year. In 2008, the average B.a. was NOK 69 108, and the B.a. per 1 January 2009 is NOK 70 256.

The rates of benefits given below apply per 1 January 2009.

3. FINANCING

The National Insurance Scheme is financed by contributions from employees, self-employed persons and other members, employers' contributions and contributions

from the state. Contribution rates and state grants are decided by the Parliament. Figures given here apply for 2009.

The following benefits are financed by contributions from the state only: Lump sum grants in case of maternity and adoption, grants to improve the functional ability of daily life, basic benefit, attendance benefit, guaranteed supplementary pension for persons disabled at birth or early in life, educational benefits, child care benefits, transitional benefits for survivors and single, divorced and separated supporters, benefits for surviving family nurses, means-tested funeral grants and advance payments of maintenance payment for children that exceed the reimbursement from the person liable.

Contributions from employees and self-employed persons are calculated on the basis of pensionable income. Contributions on pensionable income are not paid on income less than NOK 39 600. The contributions shall not exceed 25 per cent of income exceeding this threshold amount.

Cash benefits in the case of sickness, maternity and unemployment are taken into account as pensionable income. The same applies to rehabilitation allowance, vocational rehabilitation allowance and time limited disability benefit.

The contribution rate for employees is 7.8 per cent of the pensionable income (gross wage income). The contribution rate for a self-employed person is 11 per cent of the pensionable income (income from self-employment). The contribution rate for other kinds of personal income (pensions etc.) is 3.0 per cent.

The employers' contribution is assessed as a percentage of paid out wages. The employers' contributions are differentiated according to where the enterprises are established. There are regional zones based on geographical situation and level of economic development. The employers' contribution rates in these zones vary from 0.0 per cent to 14.1 per cent.

Total expenses of the National Insurance Scheme in 2008 were NOK 264 197 million. This amount represents approximately 35.2 per cent of the combined State and National Insurance budgets and 10.2 per cent of the Gross Domestic Product. The state grants to the National Insurance Scheme were in 2008 NOK 68 026 million, equal to 25.8 per cent of the Scheme's total expenses.

Family allowances and the cash benefit for families with small children are financed over the State Budget.

4. OLD AGE PENSION

The retirement age is 67. However, if the insured person continues to work, pension points (cf. Section 4.2) may be earned until the age of 70. If the pensioner maintains an earned income exceeding 2 B.a., in the period between the age of 69 and the age of 70, the pension is reduced by 40 per cent of the exceeding income.

Old-age pension consists of a basic pension, a supplementary pension and/or a special supplement, and possible supplements for children and spouse (income-tested).

A minimum old-age pension consists of a basic pension and a special supplement. For an unmarried pensioner the minimum old-age pension is NOK 136 296 a year. The minimum old-age pension for a married pensioner who receives supplement for spouse under 60 years of age is NOK 171 420 a year and NOK 237 468 if the supported spouse is over 60 years of age. If both spouses receive minimum old-age pensions, the pension is NOK 125 748 a year for each spouse.

4.1 Basic Pension and Supplements for Spouse and Children

Persons, who are insured for pension purposes and who have a total insurance period of three years between the age of 16 and the year they become 66, are entitled to a basic pension. The condition of present insurance affiliation does not apply to persons who have been insured for at least 20 years (on the basis of periods of residence etc.) or are entitled to a supplementary pension, cf. 4.2.

The basic pension is calculated on the basis of the insurance period, and is independent of previous income and contributions paid. A full basic pension requires an insurance period of minimum 40 years. If the insurance period is shorter, the basic pension will be proportionally reduced. For persons who are not insured for pension purposes and who have less than 20 years of insurance (based on residence periods etc.), the basic pension is calculated on the basis of the same number of years as the supplementary pension.

As a starting point, a full basic pension equals 100 per cent of the B.a. (NOK 70 256). However, the full basic pension will be 85 per cent of the B.a. if the pensioner's spouse (or a cohabitant whom he/she previously was married to, has children together with or has been living with for at least 12 of the last 18 months) receives pension or has a yearly income exceeding 2 B.a. (NOK 140 512).

A pensioner supporting a spouse (or a cohabitant whom he/she was previously married to or has children together with) who is not a pensioner is entitled to a supplement up to 50 per cent of his/her basic pension. The supplement is income-tested and reduced with 50 per cent of income exceeding 3.3366 B.a. (NOK 234 416).

An old-age pensioner supporting children under 18 years of age may receive a supplement of up to 40 per cent of the B.a. for each child (NOK 28 102). The supplement is income-tested in the same way as the supplement for a spouse, but the income that the pensioner can have without the supplement being reduced, is increased by 40 per cent of the B.a. for each child.

4.2 Supplementary Pension

The supplementary pension scheme was introduced in 1967. The aim of the scheme is to prevent a marked decline in the standard of living upon retirement.

A person is entitled to a supplementary pension if his/her annual income exceeded the average B.a. of any year for three years after 1966. Full credit (pension points) is given for income up to 6 B.a. (NOK 421 536). Furthermore, 1/3 of income between 6 B.a. and 12 B.a. (NOK 843 072) is credited as pensionable income for these years. Before 1992 income up to 8 B.a. was credited at full rate and income between 8 B.a. and 12 B.a. at 1/3. Income exceeding 12 B.a. is disregarded.

