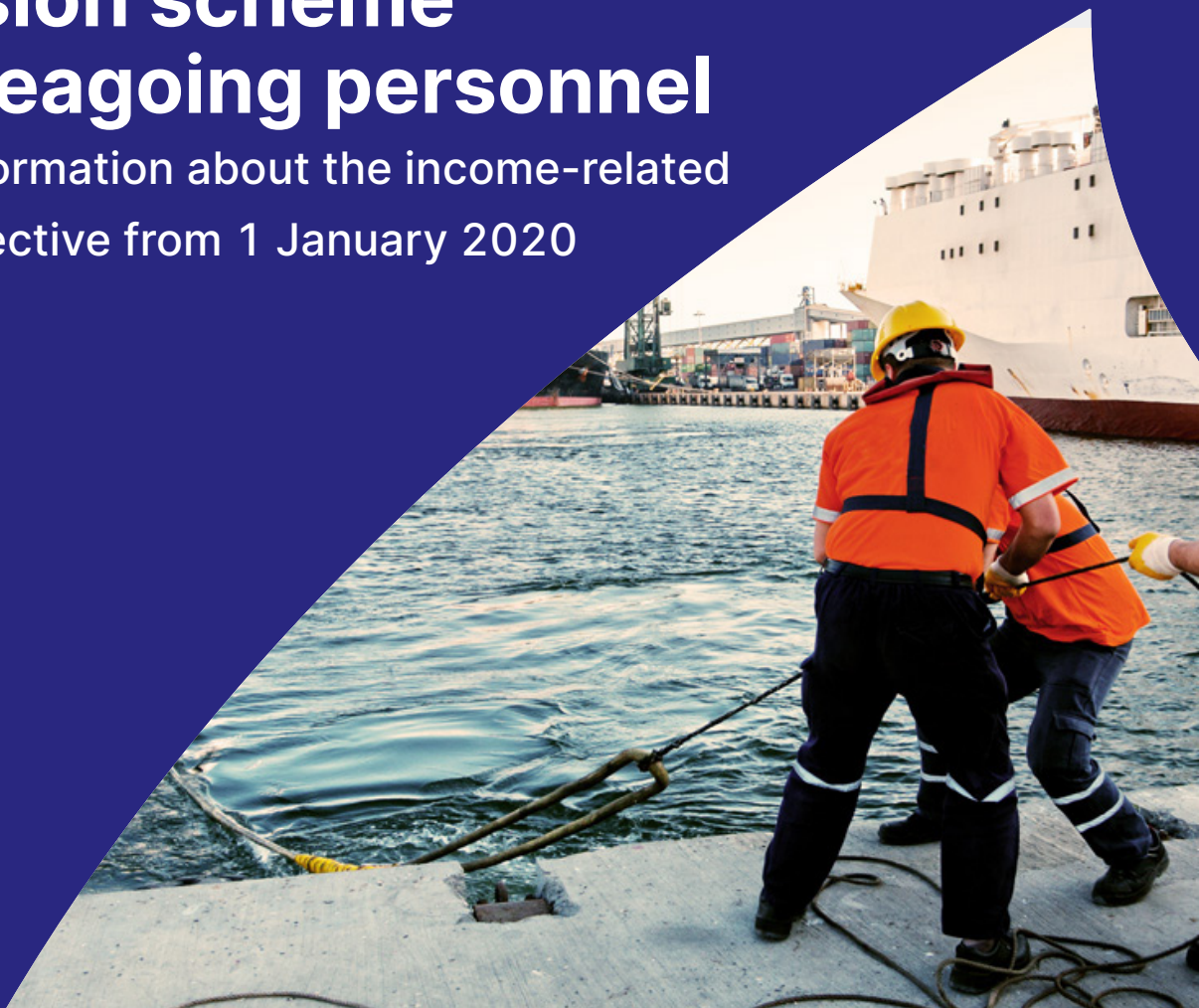




Maritim
pensjonskasse

Pension scheme for seagoing personnel

With information about the income-related
plan effective from 1 January 2020





INTRODUCTION

Maritime Pension Fund (MPK) is a compulsory occupational pension scheme that was established by law on 3 December 1948. The law has been changed a number of times, mainly to accommodate changes in the Norwegian National Insurance Scheme's pension system.

