

Flexible retirement in Norway (draft)

Workshop “Flexible retirement following the Scandinavian Model”

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In 2011 Norway implemented a major pension reform – arguably the most important pension reform in Norway since the 1960s. This paper (presentation) gives a brief overview of the main components of the reform and its effects on labour supply and labour force participation so far.

The paper (presentation) is organized in three separate parts. First I will give a brief overview of the pension system before the 2011 reform. In the second part I explain the main principles in the new pension system, with special emphasis on the new flexible old age pension, and finally I refer some statistics and analyses that show the effect of the reform on labour supply and labour force participation so far.

1. The Norwegian pension system before the 2011 reform

The Norwegian pension system is a three pillar system where the *NIS (National Insurance Scheme) old age pension* has traditionally been the main source of income for most people in old age. All Norwegian citizens was (and still are) guaranteed a minimum pension if they have been living in the country for 40 years or more, whether they were (are) in work during that period or not.

For those who had been in work, the 20 highest income years determined the size of the supplementary NIS pension, and it took 40 years to earn a full old age pension.

In addition, all public sector employees and about half of all private sector employees were covered by an *occupational pension scheme*. Until 2001 these pension schemes were only defined benefit schemes both in public and private sector¹. In the public sector the occupational pension schemes was (and still are) defined benefit schemes, and a full pension after 30 years of insurance (together with the statutory pension) corresponds to 66 per cent of the pensionable wage (final salary). In the private sector the defined benefit schemes, which was the most common occupational pension schemes before 2006, secured private sector employees an old age pension of between 60 and 70 per cent of their final salary.

The age from which it was possible to draw an NIS old age pension - *the statutory retirement age* - from 1973 to 2011² was 67 for both men and women. However, everyone had (and still has) the right to continue working up to the age of 70, in accordance with the Work Environment Act (§13-15). After that age it was (and still is) up to the employer to decide whether they want the employee to go on working or not³.

The age from which it was possible to draw an occupational pension was also 67 years. Although employees in some occupations had (and still has) the right to draw their occupational pension before that age, for instance nurses and assistant nurses (from the age of 62) and firemen, police officers and military officers (from the age of 57). Such *special age limits* cover about 30-40 per cent of all employees in the local government sector, police officers and military officers in the state sector and a few occupations in the private sector, such as pilots, ballet-dancers, divers etc. The main argument for setting a special age limit is either that the service demands special capacities/capabilities that are normally weakened as one grows older or that the service or work itself is so demanding that one cannot be expected to perform it up to normal retirement age.

Norway has no statutory early retirement scheme. However, all civil servants (employees in the local government and state sector) and private sector employees covered by a collective wage agreement⁴, have since 1989 been entitled to a *contractual early retirement pension (AFP pension)*, which gave them the

¹ Under a *defined-benefit scheme*, the pension benefit is fixed, while the employer's expenses will depend on the return on pension assets and pay levels. Normally, the pension benefit will be defined as a percentage of the employee's pay when he/she reaches retirement age.

² The statutory retirement age was 70 years when NIS (*folketrygden*) was first introduced in 1967. It was reduced to 67 years in 1973 and made flexible, between the ages of 62 and 75 from 01.01.2011.

³ However employers can, in accordance with the Work Environment Act § 15-13, in some cases terminate the employment contract before the age of 70 years (§13-3). But only if the special age limit is commonly used and as a result well-known among the companies' employees and the company have a satisfactory occupational pension scheme (see Gjensidigedommen, High Court (Rt. 2011 s. 964)).

⁴ The AFP scheme covers about half of all private sector employees (Nergaard 2010, Midtsundstad 2004).

opportunity to draw a pension (equal to the NIS old age pension)⁵ before the age of 67. Drawing an AFP-pension did not reduce the old age pension from NIS, becoming payable at the age of 67.⁶

Since March 1998 an AFP pension may be granted to employees who have reached the age of 62. When the scheme took effect in 1989 the retirement age was 66 years. The retirement age has later been decreased several times⁷. From October 1997 it has also been possible to combine a partial AFP pension with part-time work, for example working 80 per cent while receiving 20 per cent of a full AFP pension.

The AFP scheme in private sector was (and still is) financed by both the employers and the State. Of the AFP pensions for persons 64-66 the State financed 40 per cent. The rest of the costs were covered by quarterly contributions levied from the employers, and a deductible component equal to 25 per cent of the insured person's annual pension (in the LO-NHO AFP scheme). The State did not participate in the financing of AFP pensions payable to persons aged 62-64. The schemes do not use funding; instead they apply the pay-as-you-go principle.