The amount of the supplementary pension depends on the number of pension earning years and the yearly pension points. A full supplementary pension requires as a general rule 40 pension-earning years. In the case of less than 40 pension-earning years, the pension is reduced proportionally.

Pension points are computed for each calendar year by dividing the pensionable income up to 6 B.a. (before 1992 8 B.a.) minus one B.a., with the B.a. Income between 6 B.a. (before 1992 8 B.a.) and 12 B.a. is divided by 3 B.a.

Example: If the pensionable income was six times the average B.a. in 2008:

$$\frac{6 \times \text{NOK } 69\,108 - \text{NOK } 69\,108}{\text{NOK } 69\,108} = 5 \text{ pension points}$$

The maximal pension point, which can be credited for any one year, is 7. However, from 1971 to 1991, the maximal pension point was 8.33.

A full annual supplementary pension is 42 per cent (supplementary pension percentage) of the amount which appears when the current B.a. is multiplied by the average pension point figure for the person's twenty best income years (final pension point). If the person concerned has earned pension points for less than twenty years, the average of all pension point figures credited is used. For years prior to 1992 the supplementary pension percentage is 45.

Example: With a final pension point figure of 7, the supplementary pension could be:

1) With 40 pension earning years:

$$\frac{\text{NOK } 70\,256 \times 7 \times 45 \times 25}{100 \times 40} + \frac{\text{NOK } 70\,256 \times 7 \times 42 \times 15}{100 \times 40} = \text{NOK } 215\,774$$

2) With 15 pension earning years (prior to 1992):

$$\frac{\text{NOK } 70\,256 \times 7 \times 45 \times 15}{100 \times 40} = \text{NOK } 82\,990$$

Maximum supplementary pension that can be granted is NOK 263 355.

Many elderly people have had no possibilities of earning a full supplementary pension. In consequence, special transitional provisions have been introduced regarding people born before 1937. It is required that the persons concerned have completed a certain insurance period prior to 1967. The transitional provisions only apply for annually earned income within 5 B.a. (NOK 351 280) each calendar year. For a person born in one of the years 1898-1917, twenty pension earning years are required for entitlement to a full supplementary pension, provided that he/she is gainfully employed until attaining the age of 70. A person born in one of the years 1918-1936 is entitled to a full

supplementary pension if he/she has earned pension points each year from 1967 to the year of his/her 69th birthday. For income between five B.a. and 12 B.a., the 40-year requirement applies.

Persons who are taking unpaid care of children under 7 years of age and of disabled, sick and elderly persons at home are credited a pension point figure up to 3.00 in the supplementary pension scheme. This corresponds to pension entitlements based on an income from work of NOK 281 024.

Surviving spouse etc. (cf. Section 5.1) will at age 67 transfer to old age pension, and receive his/her personally acquired supplementary pension, or 55 per cent of the aggregated supplementary pension of the survivor him-/herself and the deceased person's supplementary pension, if this is more favourable.

4.3 Special Supplement

Pensioners who have no, or only a small, supplementary pension, are entitled to a special supplement from the National Insurance Scheme. A full special supplement is payable if the insurance period is at least 40 years. The special supplement is reduced proportionally in the case of a shorter period. A supplementary pension is deducted from the special supplement.

For an unmarried pensioner, or a pensioner whose spouse is not a National Insurance pensioner, the special supplement equals 94 per cent of the B.a. (NOK 66 036). If the supported spouse is 60 years or older, the special supplement equals 188 per cent of the B.a. (NOK 132 084). If both spouses receive a minimum pension, the special supplement is the same as for singles, i.e. 94 per cent of the B.a. each (NOK 66 036).

For a pensioner married to a pensioner who has a supplementary pension which is higher than the special supplement, the special supplement equals 74 per cent of the B.a. (NOK 51 984). However, the total supplementary pension and special supplement shall not represent a lower amount than twice the special supplement according to ordinary rate, i.e. 188 per cent of the B.a. (NOK 132 084). The same provisions apply to cohabitants that previously have been married to each other or have children together.

5. SURVIVORS' BENEFITS

5.1 Benefits to Surviving Spouse

A surviving spouse (or cohabitant who previously has been married to or has children with the deceased) under 67 is entitled to pension benefits if he/she is insured with entitlement to pension benefits and the deceased was insured and able to work for at least three years immediately prior to death. The surviving spouse is also entitled to benefits if the deceased had been drawing a pension for a period of at least three years prior to his/her death. If the deceased had earned a supplementary pension, the surviving spouse is not required to be insured. In these cases, a corresponding basic pension is also granted. Furthermore, the condition that the survivor shall be insured for the granting of a basic pension is waived if either the survivor or the deceased has been a resident in the Realm for at least 20 years.

Survivors' pension is granted to a surviving spouse etc. if the marriage lasted for five years or the survivor has or previously had children with the deceased or is taking care of the children of the deceased and the aggregated duration of the marriage and the period of care after the death is at least five years.