After the change in the law that came into effect on 1 January 2020, the pension scheme has now been divided into two separate plans, one service-related and the other income-related. Members aged 50 or more on 1 January 2020 belong to the service-related scheme. There will be no change for these members with respect to either pension accrual or payment.

New members, irrespective of age, and existing members who had not reached their 50th birthday by 1 January 2020 will accrue their pension in the income-related plan. Under this scheme, members accrue a pension portfolio. The value of any service-related pension entitlements accrued before 1 January 2020 will be transferred to the member's pension portfolio when they turn 62 and will be paid out in accordance with the rules for the income-related plan. Regardless of which plan you belong to, you can use the

members portal, which is available through our website www.mpk.no. Here you can find details of your pensionable service months or pension portfolio. You can also calculate your future pension benefits and apply for your pension online.

This booklet provides a brief explanation of your rights as a member of the Maritime Pension Fund (MPK) scheme. The first part describes the income-related plan that applies to new members irrespective of age and existing members under the age of 50 as of 1 January 2020. The second part describes the service-related plan and applies to members who were aged 50 or more on 1 January 2020. The back cover contains a checklist showing the most important differences between the two plans. Please get in touch if anything is unclear or not well enough explained in this booklet.

Oslo, december 2022

MEMBERS PORTAL

The MPK provides a self-service solution for future and existing pensioners. By visiting our website www.mpk.no and logging into the members portal, you can apply for your pension in just three easy steps. In many cases, you will receive a response in less than a minute. The members portal can also give you details of your accrued pensionable service months under the service-related plan, or your pension accruals the income-related plan, and you can calculate how much pension you will receive before you apply.

The members portal contains an inbox where you will receive notifications of decisions, pension slips, notice of annual pension adjustments and other information relevant for your seaman's pension. Notification of new messages in your inbox will be sent to your email address. You can also send messages to MPK from your message box.



INCOME-RELATED PLAN

If you are a new MPK member, or an existing member who was less than 50 years of age on 1st of January 2020, you are covered by this arrangement.

New members, irrespective of age, and existing members who were younger than 50 years of age on 1 January 2020 accrue pension entitlements solely in accordance with the rules of the income-related plan from that date forward. Those who were younger than 50 when the new rules came into effect will have any entitlements previously accrued under the service-related plan converted into a pension portfolio when they turn 62. It is flexible when you can start drawing your pension, the earliest age is at 62.

PENSIONABLE AGE

Under the income-related plan, the age at which you can start drawing your pension is flexible. The earliest age is fixed at 62, while the latest possible pension-drawing age is 70.

PAYOUT PERIOD

You are free to choose how long you want your pension to be paid out for, but the minimum period is 7 years. However, because pensions cannot be paid after a member has reached the age of 80, the longest possible payout period is 18 years (from 62 to 80 years of age).

MINIMUM REQUIREMENTS TO QUALIFY FOR A PENSION

To qualify for a pension, a minimum of 3 years of accrual is required.

PENSION BENEFITS

Under the income-related plan, an annual accrual, whose size is determined on the basis of your salary, is added to your pension portfolio.

Pension accrues on income up to the equivalent of 12 times the Norwegian National Insurance Scheme's Basic Amount (G) at the rate of 6.3 per cent. The size of your annual pension payout depends on how large your pension portfolio is when you start drawing your pension, and how long you want to draw your pension for.

This new arrangement also means that you can draw your pension and work at the same time without your pension being reduced, and that you can keep accruing pension rights from working at sea up until the age of 70.

PENSION AND INCOME

You are entitled to earn as much as you like in addition to the pension you receive from the MPK.

TERMINATION OF RIGHTS TO THE PENSION PORTFOLIO

Rights with respect to the pension portfolio terminate at the employee's death.

