



Higher wages and better AFP

Agreement reached in LO-NHO mediation
LO's bargaining committee unanimously recommends
we vote YES to the bargaining result

Highlights

- Improvements to the AFP scheme
- Agreement on the goals for a new, future AFP
- Supplement for heavy jobs
- Increased purchasing power for all workers
- Special wage increases for low-paid workers and to promote gender parity
- Travel, board and lodging to be covered by the employer

Improvements to the current AFP early retirement scheme

The current AFP scheme suffers from regulatory gaps. We have managed to close some of these gaps: The many workers who currently lose coverage because they fall sick or are made redundant towards the end of their working life, will now be entitled to early retirement through the AFP scheme.

Agreements on the goals for a future AFP

The present scheme is to be continued during a long transition period. A new scheme will be phased in to close all gaps. More than twice the current number of workers will be entitled to early AFP retirement. The new AFP scheme will be particularly beneficial to young workers. The scheme will be more predictable and provide entitled workers with greater financial security upon retiring. The new scheme will afford workers that have full contribution time AFP benefits at about the same level as today.

New entitlements for workers in heavy manual jobs

The life expectancy adjustments to the National Insurance scheme have had a greater impact than expected. LO has ensured extra benefits for those who are unable to remain active for health or other reasons. The benefit accrues to workers retiring at 62, 63 or 64 years of age and have no other earned income. The new scheme will come into effect on January 1 2019 and, when fully phased in, will amount to about NOK 25 000 extra per year till up till they reach the age of 80.

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Wage increases

A general increase for all workers of NOK 1.00 per hour as of April 1 2018. Special increases of NOK 2.50 per hour to all workers covered by collective agreements with wages that are less than 90 percent of the average industrial wage. The average annual industrial wage is NOK 464 139 and 90 percent of the average is NOK 417 725 per year. To see the list of effected industry-wide agreements, please check www.lo.no.

Low wage and gender parity profile

The biggest increases will be for low-wage earners, many of whom are women. Women make up 23 per cent of workers covered by the wage settlement, while they are half of all workers covered by industry-wide agreements entitled to the low-wage supplement. In all, one in five workers are covered by agreements that give entitlement to the low-wage supplement.

Travel, board and lodging

The exception to the clause in the Industrial Collective Agreement that states that people "housed at the place of work" are not entitled to travel, board and lodging expenses, has stimulated the establishment of so-called "post box companies" and has led to social dumping all over Norway. This is now being cleared up. The collective agreement is more detailed on the requirements for calling an establishment a company and on the relationship between the company and their workers. This is an important victory in the fight against non-compliant employers.

This happens next:

Members will adopt a position on the bargaining outcome in a ballot.

The material sent out in connection with the ballot contains detailed information on the proposals and the rules governing the ballot.

The ballot will be concluded by April 26.