A divorced spouse etc. who has not remarried at the time of the death of the former spouse, is entitled to benefits according to the same rules provided that the death occurs within five years after the divorce, and the marriage has lasted for at least 25 years, or 15 years if there were children in the marriage. The five-year requirement does not apply if the divorced survivor at the time of the death was receiving maintenance payments from the deceased. The benefits terminate if the beneficiary re-marries.

A full survivors' pension consists of a basic pension equal to the B.a., and 55 per cent of the supplementary pension which the deceased received, or would have been entitled to, as totally disabled or as an old-age pensioner.

If the deceased, due to the length of the insurance period, would have got or had a reduced basic pension, the survivor's basic pension is reduced proportionally.

Special supplement is granted as for old-age pensions.

The survivors' pension is subject to an income test. If the surviving spouse etc. in fact has, or may be expected to get, an annual income exceeding 50 per cent of the B.a., the pension will be equal to the difference between a full pension and 40 per cent of the exceeding income. A surviving spouse etc. under the age of 55 is expected to have an annual earned income of 2 B.a. (NOK 140 512). For a survivor without earned income, the pension will be reduced by NOK 42 154, unless the person concerned have a reasonable cause for not having any income. Survivors who are not employed at the time of death, are allowed a reasonable transitional period.

A transitional benefit is granted to a surviving spouse etc. who is not entitled to a survivors' pension, and who is temporarily incapable of maintaining him/herself by working. The transitional benefit is determined according to the same rules as a survivors' pension.

An education benefit is granted to a surviving spouse etc. who needs education or vocational training to be able to maintain him-/herself.

Child care benefit is granted to a surviving spouse etc. who, due to education or work, must leave the necessary care of the children to someone else. The benefit equals 64 per cent of the expenses for child care, but is limited to NOK 38 652 for the first child, NOK 50 436 for two children and NOK 57 156 for three or more children. If the surviving spouse etc. has income exceeding 6 B.a. (NOK 421 536), he/she receives no child care benefit.

When a surviving spouse etc. must move to find work, grants are made to cover removal expenses.

Education benefit, child care benefit and grants to cover removal expenses may be granted even if the deceased did not fulfil the requirement of three years of insurance immediately prior to the contingency, provided that the survivor is insured with entitlement to pension benefits. These benefits are only paid as long as the survivor continues to be insured in this respect.

5.2 Children's Pension

Children under 18, insured with entitlement to pension benefits, are entitled to a children's pension if one or both parents are deceased. It is a condition that the deceased was insured with entitlement to pension benefits for three years immediately

prior to the death. The surviving child is also entitled to benefits if the deceased had been drawing a pension for a period of at least three years immediately prior to his/her death. Children undergoing education receive the pension up to twenty years of age if both parents are deceased.

If one parent is dead, the full annual children's pension for the first child equals 40 per cent of the B.a. (NOK 28 102), and to each subsequent child 25 per cent of the B.a. (NOK 17 564).

If both parents are dead, the first child receives a children's pension equal to the survivors' pension which would have been paid to the parent who was entitled to the highest pension. The full children's pension for the second child equals 40 per cent of the B.a., and 25 per cent of the B.a. for each subsequent child.

When there are two or more children, the pensions are added together and divided equally among the children.

Children's pension assessed as a percentage of the B.a. is granted at reduced rate in accordance with the reduction a possible basic pension to a surviving spouse is subjected to due to uncompleted insurance periods (ref. 5.1).

6. DISABILITY BENEFITS

Disability benefits comprise basic benefit, attendance benefit, time limited disability benefit and disability pension.

An insured person with a disability is entitled to basic benefit and attendance benefit.

A basic benefit is granted if the disability involves significant extra expenses. There are six basic benefit rates, which are adjusted each year by Parliament. Annual rates in 2009 are: NOK 7 188, NOK 10 980, NOK 14 424, NOK 21 240, NOK 28 800 and NOK 35 988.

An attendance benefit is granted if the disabled person needs special attention or nursing. There are four attendance benefit rates, which are adjusted by Parliament. Annual rates in 2009 are: NOK 12 900, NOK 25 800, NOK 51 600 and NOK 77 400.

The three highest rates are only granted to persons under the age of 18.

The basic benefit and the attendance benefit are reduced accordingly if granted in addition to a National Insurance pension that is reduced due to reduced insurance periods.

An insured person between 18 and 67, whose working capacity is permanently reduced by at least 50 per cent due to illness, injury or defect, is entitled to a time limited disability benefit or a disability pension if he/she has been insured with entitlement to pension benefits for at least three years up to the contingency. A time limited disability benefit will be granted if, after an overall assessment, it is deemed probable that the income capacity can be improved. Such benefit is granted for a period of one to four years, and shall be reassessed before the end of this period.

These benefits are payable as long as the beneficiary is still insured, or if he/she is entitled to a supplementary pension, in which case a basic pension, corresponding to the number of years pension points are credited for, is also granted. Furthermore, the condition of being insured concerning the payment of basic pension is waived if the person has been a resident in the Realm for at least 20 years.

