

The complicated change – effects of a new occupational pension scheme in public sector

English abstract of

Den kompliserte omleggingen – virkningene av en ny offentlig tjenestepensjon Fafo-rapport 2016:44

The current occupational pension for public sector employees can be replaced by a new pension arrangement. The report analyses pension levels for NTL (Norwegian Civil Service Union) members at different exit ages in the current and the new system. Many NTL-members are expected to have relatively long working careers, and several can get just as good a pension at 65 years and 67 years. On the other hand there are some, particularly among the elderly, who have shorter careers and will lose pension in a new system. Also, a significant part of the members want to retire relatively early and, hence, could see a pension loss in the future. If the majority of the NTL members are to be equally well or better off after a change, the savings rates in the new system must exceed the proposed five percent in yearly savings. Even so, a shift will create winners and losers making the transformation process complicated.

