Söderberg & Partners

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Information for you as an employee

What is EPK (Individual Pension Account)?

Individual pension account is designed to make pensions more clear and cheaper for most people. Pension earnings from defined contribution pensions with previous employers (Pensjonskapital bevis/Pension Capital Certificates), will be combined with the pension savings from your current employer. The new pension account, which will be automatically setup in the pension agreement you have with your employer is called your Individual Pension Account. The account will be created in February 2021. You can also choose to create this account with another provider.

What happens when?

In February 2021, you will receive a letter with extensive information on how to collect your new and historical pension savings in your individual pension account. You will get several choices, and you must make a decision by the deadline of April 30th. You can also choose to do nothing. Depending on your decision your pension capital certificates and new savings for retirement are automatically collected in your individual pension account with your current employer's pension provider. You can of course also move your individual pension account after this date, but then as one accumulated account of pension saving. You will receive much more information about EPK in the coming months. There will be many providers who are interested in your pension capital, which now will be transferable. It is important to take in information about the upcoming individual pension account via your employer and from the employer's pension provider.

Good preparations

If you have pension savings from previous employers (Pension capital certificate - PKB), EPK is particularly good news. You will save money, get a higher pension, and get a better overview.

There are a few things we suggest you do to get the most out of this new structure. For many, the collection of pension savings means that your pension capital certificates are transferred from an insurance company different than used by your current employer (eg Storebrand, Nordea, DnB, Sparebank1 etc). The pension capital certificates probably have a different investment profile than the pension capital of your employer. An example could be the proportion of your saving that is invested in equity funds. This can be higher or lower than the allocation you have today. When your pension capital from previous employers is moved to the pension account of the current employer, the transferred money will be placed in the same way as you have intended for this saving. A good preparation for EPK is to check how and where your pension savings are placed today. It is important that the savings with the current employer are invested as you want, in order to obtain the best possible pension. In fact, it is you who decides how the savings are to be invested and allocated, within the possibilities that lie within the pension agreement.

Our advice is to have the highest possible share invested in the stock market for these long-term savings. As you approach your retirement age, you should consider whether the proportion of shares should be reduced. Most insurance companies offer automatic reduction of the shareholding. This is a good choice for many, but we often see the automatic withdrawal from the stock market begins prematurely.

More information

Söderberg & Partners helps your employer and you through the information pace around EPK (Individual Pension Account). You will find updated information about EPK here: https://info.soderbergpartners.no/individual-pension-account