



Söderberg  
& Partners

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# Individual Pension Account



# Individual Pension Account 2021

Most people working in the private industry are members of a Defined Contribution Pension Plan. When leaving a job, a Pension Capital Certificate (PKB), is issued, showing the built-up values in that pension plan. People will get a new Pension Capital Certificate every time they change employer.

This is both impractical and expensive. Norwegian authorities have sketched a plan for improvement of these procedures from January 1<sup>st</sup>, 2021. The last regulatory details remain unclarified at this point.

Most companies in the private sector have a Defined Contribution Pension Plan and will therefore be affected of the new regulation.

The employer already has a responsibility of providing information about the pension plan to their employees. This obligation will increase as the individual Pension Account is introduced. S&P will ensure you get all the support you need to fulfil your duty of providing information in a safe and suitable way.

The employees will receive information about the Individual Pension Account directly from the pension provider. The process of collecting electronical addresses to all employees has already started. Only when there are challenges to reach them, the employer will get involved.

We expect questions to arise when the Individual Pension Account is introduced in 2021. Söderberg&Partners will offer pension advise, both through the employers and directly to the employees. You can adjust the support to your needs as they arise.

Individual Pension Account will be setup as part of the employer's current pension plan. The current Pension agreement will be supplemented with an addendum. The new draft will be presented when the new regulations are officially approved.

The transfer of savings from the Pension Capital Certificates to the Individual Pension Account will proceed automatically. All establishments will be completed as soon as the reservation period expires, in April or May 2021.

The pension capital in the employees' Individual Pension Account will be invested according to the investment profile they have already chosen.

The employees will cover the management costs of the transferred capital, at the same rate as the employer has on their pension plan. The employer is expected to cover the total administration costs. The employer can expect a slight increase of pension plan costs.

Those of you responsible for the company's pension plan will be held updated during the development of the Individual Pension Account.

S&P will keep you updated on the next months' regulatory development.  
Do not hesitate to contact Söderberg&Partners when questions arise.

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INDIVIDUAL PENSION ACCOUNT

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