2. The Pensions system after the 2011 reform

Important features of the Norwegian pension reform are the adjustment of pensions in line with changes in life expectancy; flexible retirement starting at the age of 62 based on actuarial principles and new pension indexation rules which came into effect in 2011. Another feature of the reform is a new model for accumulating pension entitlements. In this model all years with income from age 16 to 75 counts. The model will be introduced gradually for cohorts born after 1954 and fully for cohorts born after 1962.

As part of the Norwegian pension reform changes have been made both to the NIS old age pension and disability pension, to the laws regulating occupational pension schemes in the private sector and to the contractual early retirement scheme (the AFP scheme) in the private sector.

However, in the public sector neither the occupational pension schemes nor the AFP scheme have so far been adjusted in accordance with the new principles of the NIS old age pension, except the principle of reducing the yearly pension benefits as average life expectancy increases (but then only for those born after 1958), and the new pension indexation rules. It is however expected that changes to public sector pensions will be an issue debated in the 2016 bargaining round.

The NIS old age pension:

In short, the pension reform will imply a shift to a quasi-actuarial system, seeking to neutralise the expenditure effect of further increases in life expectancy and strengthen the connection between earnings and pension benefits. It is supposed that labour supply will be stimulated by lowering implicit tax rates and by aligning the social and private costs of early retirement.

The NIS old age pension can today be drawn from the age of 62 years, whether the person continues working or not. Hence, there is the flexibility of combining work and a pension (fully or partly). In other words, the pension reform allows employees to retire at any time they want after reaching the age of 62 irrespective of whether they continue working or not. The precondition is that the accumulated pension entitlements exceed the minimum pension level (minstepensjon/garantipensjon⁸), when adjustments based on changes in life expectancy are taken into account.

⁵ In the public sector however the employees can draw an pension equal to the benefits from the occupational pension from the age of 65, as part of the AFP scheme.

⁶ In addition, a supplementary component (AFP supplement) was paid to the pension (NOK 950 per month (tax-free) in private sector and NOK 20 400 per year in public sector). In addition public sector employees was (and still are) entitle to an AFP pension equal to their occupational pension from age 65.

⁷ 66 years from 1.1.1989, 65 years from 1.1.1990, 64 years from 1.10. 1993, 63 years from 1.10.1997 and finally 62 years from 1.3.1998.

⁸ The minimum pension level (Minstepensjonen/garantipensjonen) is today (from 1.5.2014) equal to NOK 176 736 (or approximately Euro 20 800) for a single person.

The new rules mean that retirement and resignation from work are two independent decisions which no longer need to be taken at the same time. Continued employment after the age of 62 will also accumulate increased pension entitlements (up to the age of 75) and thus a higher annual pension when it is finally claimed. The yearly pension benefit will increase with approximately 5 per cent for each year the pension withdrawal are delayed. Many will therefore have a strong financial incentive to delay their retirement and continue working.

The old age pension is also adjusted in line with average life expectancy. This means that if average life expectancy rises, younger people will have to work a little longer than older people to receive the same pension. The life expectancy adjustment has been introduced to make sure that the pension system remains sustainable.

Salaries and the cost of living generally go up each year. In order to preserve the value of the earned pension rights, the old-age pension is adjusted each year. The old age pension is adjusted during the accumulation period in line with average wage increase in Norway. During the payment period annual adjustments are made in line with average wage increase and then reduced by 0.75 per cent. Over time this is expected to result in adjustments in line with average wage and living cost increases.

However, the level of future pension benefits and the opportunity to retire at age 62 in private sector depend considerably on whether the employee is entitled to both an AFP pension (which covers all public employees but only half of all private sector employees) and an occupational pension. Hence the opportunity for flexible retirement is not open to all older workers in the private sector today. For example, a large number of women in the private sector with low wages, many years in part-time work and no AFP pension are not entitled to draw a full old age pension from the age of 62. According to NAV's estimations it is approximately 25 per cent of women in private sector companies with AFP and 60 per cent of women in companies without AFP that do not have this opportunity today. Some of them may however be able to draw a partial old age pension at the age of 62, or they have to wait until they reach the age of 63, 64 or 65.

Although the new retirement scheme is flexible, there are some other limitations too. Employers can, as earlier mentioned, *terminate the employment contract* at the age of 70⁹ in accordance with the Work Environment Act (§ 15-13)¹⁰, and private sector companies with a defined benefit (occupational) scheme can terminate the contract at the age of 67.