ADJUSTMENT TO THE NORWEGIAN NATIONAL INSURANCE SCHEME

You can now draw a pension under the Norwegian National Insurance Scheme from the age of 62. Whether or not you choose to draw a National Insurance pension before you turn 67 has no impact on your pension.

However, you cannot draw a pension at the same time as you receive a work assessment allowance or 100 per cent disability benefit. However, these payments cease once you have reached the age of 67. If you receive a partial disability benefit or work assessment allowance, the payment from us will be adjusted accordingly. In that case, there may be a residual pension portfolio that will be paid out after the age of 67. Your pension can be combined with 100 per cent payouts from contractual retirement pension (AFP) schemes in the private or public sector from the age of 62.

PAYMENT OF PREMIUMS

As a member of the MPK scheme, you have an obligation to pay a premium to us. In the same way as for the service-related plan, your employer must pay in a premium corresponding to 3.3 per cent of your gross salary. Employees covered by the income-related plan must pay in 1.7 per cent of their salary. The shipping company is responsible for ensuring that the correct employee premiums are deducted from staff salaries and paid in to us.

TRANSITIONAL ARRANGEMENTS

When the income-related plan is introduced, members aged 50 or more will remain in the service-related plan. The income-related plan will apply solely to those who are under the age of 50 when the new law comes into effect, or who start working at sea after the income-related plan has commenced.

CONVERSION

Pensionable service months accrued under the service-related plan are converted into a pension portfolio when the member turns 62 and are paid out in accordance with the rules for the income-related plan.

APPLICABILITY

The rules governing applicability are identical for both the income-related and the service-related plans.

Those who are members of the Pension Insurance for Seamen:

- Citizens of any EU/EEA country.
- People domiciled in a Nordic country..

And who are employees aboard a Norwegian registered ship (NOR/NIS) of at least 100 gross tonnes.

- Those who work on foreign-registered ships, as long as they are members of the Norwegian National Insurance Scheme and are domiciled in Norway.

These rules apply to the above-mentioned individuals on any type of ship, fishing or similar vessel, drilling vessel and any other type of movable installation at sea that has its own propulsion system or equipment capable of drilling for natural deposits in the seabed. Ships under 100 gross tonnes will also be included in the scheme if the shipping company also operates other Norwegian ships of at least 100 gross tonnes. Rescue vessels belonging to the Norwegian Society for Sea Rescue are also included in the scheme.

Ships belonging to the Royal Norwegian Navy and ships that primarily ply lakes and rivers shall not be included in the Pension Insurance for Seamen.

Those who are exempt from membership of the Maritime Pension Fund:

- Employees who, because of their position on board are members of the Norwegian Public Service Pension Fund, or a local or county authority pension fund.
- Employees in hotel and catering positions aboard NIS-registered tourist ships (with effect from 1 January 1994).
- Fishermen (members of the Guarantee Fund for Fishermen).
- Citizens of non-EU/EEA countries that are covered by the other country's social security legislation.

The rules relating to applicability set out here are not exhaustive. Please get in touch if you have any questions.



SERVICE-RELATED PLAN

If you are an existing member and were 50 years old or more on 1 January 2020, you are covered by these rules.

Members who were 50 years old or more when the income-related plan commenced on 1 January 2020 will continue under the previous rules for pension accrual and payment, and age restrictions. They do not accrue any pension rights under the rules of the income-related plan.

PENSIONABLE AGE

The pensionable age is normally 60. In order to qualify for a pension from this age, you must have accrued at least 120 months of seagoing service after your 40th birthday.

DEFERRED PENSIONABLE AGE

If you do not meet the above-mentioned requirements, your pensionable age falls

between 60 and 65. How many months of seagoing service you have accrued after your 40th birthday determines your pensionable age.

The pensionable age increases by one month for every two months you are short of having accrued 120 months of seagoing service after your 40th birthday.