The time limited disability benefit is calculated in the same way as rehabilitation benefit. The full benefit rate is 66 per cent of the calculation basis. The calculation basis is the highest of the pensionable income of the year before the disability occurred, or the average over the three preceding years. The minimum annual benefit is 1.97 B.a. A supplement of up to 40 per cent of the B.a. will, on certain conditions, be granted for each supported child under the age of 18. This supplement is income-tested. For a person who becomes disabled before attaining the age of 26, due to a serious and lasting illness, injury or defect which is clearly documented, the minimum benefit is 2.44 B.a.

The disability pension consists of a basic pension and a supplementary pension and/or special supplement (as for old-age pensions).

Future insurance periods and future pension points up to and including the year of the persons 66th birthday are taken into account. Limitations apply in the case of previous periods of some substance abroad. Future pension points are assessed on the basis of income before the disability occurred. Otherwise the basic pension and the supplementary pension are calculated as for old-age pensions.

Insured persons born disabled or having become disabled before reaching the age of 26, are credited future pension points by a minimum of 3.5 (corresponding to an earned income of 4.5 B.a.) if the beneficiary was born after 1940. However, the requirements of sickness and documentation are stricter than the requirements used for the general determination of disability.

Insured persons born in the years 1931-1940 who were born disabled or became disabled before reaching the age of 26, are granted a guaranteed minimum supplementary pension on the basis of a final pension point of 3.3.

In the case of partial disability, the pension is reduced proportionally.

A supplement of up to 50 per cent of the pensioner's basic pension is on certain conditions granted for a supported spouse. A supplement of up to 40 per cent of the B.a. is on certain conditions granted for each supported child under the age of 18. These supplements are income-tested. A guaranteed supplement is granted with regard to supplements granted before the introduction of income testing.

For persons that have been granted pension before 1992 with future earning of pension points, the already calculated pension points from the year 1992 on, will be recalculated according to the new provisions of obtaining points as described in chapter 4.2. A guaranteed supplement is granted in the case of disability pensions granted prior to 1992, in order to prevent a reduction of the nominal amount of the pension. This supplement will gradually be reduced as a result of future increases of the B.a.

Temporary disability benefit may be granted before a final decision is made on granting a disability pension if it is probable that such a pension will be granted.

7. REHABILITATION BENEFITS

7.1 Rehabilitation allowance

An insured person between the ages of 18 and 67 may be entitled to rehabilitation allowance if he/she is resident in Norway and has been insured for three years immediately prior to claiming the benefit. An insurance period of one year is sufficient

if the claimant has been physically and mentally capable of performing normal work during that year.

When the period of entitlement to daily cash benefits in case of sickness has expired, an insured person may be granted a rehabilitation allowance, provided that his or her working capacity is still reduced by at least 50 per cent. It is a requirement that he/she is undergoing active treatment with a view to improving his/her working ability. Rehabilitation allowance may also be granted to insured persons who have not been entitled to cash benefits in case of sickness, when the incapacity to work has lasted one year. Young students who become seriously ill may receive rehabilitation allowance after 20 weeks. In the later stages of a period of rehabilitation, rehabilitation allowance may be granted if the working capacity is reduced by 20 per cent or more. Rehabilitation allowance is generally only granted for a period of 52 consecutive weeks. Exceptions can be made from this time limitation.

The calculation of rehabilitation allowance is based on pensionable salary. The calculation basis is the highest of the income of the preceding calendar year or the average over the three preceding calendar years before the working capacity was reduced no less than 50 per cent. The maximal benefit basis is 6 B.a. (NOK 421 536). The benefit rate per year is 66 per cent of the calculation basis and is paid five days a week. A person with low, or no, pensionable income is guaranteed a minimal yearly benefit of 1.8 B.a. (NOK 126 461). For persons born disabled or having become disabled before reaching the age of 26, the minimum allowance is 2.4 B.a. (NOK 168 614). A supplement of NOK 27 per day is granted for each dependent child under the age of 18. The supplement is paid five days a week.

Permanently disabled persons may get their expenses for assistive aids covered by the Norwegian Social Insurance Scheme if these are deemed necessary and appropriate for keeping or maintaining employment, improving his or her ability of managing daily life or receiving care/nursing at home. The municipalities are responsible for supplying temporary disabled persons with assistive aids. Basic benefits can be granted to cover transportation expenses and expenses incurred by the running of assistive aids (see under 6).

7.2 Benefits during vocational rehabilitation

An insured person can be entitled to benefits during vocational rehabilitation if he/ she is resident in Norway, and has been insured for three years immediately prior to

claiming the benefit. An insurance period of one year is sufficient if the claimant has been physically and mentally capable of performing normal work during that year.

Vocational rehabilitation allowance is granted to insured persons between 19 and 67 years, whose ability to obtain employment income or possibility to choose occupation is permanently reduced by at least 50 per cent due to illness, injury or defect.

Furthermore it is a condition that it is considered necessary that the person undergoes vocational measures before he/she can get or keep suitable work. Vocational rehabilitation allowance covers living expenses, and is granted while the person is undergoing vocational measures, during waiting periods before or while vocational measures are carried out, or for up to three months after the vocational measures are carried through while he/she applies for suitable work.