The new government has however proposed to increase the age limit in the WEA to either 72 or 75 years and to either abolish or tighten access to special age limits. The main arguments are that there has been a huge increase in average life expectancy, that older people are generally in better health, that the employment rates for those aged 67 and above are increasing and that employees can now accumulate increased pension entitlements in NIS up to the age of 75.

The Norwegian Confederation of Trade Unions (LO) and the Confederation of Norwegian Enterprise (NHO) do not support these changes. They argue that the number of people who want to work and actually continue to work after the age of 70 remains low and that it is more important to prevent early retirement among those aged between 60 and 70.

⁹ There are however some exceptions to this general rule which affect, for example, employees in occupations with a special age limit and employees in companies with a defined contribution pension scheme, which consequently terminate employment contracts before the age of 70, typically at the age of 67.

¹⁰ This rule was implemented as a part of the Work Protection Law (now the Work Environment Act) in 1972 (Ot. prp. (Proposition) nr. 17 (1972-73)). Paragraph § 13-15a of the Work Environment Act came into force on the 1st of January 2010. According to the rule employers can terminate the employment contract at the age of 70 without giving any specific reason. It does not mean that the contract will be terminated at the age of 70, only that the employer can decide whether or not they want to terminate the employment contract. This is in contrast to the age limit law in the government sector, where it is mandatory to leave at the age of 70.

Occupational pension schemes:

Since 2006 all employers have been obliged to offer their employees an occupational pension scheme. Mandatory occupational pension (OTP) schemes must include old age pensions and exemption from payment of contributions/premiums in the event of disablement. The employer can also voluntarily include other benefits in the pension scheme, for example a disability pension and surviving spouse's pension.

After 2001, when the law opened up for defined contribution schemes in Norway¹¹, and especially after 2006 when the occupational pension was made mandatory, there has been a huge increase in the number of employees covered by defined contribution schemes. Many employers has also closed their defined benefit (DB) pension schemes and replaced them with much less generous defined contribution (DC) schemes. Today in the private sector about 80 per cent of all employees are covered by a DC scheme¹², and the most common DC schemes only guarantee that the employer contributes 2 per cent of the employee's income every year, which amounts to a rather small supplement to the NIS old age pension¹³.

The AFP scheme

In addition, the contractual pension (AFP) in the private sector, which is a part of the collective wage agreements in the sector (and covers about half of all private sector employees), was changed from an early retirement scheme to a supplementary old age pension in the 2008 bargaining round (and implemented in 2011).

Prior to this it was only those who actually retired before 67 who received an AFP pension. Today all employees covered by an AFP scheme are entitled to a lifelong supplementary pension from the AFP scheme whether they retire early or not. The new AFP scheme in private sector follows the same principle of actuarial neutrality as the NIS old age pension does. In other words, the yearly benefit from the AFP scheme will increase if pension withdrawal is delayed.

To receive an AFP pension one has to be working in a company covered by a collective wage agreement when retiring. In other words, if one moves from a company with an AFP scheme (covered by a collective wage agreement) to a company without an AFP scheme (not covered by a collective wage agreement) at for example age 60 or 61 one loses ones right to the AFP pension even if one have worked in a company with an AFP scheme up to that date.

Other important changes

In July 2008, the opportunity to reduce working hours from the age of 62 years (in the Work Environment Act) was strengthened. The aim is to enable older workers to remain in employment even if they do not want to work full time. This is in line with the new NIS flexible retirement scheme, as well as the revised AFP early retirement scheme, both of which include strong financial incentives to remain in employment – including part-time work – beyond the age of 62 years.

Furthermore, Norway's National Insurance system (NIS) previously provided old age benefits from the age of 67, but with an earnings test for those aged 67-69. Up to the 1st of January 2008, 40 per cent of earnings exceeding a threshold were deducted from the NIS old age pension. As part of the ongoing pension reform the earnings test has been abolished; from 2008 for 67-year-olds, from 2009 for 68-year-olds and from 2010 for 69-year-olds.

¹¹ A *defined-contribution scheme* means that the employer's expenses relating to the pension scheme are fixed, while the pension benefit depends on the amount paid in and the return on the contributions. In defined-contribution schemes, a minimum of two per cent of the pay must be deposited in a pension fund, but the employer can choose a better scheme and employees can contribute by saving for themselves within certain limits.

¹² Geir Veland (2014), Tjenestepensjonsmarkedet 2001–2013 (Occupational pensions in Norway 2001-2013). Fafo-working paper 2014:11. Oslo: Fafo Institute for Labour and Social Research.

