Storebrand ASA: Proposal on introduction of new occupational pension products from 1 January 2014

The Government has today sent a bill to Parliament for the introduction of new occupational pension products from 1 January 2014. The proposals are in line with the Banking Law Commission's proposal in NOU 2012:13 from June 2012. Maximum saving rates in the new schemes will be 7 per cent between 0 and 12 G. In addition, the possibility of saving additional 18.1% for salaries between 7.1 and 12 G.

The bill does not contain the Banking Law Commissions suggestions on increased maximum saving rates for defined contribution, but this will be treated in parallel in the Parliaments discussion on the bill.There is a suggestion to increase the "breaking point" for defined contribution schemes from 6 to 7.1 G.

The bill contains only suggestions for the new product framework, and does not contain any news on transition rules for existing products and reserves.

Upon a change of Government the bill will be automatically redrawn, and it will be up to the new Government to promote it again.

Storebrand see it as positive that the bill is submitted. It is however important that the maximum saving rates for defined contribution is raised to the same level as suggested for the new products, and that also this will be implemented from 01.01.2014. The bulk of Norwegian workers are currently on defined contribution plans.

Storebrand considers it important that the proposals from the Banking Law Commission on transition rules for existing paid up policies and voluntarily conversion to paid up policies with investment choice, are followed up within short time.

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