The calculation of vocational rehabilitation allowance is based on pensionable salary. The calculation basis is the highest of the income of the preceding calendar year or the average over the three preceding calendar years before the income capacity was reduced no less than 50 per cent. The maximal benefit basis is 6 B.a. (NOK 421 536). The benefit rate per year is 66 per cent of the calculation basis and is paid five days a week. A person with low, or no, prior pensionable income is guaranteed a minimal yearly benefit of 1.8 B.a. (NOK 126 461). For persons born disabled or having become disabled before reaching the age of 26, the minimum allowance is 2.4 B.a. (NOK 168 614). A supplement of NOK 27 per day is granted for each dependent child under the age of 18. The supplement is paid five days a week.

Special vocational rehabilitation benefits can be granted to insured persons between 16 and 67 years. These benefits totally or partially cover expenses the person has while undergoing vocational measures.

8. MEDICAL BENEFITS DURING SICKNESS

All insured persons are granted free accommodation and treatment, including medicines, in hospitals. This follows from the provisions of the Act on Specialist Health Care and the Act on Mental Health Care. In the case of treatment given outside hospitals, the provisions of the Act on Municipal Health Care and the National Insurance Act apply.

The patient has to pay a share of the cost of treatment by a general practitioner or a specialist outside hospital, for treatment by a psychologist, for prescriptions of

important drugs and for transportation expenses in connection with examination or treatment. The municipality, the regional health authority and/or the National Insurance cover the main part of the expenses. As per 1 January 2009 the cost-sharing amount in connection with treatment by a general practitioner is NOK 130 for each consultation and by a specialist NOK 280, and 36 per cent of the expenses of important medicaments (maximum NOK 520 per prescription). For reiterated prescriptions a new cost-sharing amount shall be paid when a supply equal to three months' consumption has been received.

There are certain exemptions from the cost-sharing provisions for special diseases and groups of people. Children under the age of 12 are exempted from cost-sharing for health services. Children under the age of 18 are exempted from cost-sharing for psychotherapy and dental treatment. Necessary medical examinations during pregnancy and after confinement are free. Those who receive minimum old-age or disability pensions are exempted from cost-sharing on important medicaments and nursing articles.

There is a cost-sharing ceiling for expenses related to treatment by physicians and psychologists, important drugs and transportation expenses related to examination and treatment (ceiling 1). After the ceiling has been reached, a card is issued giving entitlement to free treatment and benefits as mentioned for the rest of the calendar year. The ceiling is fixed by the Parliament for one year at a time, and for 2009 it is fixed to NOK 1 780. Cost-sharing amounts for children under the age of 16 are added to those of a parent in order to reach the ceiling.

Ceiling 2 includes physical therapy, dental treatment that is subject to reimbursement and accommodation fees at rehabilitation centres and treatment abroad. The ceiling is fixed by the Parliament on a yearly basis, and for 2009 it is fixed to NOK 2 560.

9. DAILY CASH BENEFITS IN THE CASE OF SICKNESS AND MATERNITY ETC.

9.1 Daily Cash Benefits in the Case of Sickness

An insured person who has an annual income of at least 0.5 B.a. (NOK 35 128) is entitled to daily cash benefits in the case of sickness if he/she is incapable of working

due to sickness. It is, as a general rule, required that the occupational activity has lasted for at least 4 weeks.

Daily cash benefits for employees equal 100 per cent of pensionable income, and are paid from the first day of sickness for a period of 260 days (52 weeks). Daily cash benefits in the case of sickness are paid by the employer for the first 16 calendar days, and thereafter by the National Insurance Scheme. During the period in which daily cash benefits are paid by the employer, no minimum income level is required. Income exceeding 6 B.a. (NOK 421 536) is not taken into account.

Self-employed persons get sickness benefits corresponding to 65 per cent of pensionable income from the 17th day of sickness for a period of 248 days. By voluntarily paying a higher rate of contributions, self-employed persons may receive 65 per cent of pensionable income from the first day of sickness or 100 per cent from the seventeenth day of sickness or the first day of sickness.

Old-age pensioners between 67 and 69 years of age have no reduction in their pension when maintaining an earned income. They are entitled to daily cash benefits in the case of sickness for up to 60 days if the earned income exceeds 2 B.a (NOK 140 512). Old-age pensioners between 69 and 70 years of age will have a reduction in their pension if they maintain an earned income exceeding 2 B.a (NOK 140 512). They are entitled to daily cash benefits in the case of sickness for up to 90 days.

9.2 Daily Cash Benefits in the Case of Absence from Work

Due to Care for a Sick Child etc.

An insured employee who is absent from work due to necessary care for a sick child, is entitled to daily cash benefits up to ten days, or fifteen days if there are more than two children, during a calendar year. Single parents are entitled to such benefits up to 20 days, or 30 days if there are more than two children, during a calendar year. Parents may receive such benefits up to and including the year of the child's 12th birthday.

An employee with disabled or chronically sick child/children may receive such benefits for ten extra days per disabled/sick child. The number of days is doubled for single parents.

When only one of the parents has custody of the child, the period of entitlement to benefits may, under certain conditions, be divided between them.

An insured employee is entitled to daily cash benefits during necessary care for children under 12 years of age, respectively 18 years of age, if the person having the daily child care is sick, or prevented from taking care of the child because he/she is accompanying another child to treatment or examination.