¹³Jon M. Hippe and Hans Gunnar Vøien (2014), [An analysis of future benefits from public and private pension schemes](#). The Norwegian country study to the OECD pension adequacy project Fafo-report 2014:21. Oslo: Fafo.

The Tripartite Agreement on a More Inclusive Working Life (IW-agreement)

The declaration of intent to cooperate on attaining a more inclusive labour market (IW-agreement) was signed on the 3rd of October 2001. The declaration of intent was initially signed for a period of four years from the 3rd of October 2001 to the 31st of December 2005; it was later extended from 2006 to 2013 and most recently from 2014 to 2018. On the basis of the IW-agreement, the government and the main employer and employee organisations (the social partners) have committed themselves to seeking to establish a more inclusive labour market for the benefit of the individual employee, the employers and society as a whole. Through the agreement, focus has been placed on reducing sickness absence and the use of disability pensions and increasing the retirement age. The goal of the IA-agreement signed in 2013 is to increase the years in employment for 50 years old by 12 months from 2009 to 2018.

While the pension reform identifies the attractiveness of the pension system as a main cause for early retirement and seeks to counteract early exit by strengthening the financial incentives to remain in employment, the basic principle of the IW-agreement is that early retirement is an effect of workplace conditions and therefore needs to be counteracted by individual employers' policies and initiatives for retaining older workers.

As a result of the IW-agreement many companies have incorporated old age policy measures into their personnel policy¹⁴. Some employers, especially in the municipal sector offer reduced working hours without a reduction in wages, extra days off and bonuses to older employees who choose to continue working rather than retire. The current studies of the effects of these measures are inconclusive¹⁵.

The government's main instruments for reducing labour market exclusion and attrition have included information and counselling services. These have been provided under the auspices of the [NLWA's](#) labour centres, as well as in the form of support from the [Centre for Senior Policy](#) (CSP).

As part of the follow-up to the IW-agreement, in 2004 the government also reduced payroll tax for workers over the age of 62. The objective was to make it more attractive for employers to recruit and retain a greater number of older workers. As the effect of this measure appeared to be quite negligible¹⁶ it was removed from the 1st of January 2007.

3. Effects of the reform so far

Seen from an international perspective, the employment rate among Norwegian older workers is high, and has been for many years. The largest drop in employment rates was in the period 1980-1995 (Figure 1 & 2). Since 1995 there has been an increase in employment rates for all groups above 55 years of age with the exception of men aged 50-59 years, where employment rates have been stable (Figures 1 & 2).

In Norway in 2010, the main reasons for people aged 50-64 being outside the labour force were illness or disability (60.9 per cent) and early retirement (22.0 per cent)¹⁷. An international survey conducted in 2006 among people in the age group 50-69 (who had been employed at least until the age of 50) found that in the EU-27 61.3 per cent of those who were retired had retired because they had reached the statutory retirement age or because they wanted to stop working, compared to 48.9 per cent in Norway.

¹⁴ Midtsundstad, T. & Bogen, H. (2014), Ulikt arbeid – ulike behov. Seniorpolitisk praksis i norsk arbeidsliv. Fafo-report 2011:10.

¹⁵ Midtsundstad, T. Hermansen, Å & Nielsen, R.A. (2012) Effects of companies' initiatives to reduce early retirement among older workers. *Nordic Journal of Working Life Studies*, vol. 2, No. 3, s. 89-108.; Hermansen, Å (2014 forthcoming). «Retaining older workers – The effect of phased retirement on delaying early retirements». *Nordic Journal of Social Research*.

¹⁶ Ellingsen, G. og Roed, K. (2006), *Analyse av aldersdifferensiert Arbeidsgiveravgift*. Rapport 5/2006. Oslo: Frischsenteret, UiO.

¹⁷ Eurostat (2012), *Active ageing and solidarity between generations. A statistical portrait of the European Union, 2012*. Luxembourg: EU.

Figure 1 Employment rates for men aged 50-59 years, 60-64 years and 65-74 years, 1980-2012. The Norwegian Labour force survey.

