


# High functional administrative systems

## Norway

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the Labour and Welfare Administration

# ***Norway - a tiny and sparsely populated country***

- **5 million inhabitants**
  - **Birth rate**
    - **1.88 per woman**
  - **25 per cent of children live with only one of their biological or adoptive parents**
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- A photograph of a winter landscape in Norway. The scene is dominated by a vast, flat expanse of snow. Several evergreen trees, likely spruce or fir, are scattered across the landscape, their branches heavily laden with snow. The sky is a pale, hazy blue, suggesting a bright but overcast day. The overall atmosphere is quiet and desolate, reflecting the sparse population mentioned in the text.

# The Collection Agency of the Labour and Welfare Administration



- **Collects child support if one of the parties to the case applies for it.**
- **The parties may agree on an amount they find appropriate, and arrange the payments between themselves.**

## ***Publicly collected cases***

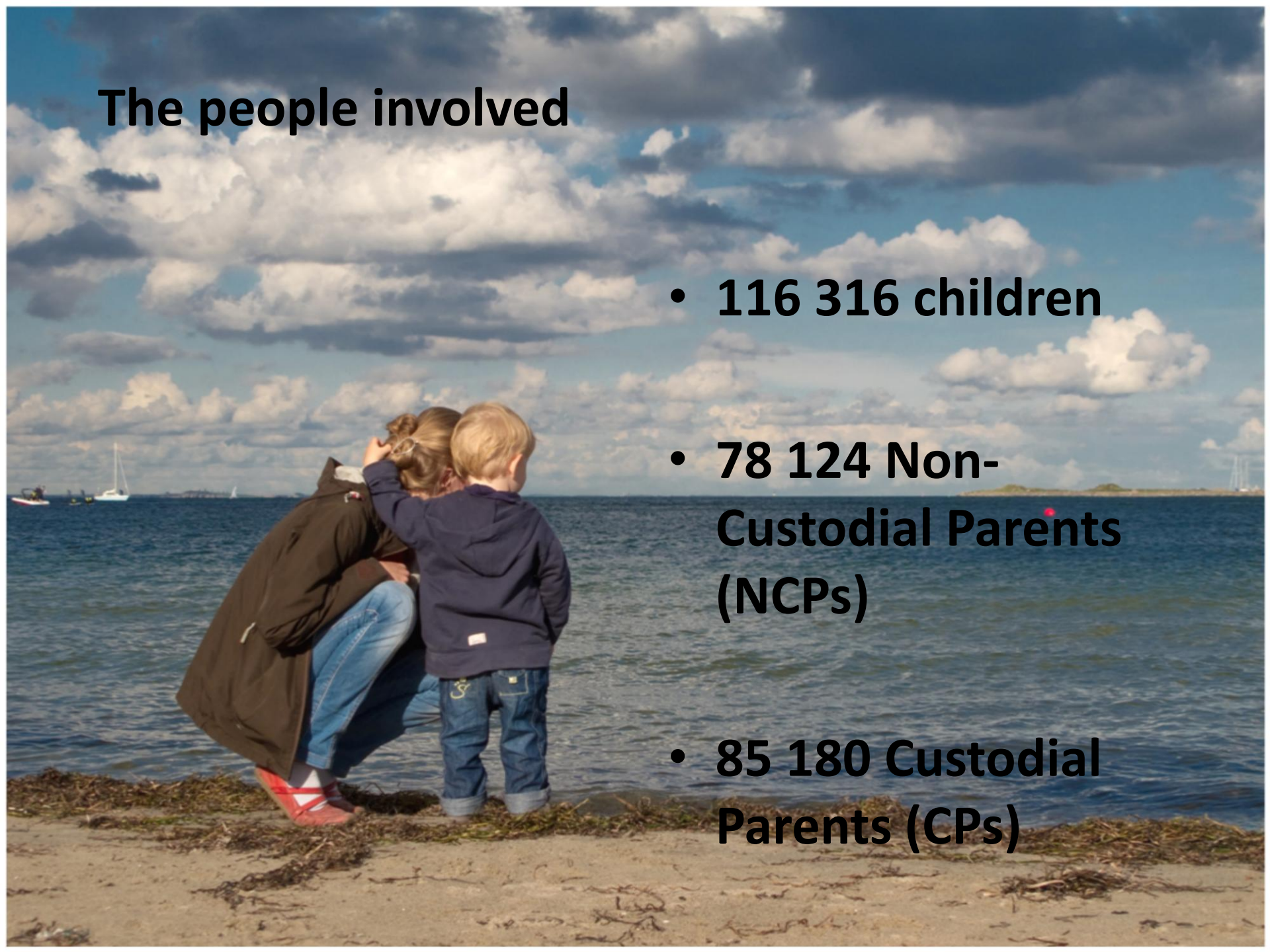
- 81 611 cases are under collection of the Collection Agency
- 73 866 domestic cases
- 7 745 foreign cases
- 32 per cent of the cases are without debt