Daily cash benefits in the case of absence from work due to care for a child are calculated as daily cash benefits for the person's own sickness and paid by the employer up to ten days during a calendar year. If the employee is entitled to receive benefits for more than ten days, the employer is obliged to pay, but will get a refund from the National Insurance Scheme.

Due to Care for a Hospitalised Child etc. or a Close Relative during the Terminal Phase or during Training Courses

An insured occupationally active parent of a hospitalised child under 12 years of age is entitled to daily cash benefits from the National Insurance Scheme from the eighth day of hospitalisation if the child is hospitalised due to a less serious sickness. If the child needs continuous attendance by one of the parents, benefits may be granted also after the discharge from hospital. Benefits are granted to only one of the parents at a time. Benefits are granted for disabled or chronically sick children up to 18 years of age.

An insured occupationally active parent of a hospitalised child under 18 years of age suffering from a serious or potentially fatal disease is entitled to daily cash benefits from the National Insurance Scheme if he/she must stay at the hospital while the child is hospitalised or at home because the child needs continuous attendance by one or both of the parents. No upper age limit applies in the case of mentally handicapped children.

Daily cash benefits may be granted at reduced levels, down to 50 per cent, when a supervision or relief arrangement is established for the child for parts of the day or for some days a week.

An insured occupationally active person taking care of close relatives at home during the terminal phase is entitled to daily cash benefits from the National Insurance Scheme for a period of up to 20 days for each patient.

An insured occupationally active parent is entitled to cash benefits during approved training courses which he/she attends in order to take better care of a disabled or chronically sick child. There is no age limit on these benefits.

Daily cash benefits in the case of absence from work due to care for a hospitalised child etc. or a close relative during the terminal phase, or during training courses are always paid by the National Insurance Scheme as for the person's own sickness, but without the waiting period for self-employed persons etc.

9.3 Cash benefits in the Case of Maternity and Adoption

Pregnancy benefits

An employee who, according to law, has to refrain from working for a certain period prior to confinement due to hazardous working conditions/environment, is entitled to pregnancy benefits from the time she stops working, without reducing the entitlement to paid leave after confinement. Also self-employed persons are entitled to pregnancy benefits.

Parental benefits

Insured parents who have been in paid employment for six out of ten months preceding the commencement of the period of paid leave, are entitled to daily cash benefits in the case of maternity or adoption of a child below the age of 15.

Parental benefits are not payable in the case of adoption of stepchildren. Exemptions are made for children adopted during the benefit period in the case of maternity.

In the case of maternity, the parental benefit period is 44 weeks (100 per cent of covered earnings, equal to daily cash benefits in the case of sickness). (The parental benefit period will be increased to 46 weeks for children born on or after 1 July 2009.) The period of paid leave may, upon preference, be prolonged to 54 weeks combined with a reduced compensation rate (80 per cent of covered earnings). (For children born on or after 1 July 2009, the benefit period may be prolonged to 56 weeks.) In the case of adoption, the benefit period is 41 or 51 weeks respectively (44 or 54 weeks respectively for children adopted on or after 1 July 2009).

In the case of multiple births, the parents are entitled to full daily cash benefits for five more weeks (seven weeks with reduced rate) for each child exceeding the first.

The mother must make use of three weeks of the benefit period prior to confinement. It is also required that the mother takes at least six weeks leave immediately following confinement. In the case of adoption, no part of the benefit period is reserved for the mother.

Six weeks of the benefit period are reserved for the father (father's quota). (For children born/adopted on or after 1 July 2009 the father's quota is ten weeks.)

The remaining period may be shared between the parents. The condition for granting daily cash benefits to the father is that he stays at home to take care of the child. This means that the mother have to resume work, take a full-time, publicly approved education or combine work and an approved education which together equal full time. The father is also entitled to parental benefits if the mother is unable to look after the child due to illness or injury or admission to a health institution.

Parental benefits may be combined with reduced working hours. The benefit is then reduced, but the benefit period is extended. The total size of the parental benefit remains the same. It is required that employees and employers enter into a written agreement which regulates the part-time work. Both the mother and the father can make use of this possibility. Also the father's quota may be included. Only the weeks reserved for the mother (three weeks prior to and six weeks immediately after the delivery) are excluded.

The parental benefit period may be postponed if the parent works full-time.

The parental benefits have to be used within the child is 3 years old or 3 years after the adoption.

Lump sum maternity and adoption grants

Women who do not qualify for parental benefit will receive a lump sum grant of NOK 35 263.

Grants for parents adopting children from abroad

Parents who adopt children from abroad receive a lump sum grant of NOK 38 320.

10. DAILY CASH BENEFITS DURING UNEMPLOYMENT

Daily cash benefits during unemployment partially compensate loss of income due to unemployment. Working hours must have been reduced by at least 50 per cent compared to previous working hours.

The insured person must be a bona fide applicant for work, i.e. capable of work and registered as an applicant with the labour and welfare service. He/she must also, at short notice and in any part of Norway, be available for any type of part- or full-time work or labour market measure that he/she is physically and mentally capable of doing. The person concerned may be entitled to unemployment benefits even if he/she does not fully meet the availability requirement due to circumstances such as age, health or work of caring nature. If a person is considered to be unemployed by his/her own choice, i.e. if he/she has given notice voluntarily, refused to take a suitable job, refused to participate in labour market measures, a prolonged waiting period may be imposed, or benefits may temporarily be suspended.