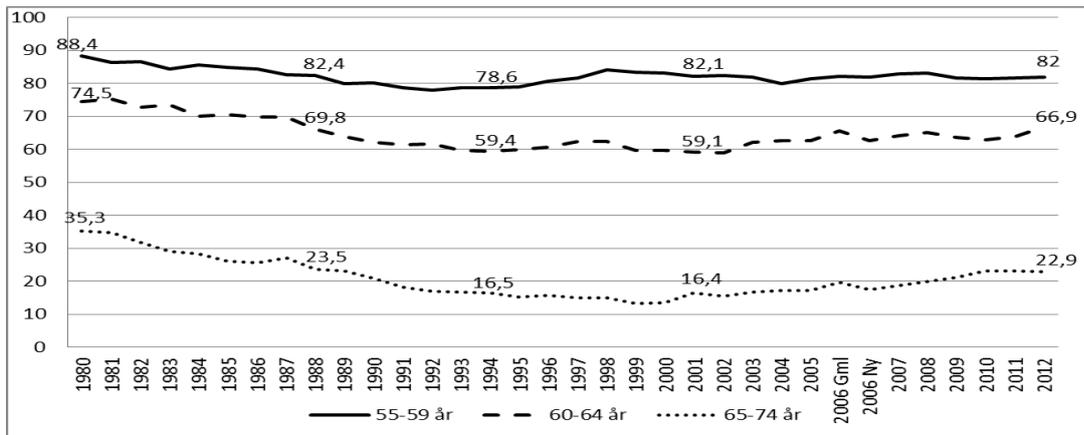
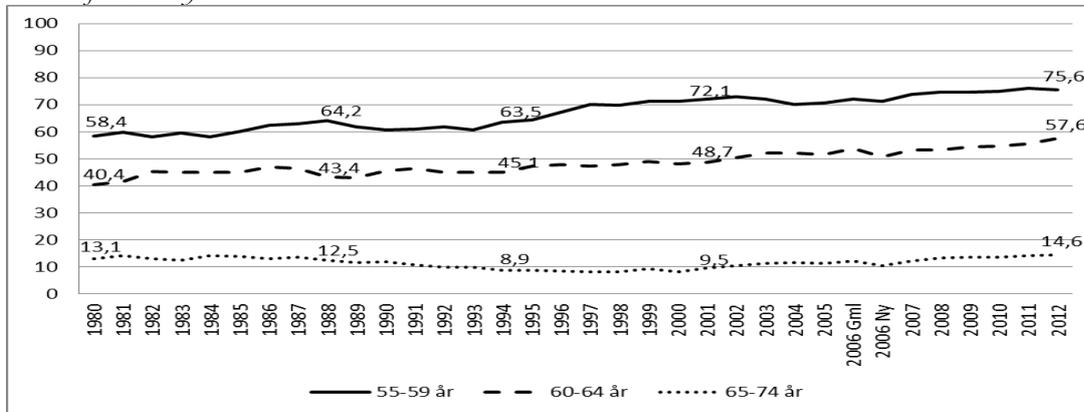


Figure 1 Employment rates for women aged 50-59 years, 60-64 years and 65-74 years, 1980-2012. The Norwegian Labour force survey.

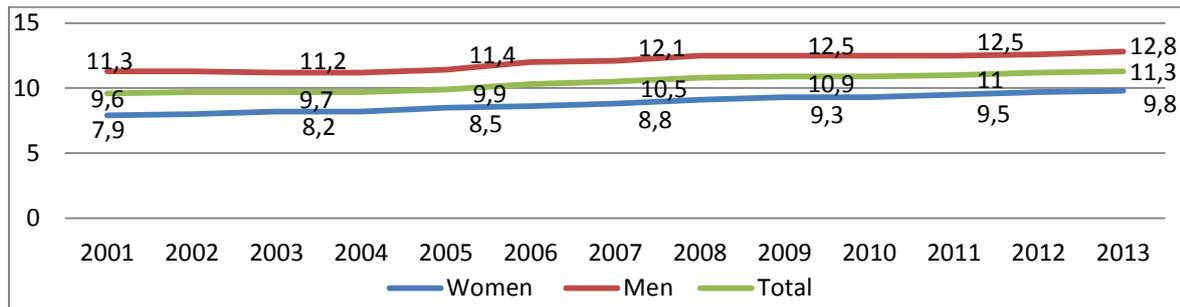


Given that a growing number of people in Norway have chosen to combine employment and retirement since 2011, there is often no longer a correlation between the point at which someone draws a pension and the point at which he or she stops working. The Norwegian Welfare and Labour administration (NLWA) has therefore established separate indicators for employment behaviour and retirement behaviour (drawing a pension) among older people in the form of expected years of employment (Figure 3) and expected retirement age¹⁸. In 2010, the expected retirement age for a 50 year old was 63.7, which is 0.3 years lower than in 2005 but approximately equal to what it was in 2001 (63.5).

