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Ministry of Labour and Social Inclusion
Postboks 8019 Dep,
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Norway

Dear Madam/Sir,

Subject: The accrual of old-age pensions in Norway when receiving invalidity benefits

On 6 May 2024, the EFTA Surveillance Authority (“the Authority”) received a complaint against Norway concerning the accrual of old-age pension rights when an individual receives invalidity benefits from another EEA State.

According to the complaint, invalidity benefits are not considered pensionable income in Norway since 2015, but instead pension accrual is determined based on the income that the invalidity benefits replace (presumed income). However, when the invalidity benefits are received from another EEA State, the responsible authority does not carry out a calculation for pension accrual. The result is that invalidity benefits received from another EEA State do not contribute to the accrual of old-age pension benefits, unlike corresponding invalidity benefits received from Norway. This is despite the fact that they are taxed exactly in the same way and subject to deduction of social security contributions. The complainant argues that this practice is in violation of the basic principles of equality of treatment and non-discrimination of the EEA Agreement, including Articles 4 and 5 of *Regulation 883/2004 on the coordination of social security systems*.

In order for the Authority to examine and assess the complaint, the Norwegian Government is invited to provide the following information:

1. Please describe the current system of how individuals acquire and accrue rights for old-age pension in Norway, in particular how invalidity benefits contribute to the accrual of Norwegian old-age benefits.
2. Are invalidity benefits subject to tax or social security contributions in Norway? Are invalidity payments from another EEA State subject to similar levy? If so, do invalidity benefits from another EEA State also contribute to old-age pension in Norway?
3. According to the complaint, invalidity benefits were considered pensionable income before 2015, similar to wages, and would lead to accrual of pension holdings irrespective of whether the income was derived from Norway or another EEA State. Please describe the legal situation prior to 2015 concerning the tax treatment of invalidity benefits and the effect for the accrual of old-age pensions. Were there specific reasons to change the system?

The Norwegian Government is invited to submit the above information, as well as any other information it deems relevant to the case, so that it reaches the Authority by *30 September 2024*. Please enclose copies of any relevant national legislation, including English translations if available.

Yours faithfully,

Maria Moustakali
Deputy Director
Internal Market Affairs Directorate

This document has been electronically authenticated by Maria Moustakali.