Example:

Seagoing service

after 40 years	Pensionable age
120 months	60 years
80 months	61 years, 8 months.
40 months	63 years, 4 months.
0 months	65 years

MINIMUM REQUIREMENTS TO QUALIFY FOR A PENSION

You must have accrued at least 150 months of seagoing service to qualify for a seaman's pension. If you do not have enough months of seagoing service to meet the minimum requirement, we can include any seagoing service you have had on ships registered in other EU/EEA

countries, fishing boats and vessels belonging to the Norwegian state. In certain circumstances, national service may also be included in the tally of qualifying service. However, such service does not count towards the actual amount of your seaman's pension.

PENSION BENEFITS

Your annual pension payout is calculated by multiplying the number of months of seagoing service you have accrued by the pension factor in effect at any given time. Accrual is capped at 360 months of seagoing service. Different factors apply to service accrued in supervisory and non-supervisory positions. A pension is paid for no more than 360 months of service, on the basis of the months that give the best pension.

PENSION SUPPLEMENT

If you accrued months of seagoing service in three of the last five years before you began drawing your pension, you may be entitled to a pension supplement. To qualify for the supplement, you must earn less than twice the

Norwegian National Insurance Scheme's Basic Amount (G) in addition to your pension.

The income cap for the pension supplement follows the calendar year. If the income cap is exceeded, you are not entitled to the supplement for that year. The income cap is reduced proportionately to the number of months in which you draw a pension.

The supplement totals:

11 per cent for people born in 1952–1954, 8 per cent for people born in 1955–1959, 5 per cent for people born in 1960–1964. The pension supplement from the MPK is currently being phased out in line with the build-up of supplementary entitlements in private pension schemes. Members born after 1964 do not qualify for a supplement.

PENSION AND INCOME

You are entitled to earn as much as you like in addition to the pension you receive from the MPK. However, there are a few exceptions:

- Between the ages of 60 and 62, you cannot be employed in a job in which you accrue seagoing service in respect of the MPK scheme, or equivalent vessels in other countries. This

does not apply to work on temporary contract (see the rules for temporary contract work).

- If you earn more than 2G, you will lose your pension supplement.

RULES FOR TEMPORARY CONTRACT WORK

The rules for temporary contract work allow you to work part time in positions that give you pensionable seagoing service between the ages of 60 and 62. You are allowed to work on temporary contracts for 3 months in a 12-month period. The contract period includes both working hours and paid time off. To make use of the rules regarding temporary contract work, you must have a break of at least one month after your ordinary seagoing service has come to an end. The 12-month period is calculated from the date of your retirement and 12 months forward in time.

PENSION BEFORE 60

If your age and length of service add up to 80 years or more, you have stopped working at sea, and the other conditions for receiving a pension have been met, you can apply for your pension up to five years before you turn 60. Your pension will be reduced by 0.7 per cent for each month you wish to draw your pension before you reach the age of 60. If you start drawing your pension at the age of 58, therefore, your pension will be reduced by 16.8 per cent. This reduction will last as long as you receive a pension from us. If you start drawing your pension before you reach the age of 60, you will not qualify for a pension supplement and you will not be able to serve aboard a ship that is a member of this scheme.

REIMBURSEMENT OF PREMIUMS

If you are not entitled to a pension because you did not reach the 150 months of seagoing service threshold, you are entitled to have the premiums you have paid in reimbursed. This comes as a one-off payout when you reach pensionable age.

Conditions for reimbursement of the employee premium:

- You must have stopped working in a role that allows you to accrue pensionable service in the MPK scheme.
- You must have paid in premiums for no less than 36 months and no more than 149 months.
- You must have reached pensionable age (the same rules as apply to pensions).
- You cannot be in receipt of a work assessment allowance, full disability benefit from the Norwegian National Insurance Scheme or a full public-sector AFP.
- With effect from the month in which you turn 67, you will no longer be entitled to demand the reimbursement of paid-in premiums. In other words, your application for reimbursement must have been received by us no later than the last day of the month before your 67th birthday.

You can calculate how large the payout will be in the members portal.