According to statistics from NLWA there has been a huge increase in the number of private sector employees working after the age of 62 in recent years. While economic activity in general has declined slightly, this does not apply to workers aged 50 and above for whom the expected duration of economic activity (full-time employment) has increased from 9.6 years in 2001 to 11.3 years in 2013 (from 7.9 years to 9.8 years for women, and from 11.3 years to 12.8 years for men) (Figure 3).

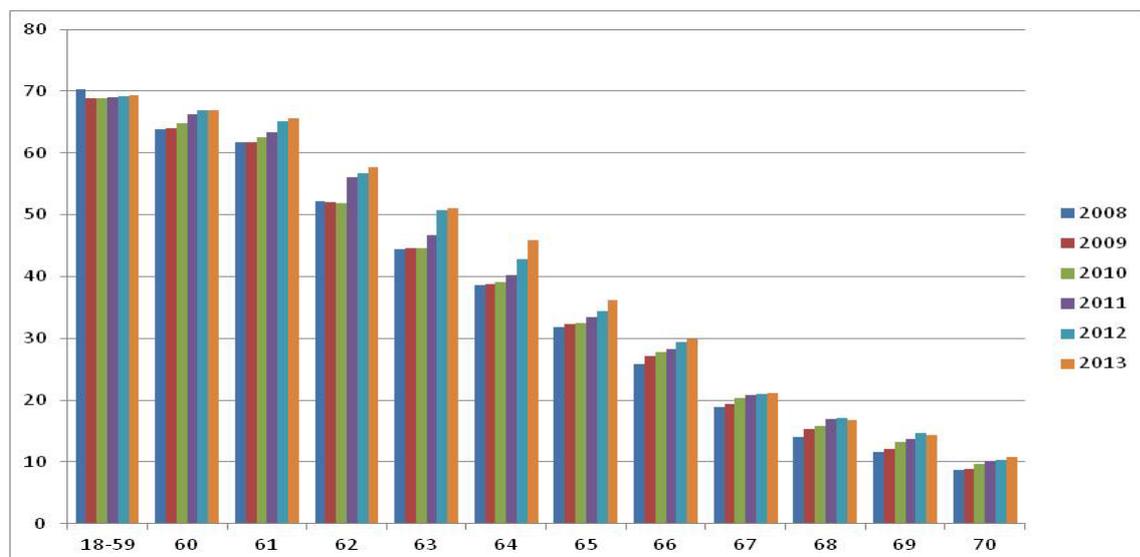
¹⁸ O. Haga (2014), 'Forventet pensjoneringsalder og yrkesaktivitet' [Expected retirement age and labour market participation], *Arbeid & Velferd* nr. 2, 2014.

Figure 3 Expected years of economic activity at age 50, 2001-2013¹⁹.



The increase from 2010 to 2013 may be an effect of the pension reform. A very positive increase in years of employment has been noticeable among older workers since 2011, especially among the 62-64-year-olds (Figure 4) and this applies for both women and men. The increase has been particularly strong for those with secondary school as their highest level of education. Furthermore, the increase in the number of employees who are still working one year after aged 61 was stronger in the private sector (with the “new” AFP scheme) than in the public sector (with the “old” AFP scheme) from 2011 to 2012²⁰ (Figure 5).