Previously earned income is a condition for entitlement to daily cash benefits. The person concerned must have had an income from work of at least 1.5 B.a. (NOK 105 384) the preceding calendar year or an income from work of at least 3 B.a. (NOK 210 768) during the three preceding calendar years.

Daily cash benefits are granted if the person concerned has been unemployed three of the last fifteen days while being registered as an applicant with the labour and welfare service.

The calculation of daily cash benefits is based on income from work and income from daily cash benefits during unemployment, sickness, maternity and adoption. The calculation basis is the highest of the income of the preceding calendar year or the average over the three preceding calendar years. The maximal benefit basis is 6 B.a. (NOK 421 536). The benefit rate per day is 0.24 per cent of the calculation basis and is paid five days a week. This will normally give an annual compensation of 62.4 per cent of the calculation basis.

Persons who have received unemployment benefits for more than eight weeks in the preceding year are given a holiday supplement of 9.5 per cent of unemployment benefits received in the preceding year.

A supplement of NOK 17 per day is granted for each dependent child under the age of 18.

The benefit period varies depending on earlier income from work. Income from work amounting to at least 2 B.a. (NOK 140 512) gives a benefit period of 104 weeks (2 years). Income amounting to less than 2 B.a. gives a benefit period of 52 weeks (1 year). When the initial benefit period has expired, a subsequent benefit period may immediately be granted provided that the requirements concerning previous income are met again.

Persons above the age of 64 are guaranteed a calculation basis of at least 3 B.a. (NOK 210 768), and benefits are paid without time limitation until the age of 67. Above the age of 64, also self-employed persons are entitled to unemployment benefits.

11. BENEFITS IN THE CASE OF OCCUPATIONAL INJURY

Employees and certain other groups, e.g. military personnel and pupils/students are obligatorily covered for occupational injury under the National Insurance Scheme. Self-employed persons and freelancers may take out voluntary insurance.

An insured person who is the victim of an occupational injury is entitled to benefits according to special rules generally more favourable than the ordinary rules. This applies to medical benefit etc. as well as pensions. In addition to any other benefits, a compensation for non economic loss (reduced quality of life) may be granted on the basis of the medical nature and degree of the injury. The maximum compensation from the Social Insurance Scheme is 75 per cent of the B.a. (NOK 52 692) a year.

Injury, sickness or death caused by an accident at work is regarded as occupational injury. Certain diseases are regarded as equal with occupational injury. Fatigue injuries and mental suffering caused by continuous strain are generally not regarded as falling within the scope of the legislation concerning occupational injury.

As a main rule the injury or sickness must occur while working at the place of work during working hours.

Employees are also covered by an occupational injury compensation act outside the framework of the National Insurance legislation.

12. BENEFITS TO SINGLE PARENTS

Single parents are entitled to benefits if unmarried, divorced or separated and neither living together with a person whom he/she has children together with, or has been married to, nor a person who cannot be excluded from being the other parent. A benefit is not granted if the single parent has had a cohabitant during 12 of the last 18 months.

It is required that the single parent has been insured for three years immediately prior to claiming benefits, and that both the parent and the child are resident and staying in Norway. Exemptions may be granted from these conditions.

Benefits to single parents comprise childcare benefit, education benefit, transitional benefit and grants to cover necessary removal expenses in order to gain employment. With the exception of the transitional benefit, all benefits are granted according to the same rules and mainly on the same conditions as for a surviving spouse, cf. Section 5.1. The maximum annual transitional benefit to a single parent is 1.97 B.a. (NOK 138 404). If the single parent has an annual income from work exceeding 0.5 B.a., the transitional benefit is reduced by 40 per cent of the exceeding income.

As a general rule, transitional benefit may be granted until the youngest child attains the age of 8, but not for more than a total of 3 years after the youngest child is born. While undergoing education the benefit period may be prolonged by 2 years. For single parents with more than two children or for persons who become a single parent before attaining the age of 18, the time limitation can be prolonged by three years.

Childcare benefit may be granted up to and including the fourth school year, but can in certain cases be granted for a longer period.

13. FUNERAL GRANT

A means-tested lump-sum of maximum NOK 18 744 may be granted by the National Insurance Scheme in the case of death, to cover expenses in connection with the funeral.

14. ADVANCE PAYMENT OF CHILD MAINTENANCE

Advance payment of child maintenance is made under the National Insurance Scheme for all children under the age of 18, resident in Norway, if the child is not living together with both parents, and if the maintenance payment from a parent is to be collected through The Maintenance Contribution Collecting Agency. The full advance amount is NOK 1 320 a month. The advance is income-tested. The full amount is only granted to recipients with an annual income below NOK 158 001. With an income between NOK 158 001 and NOK 261 800 (singles, one child), 75 per cent of the full amount is granted, and 50 per cent of the full amount is granted to recipients with income between NOK 261 801 and NOK 422 400 (singles, one child). Persons with an income in excess of NOK 422 400 is not entitled to advance payment. The advance is payable abroad to the same extent as benefits to single parents under chapter 15 of the National Insurance Act.