EXPIRY OF THE PENSION

The pension expires when you reach the age of 67 or from the date on which you start receiving a work assessment allowance, 100 per cent disability benefit or 100 per cent public-sector AFP.

ADJUSTMENT TO THE NATIONAL INSURANCE SCHEME

You can now draw a pension under the Norwegian National Insurance Scheme from the age of 62. Whether or not you choose to draw a National Insurance pension before you turn 67 has no impact on your seaman's pension.

However, you are not entitled to receive a pension at the same time as a work assessment allowance or 100 per cent disability benefit. Nor are you entitled to receive a pension at the same time as a 100 per cent public-sector AFP before you reach the age of 65. If you receive a partial disability benefit or public-sector AFP, the payout from us will be reduced accordingly. Your pension will not be reduced if you draw a private-sector AFP, but

please note that your seaman's pension may affect your right to receive a private-sector AFP. Please contact your AFP scheme administrator if you are uncertain.

PAYMENT OF PREMIUMS

As a member of the MPK scheme, you have an obligation to pay a premium to us. The size of the premium depends on whether you are registered as having a supervisory or non-supervisory role, and whether you work more than 15 days a month. The premium is adjusted each year in line with the adjustment in the Norwegian National Insurance Scheme's Basic Amount (G).

Both the employer and the employee pay in a premium. The employer's premium amounts to 3.3 per cent of the employee's gross salary. The shipping company is responsible for ensuring that the correct employee premiums are deducted from staff salaries and paid in to us.

APPLICABILITY

Those who are members of the Pension Insurance for Seamen:

- Citizens of any EU/EEA country.
- People domiciled in a Nordic country.

And who are employees aboard a Norwegian registered ship (NOR/NIS) of at least 100 gross tonnes.

- Those who work on foreign-registered ships, as long as they are members of the Norwegian National Insurance Scheme and are domiciled in Norway.

These rules apply to the above-mentioned people on any ship, fishing and similar vessel, drilling vessel and any movable installation at sea that has its own propulsion system or equipment capable of drilling for natural deposits in the seabed. Ships under 100 gross tonnage will also be included in the scheme if the shipping company also operates other Norwegian ships of at least 100 gross tonnes.

Rescue vessels belonging to the Norwegian Society for Sea Rescue are also included in the scheme. Ships belonging to the Royal Norwegian Navy and ships that primarily ply lakes and rivers shall not be included in the MPK.

Those who are exempt from membership of the MPK:

- Employees who, because of their position on board are members of the Norwegian Public Service Pension Fund, local or county authority pension funds.
- Employees in hotel and catering positions aboard NIS-registered tourist ships (with effect from 1 January 1994).
- Fishermen (members of the Guarantee Fund for Fishermen). Citizens of non-EU/EEA countries that are covered by the other country's social security legislation.

The rules relating to applicability set out here are not exhaustive. Please get in touch if you have any questions.