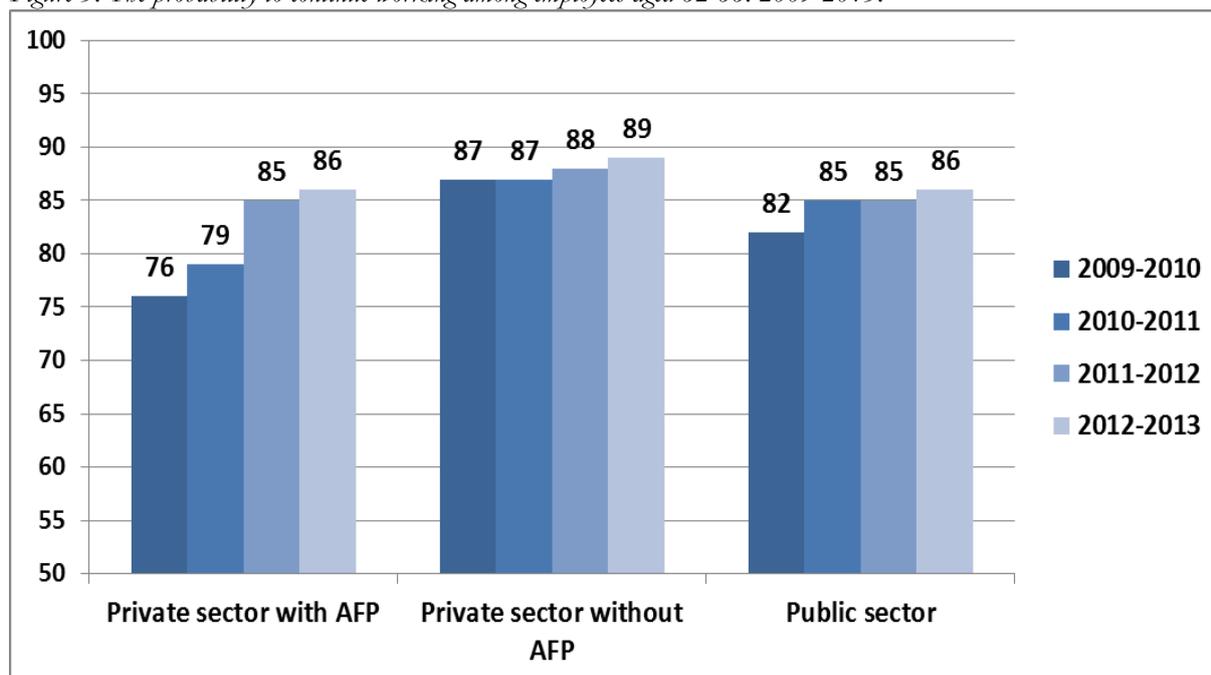
Figure 4 Percentage of persons aged 60 – 70 years in employment in the period 31.12.2007 – 31.12.2013.



¹⁹ O. Haga (2014), «Forventet pensjoneringsalder og yrkesaktivitet» [Expected retirement age and labour market participation], *Arbeid & Velferd* nr. 2 2014.

²⁰ Claus, G., Nordby, P. & Næsheim, H. (2014) ”Yrkesaktivitet blant eldre før og etter reformen” [Labour market participation among older people before and after the reform], *Report 19/2014*, Statistic Norway.

Figure 5. The probability to continue working among employees aged 62-66. 2009-2013.



Analysis by NLWA²¹ based on register data on retirement behaviour and employment from 2001-2012 supports these findings. For a reference person in these analyses (i.e. a Norwegian born, male, 64 years, with no children under the age of 12, no parents alive, who have worked for 30 years or more in the private sector, and have a spouse still working etc.), the probability of still being employed after one year increases if he works in a private sector company with an AFP scheme.

Furthermore, NAV²² found that although almost 45 per cent of those with the opportunity to draw an old age pension before the age of 67 did so; two out of three of these pensioners continued working. As a result the number of older people aged 62–66 in employment increased from 39 per cent in the 2010 to 42 per cent in 2012. The increase was especially high in private sector companies with an AFP scheme, and among blue collar workers and those with primary school as their highest educational level.

In addition, the number of retirees from companies with an AFP scheme has decreased from 24 per cent in 2009-2010 to 15 per cent in 2011-2012 among workers aged 62-66. Furthermore, pensioners aged between 62 and 66 continue working almost as much as they did prior to taking up their pension benefits. Of those combining work and the old age pension, over 80 per cent work at least 30 hours per week.

These findings are supported by more sophisticated analyses comparing changes in employees' probability of employment after the age of 62 in private and public sector companies with different AFP schemes from 2008 to 2012, using a difference-in-differences approach^{23,24}. The author finds that there has been a statistically significant higher increase in the probability of continuing working for a 61 years old in private sector companies with the new AFP scheme, compared to those in the public sector with the old AFP scheme. However, the employment rates of older public sector employees aged 62 (at least in the local

²¹ Bråthen, M. and F. Bakken (2013). *Arbeid eller pensjon? En studie av hvilke faktorer som påvirker seniorennes beslutning om å fortsette i jobb?* NAV-rapport 2013:1. Oslo, Norwegian Labour and Welfare Administration.

²² Dahl, E. H. and O. C. Lien (2013). "Pensjonsreformen - flere eldre i arbeid." *Arbeid & Velferd*(1): 58-70. Oslo, Norwegian Labour and Welfare Administration.

²³ Røed, K. (2014), «Arbeidslivet etter pensjonsreformen», presentation at a meeting of the Pension forum on the 14th of March 2014, Oslo: Ragnar Frisch Centre for Economic Research.