15. FAMILY ALLOWANCES

Family allowances are granted for children resident in Norway under the age of 18.

The yearly rate is NOK 11 640 for each child.

Beneficiaries living in the Arctic regions of the Realm and on Svalbard, are granted an annual supplement of NOK 3 840 per child.

Single parents are entitled to allowance for one more child than they actually have (extra allowance). Cohabitants who have children together or have been living together for at least 12 of the last 18 months are not entitled to the extra allowance.

Single parents with children under the age of 3, who, according to the Family Allowance Act, are entitled to allowance for one child more than they actually have, and

in addition are entitled to a full transitional benefit according to the National Insurance Act, are entitled to an annual supplement. This supplement is granted per provider, regardless of how many children under the age of 3 he/she has. In 2009, the annual supplement is NOK 7 920.

16. CASH BENEFIT FOR FAMILIES WITH SMALL CHILDREN

Cash benefit is granted for children resident in Norway between the ages of one and three. The most important condition for receiving the full rate of the cash benefit is that the child is not in a day care centre that receives a public grant. If the child according to agreement is in the day care centre less than 33 hours weekly, the family will be entitled to a reduced cash benefit.

The cash benefit is calculated according to the following rates:

Agreed time in day care centre per week	Cash benefit in per cent of full rate	NOK per year
No use of day care centre	100 per cent	NOK 39 636
Up till 8 hours	80 per cent	NOK 31 704
9-16 hours	60 per cent	NOK 23 784
17-24 hours	40 per cent	NOK 15 852
25-32 hours	20 per cent	NOK 7 932
33 hours or more	No cash benefit	0

17. TAXATION OF SOCIAL SECURITY BENEFITS

Benefits from the National Insurance Scheme are taxed as income except for the lump-sum grants and the benefits in kind.

However, special tax provisions apply to old-age, survivors, and disability pensioners with income below a certain minimum limit. Persons within these groups are not liable to pay tax or national insurance contributions on income. The same applies to survivors and single supporters who receive transitional benefits and persons receiving temporary disability benefit.

Pensioners with income exceeding the minimum limits are liable to tax calculated according to special tax limitation provisions. Consequently tax and National Insurance contributions on net income for this group shall not exceed 55 per cent of the income exceeding the minimum limits.

Old-age pensioners and disability pensioners with income exceeding the limits for which the special tax limitation provisions apply, are entitled to a special deduction in the income, reducing the tax on the net income with NOK 5 423 (2009).

In addition to the special tax provisions, pensioners are liable to pay a lower National Insurance contribution than employees etc., cf. Section 3.

Family allowances and cash benefits for families with small children are not taxed as income.

18. SOCIAL SECURITY AGREEMENTS

Norway has ratified bilateral social security agreements with the following countries:

Austria, Australia, Bosnia & Hercegovina, Canada, Chile, Croatia, France, Greece, Hungary (Medical Care), Israel, Italy, Luxembourg, the Netherlands, Portugal, Serbia, Slovenia, Switzerland, Turkey, the United Kingdom and the USA. An agreement with Quebec has also been concluded.

Moreover, there is a social security convention between the Nordic countries.

1 January 1994 the EEA Agreement came into force. It applies for the twenty-seven EU countries (Austria, Belgium, Bulgaria, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, the United Kingdom, Estonia, Cyprus, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia, the Czech Republic and Hungary,) and three EFTA countries (Iceland, Liechtenstein and Norway).

These agreements may extend or limit the provisions otherwise in force.

19. THE SUPPLEMENTARY ALLOWANCE SCHEME

The purpose of this scheme is to provide financial support for elderly persons with reduced periods of insurance under the general National Insurance Scheme.

As a main rule, the general social insurance scheme covers all residents of Norway, cf. Section 1. However, because 40 years of residence before the age of 67 is required to acquire a full residence based pension, those who have lived in Norway for a shorter period may not qualify for a pension that is adequate to live on. The new scheme is intended to guarantee a minimum income (necessary means of subsistence) for persons who have attained the age of 67 and find themselves without sufficient pension or other financial means because they have less than 40 years of residence. Eligible are persons who have reached the pensionable age (67) and who are permanent residents of Norway.

The maximum amount of the allowance is set at a level corresponding to the minimum social insurance pension rate, as per 1 January 2009 NOK 136 296 per year for single persons and NOK 251 496 for couples (NOK 125 748 for each).

The allowance is subject to a strict means test and is reduced if the person or his/her spouse or cohabitant has other income from work or capital assets or Norwegian or foreign pensions. Also the capital asset itself and other property may in principle be taken into account.

The allowance is supplementary in relation to ordinary pension benefits of the general national insurance scheme. This excludes persons who are in receipt of an ordinary, i.e. unreduced conventional benefit.

The allowance is granted without conditions of qualifying periods or completed periods of insurance. Recipients are required to make a reapplication once a year by personal attendance at the local office of the labour and welfare service.

The supplementary allowance scheme is not a part of the comprehensive National Insurance Scheme (the National Insurance Act) nor of the Social Assistance (the Act on Social Services). It is fully financed over the Central Government Budget and managed by the social insurance/welfare administration.