CONTACT US

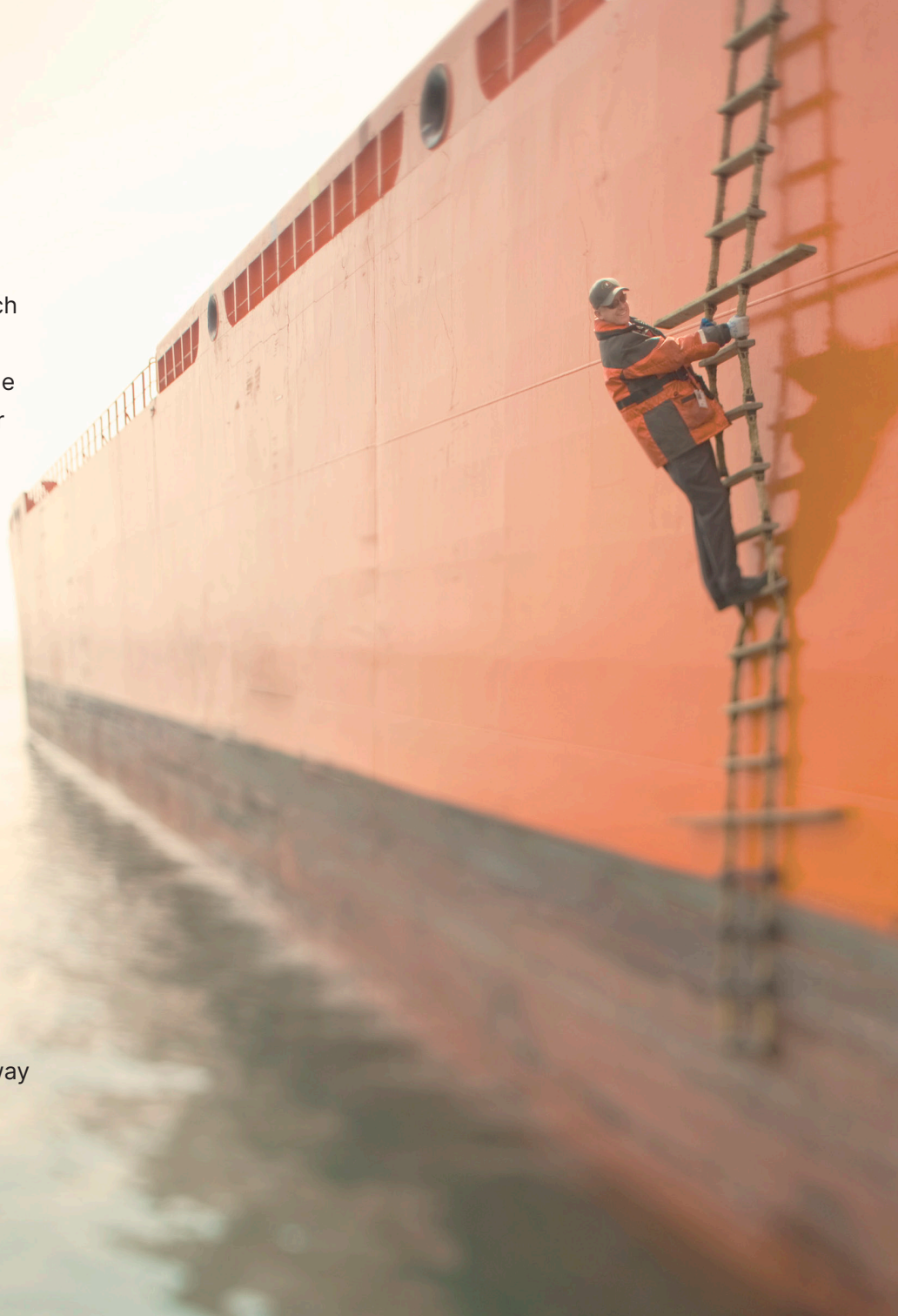
If you have any questions or comments, please get in touch via the contact form at www.mpk.no, via the message box in the members portal, or start a chat, or call us on +47 22 35 89 00.

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THE MOST IMPORTANT DIFFERENCES BETWEEN THE INCOME-RELATED AND SERVICE-RELATED PENSION PLANS:

- The income-related plan vests after 3 years of service, compared with 12.5 years under the service-related plan.
- The income-related plan allows you the flexibility to start drawing your pension at any time between the ages of 62 and 70, while you must draw your pension between the ages of 60 and 65 under the service-related plan, depending on how many months of pensionable seagoing service you have accrued after the age of 40.
- The payout period under the income-related plan ranges from a minimum of 7 years to a maximum of 18 years (until you reach the age of 80), while the payout period under the service-related plan is normally between 60–65 and 67 years of age. i inntektsbasert ordning.
- The income-related plan allows you to continue accruing a pension entitlement at the same time as you draw a pension until you turn 70, while the accrual of pension entitlements ceases when you start drawing a pension under the service-related plan.
- The size of the pension benefit depends on your salary level under the income-related plan, while it is the employee group to which you belong (supervisory or non-supervisory) that determines the size of the pension paid out under the service-related plan.
- There are no pension supplements or child supplements under the income-related plan.