²⁴ Midtsundstad, T. & Nielsen, R. (2014), *Arbeid og pensjon i kommunal sektor*. Fafo-rapport 2014:45. Oslo: Fafo Institute for Labour and Social Research.

governmental sector) were higher than in the private sector before the reform. So currently the rates are the same in the private and public sector.²⁵

The new flexible old age pension may lead to increased use of different health-related benefits (such as sickness absent benefits and disability benefits) among persons aged 62-66, especially in the private sector. However, according to NLWAs analyses²⁶ the use of health-related benefits has decreased among both private and public sector employees in the relevant age groups in the period 2010-2013.

NLWA²⁷ has also investigated why so many older employees have chosen to combine the new flexible old age pension with work. They found that men and lower educated have a higher probability of combining work and old age pension than women and higher educated. Those who expected to have a lower life expectancy than the average also have a higher probability to combine work and old age pension. The main reason given by 90 per cent was that they wanted to enjoy their pension when still healthy and in good shape. Over 70 per cent also claimed that it was economic profitable to withdraw the pension early. 40 per cent also claimed that drawing the old age pension gave them an opportunity to reduce weekly hours worked. However, only 25 per cent had actually reduced their working hours, although many plan to do so in the nearest future. On the other hand, one out of three planned to work until the age of 67.

There has also been a 10 per cent increase in weekly average working hours for employees aged 67-70 in the period 2008-2013²⁸; from 27 to 29 hours per week for men and from 20 to approximately 22 hours for women. The reason may be that income from work no longer reduces the old age pension for those above 67, a change that was implemented during the period 2008-2010 (in 2008 for those aged 67, in 2009 for those aged 68 and in 2010 for those aged 69).

The positive effect of changes to the old age pension on employment rates among those aged 67 and above are also documented by NAV²⁹. They found that the changes had an effect on older workers' labour market participation: the probability of a person aged 66 working at the age of 67 increased by 4 per cent point from 2007 to 2008. However the effect varied with individual characteristics and industry.

Some have also studied³⁰ changes in incentives to work offered to 67-69 year olds; both the above mentioned earnings test reform (which increases current earnings from work), and a pension system maturation (which increases pension accrual from work). Within a difference-in-differences framework, they investigate the effects of these economic incentives and find that the earnings test reform has significant effects, while pension system maturation has no significant effects. The findings confirm that 67-69 year olds do adjust their work efforts when there are economic incentives but are only motivated to do so by incentives affecting their current income and not those affecting their future pension.

Summary (conclusions)

Older Norwegian employees seem more willing to work longer than earlier; especially private sector employees covered by an AFP scheme.

However, only 50 per cent in private sector (and about 23 per cent of all employees) has these fully flexible retirement opportunity today.

²⁵ Midsundstad, T. & Nielsen, R. (2014), *Arbeid og pensjon i kommunal sektor*. Fafo-rapport 2014:45. Oslo: Fafo Institute for Labour and Social Research.

²⁶ Jacobsen, O. (2014), *Pensjonsreformen: hvilken innvirkning har den hatt på bruken av helserelaterte ytelser?* (The Pension Reform: How does the reform affect the use of health-related benefits?). *Arbeid & Velferd* 2014(4). Oslo: Norwegian Labour and Welfare Administration.

²⁷ Galaasen, A.M. og Dahl, E. S. (2013), *Ja, takk – begge deler? En spørreundersøkelse om arbeid og pensjon*. NAV-rapport 2103:11. Oslo: Norwegian Labour and Welfare Administration.

²⁸ Claus, G., et al. (2014). *Yrkesaktivitet blant eldre før og etter pensjonsreformen*. Rapport 2014/19. Oslo, Statistic Norway.

²⁹ Bråthen, M. and A.-C. Grambo (2009). "Sysselsettingseffekten av endrede regler for alderspensjon for 67-åringene." *Arbeid & Velferd* 2009(2). Oslo: Norwegian Labour and Welfare Administration.

³⁰ Brinch, C. N., et al. (2012). *Labor supply on the eve of retirement. Disparate effects of immediate and postponed rewards to working*. Discussion papers no. 698. Oslo, Statistics Norway. Research department.

Furthermore, pensioners aged between 62 and 66 continue working almost as much as they did prior to taking up their pension benefits. Of those combining work and the old age pension, over 80 per cent work at least 30 hours per week.

There also been a positive effect of changes to the old age pension on employment rates among those aged 67 and above. The reason may be that income from work no longer reduces the old age pension for those above 67, a change that was implemented during the period 2008-2010.

The use of health-related benefits has decreased among both private and public sector employees in the relevant age groups in the period 2010-2013. One reason may be increased emphasizes on health promotion and measures to retain older people with health problems in working life, due to the IW-agreement.