# The people involved

- **116 316 children**
- **78 124 Non-Custodial Parents (NCPs)**
- **85 180 Custodial Parents (CPs)**



# Total debt and collected amount

- Total debt as of December 2012 was nearly 400 million EURO
- In 2012, 310 million EURO was collected by the Collection Agency
- However, the same amount accrue in current cases each year
- Nearly 157 million EURO was paid voluntarily by the NCPs

# What does it mean to have an administrative system for child support?

- No courts are involved in the stipulation process, nor in the collection process
- The stipulation is based on documentation, no oral hearing
- The child support order is enforceable like a court order





# ***The benefits of an administrative model***

**Doesn't take up time in the courts**

**Cheaper for the parties who cannot agree between themselves – one doesn't need to be represented by a lawyer**

**Lower level of conflict**

**Easier to correct mistakes, legal or factual**



# Public collection – no costs for the private parties – the Government foots the bill

|              | NOK     | EURO      |
|--------------|---------|-----------|
| Labour costs | 72 mill | 9.6 mill  |
| Total costs  | 89 mill | 11.9 mill |

# Cost effectiveness

Per EURO spent on  
collection

26 EURO is collected

# Why is the Norwegian model successful?

The Collection Agency has access to

- Central registry on persons residing in Norway
- Electronic employment records
- Electronic registry on pension benefits/social security payments
- Registry over properties, shares, vehicles



- **Child support has priority over any other claim when withholding income**
- **Legislation facilitates efficient collection**
- **Legislation allows garnishment of bank accounts and forced sale of real and personal property**
- **Legal authority to withhold tax refund and other governmental contributions, such as VAT**

- **Generally high confidence in the authorities, and in the correctness of administrative stipulations.**
- **High level of employment of both mothers and fathers.**

- **Rules of stipulation may seem more fair to the parties, since income of both parents are taken into consideration when child support is stipulated.**
- **NCP is only obliged to pay child support if his/her income exceeds the limit of “payment ability”. This income limit is adjusted annually.**



- **When NCP has more children, child support for previous children is reduced.**
- **The Collection Agency always encourages voluntary payment. Enforcement measures are secondary.**

- **Economic incentive for the parents to agree on child support amount. A NCP may be more positive towards paying an agreed amount, than an amount determined by the authorities.**

- **Good and correct information to the parties: anyone can use the online “child support-stipulation calculator”, entering their income, number of children and expenses, and make sure the stipulated amount is correct.**
- **The high level of employment means there are many cases where child support decisions can be enforced through wage withholding.**



# Characteristics of our IT systems

- 40 per cent of all collections are done automatically by computers
- Automatic transmission of child support orders from NAV National Office for Social Insurance Abroad
- Automatic production of invoice and reminders

- **Automatic check of source of income**
- **Deadlines are set automatically in each case, for example limitation period**
- **Our IT-systems are well integrated**
- **Conclusion: We have good control over our cases, which enables us to prioritize between tasks in order to meet deadlines.**



**Thank you!**

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