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YEAR:
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STATUS:
Laureate

Organization:
NAV, the Norwegian Labour and Welfare Administration

Organization URL:
www.nav.no

Project Name:
Norwegian Labour and Welfare Administration (NAV) Pension Program

What social/humanitarian issue was the project designed to address? What specific metrics did you use to measure the project's success?

Like many countries, Norway urgently needed to tackle one of society's most complex challenges: curb soaring pension costs while better serving a surging elderly population. By 2050, the number of retirees is projected to double, totaling 40% of the country's population. The Norwegian Labour and Welfare Administration (NAV), which pays out nearly one third of the national budget in benefits, was racing the clock. In 2005, the government initiated sweeping welfare reforms effective 2011, including lowering the minimum retirement age from 67 to 62 to ensure a sustainable pension system for future generations. The reforms also transform the way Norwegians' retire, one of life's most important decisions. Instead of having to stop working to receive a pension, Norwegians can opt to gradually reduce the amount they work and phase in pension benefits. But the existing pension system couldn't even keep pace with current applications due to old technology and a paper-based organization, leaving Norwegians unable to adequately plan for retirement. The solution: an end-to-end transformation that far exceeds private sector offerings and has radically improved the way NAV administers pensions to 1 million Norwegians. The groundbreaking program employs world-class technology to create www.nav.no, "Din pensjon" (Your Pension), a user-friendly "one-stop" portal that Norwegians can use to make informed retirement decisions. The self-service portal is at the heart of NAV's multi-channel, customer-centric strategy and integrated with private pension providers, centralized case-handling, fully automated pension administration processes and national call centers. To gauge success, NAV tracked key metrics: online user growth; online applications, applications

processed fully and semi automatically; improved processing speeds; savings from centralized IT systems, and customer satisfaction. Based on each metric, Norway's revolutionized pension program is a resounding success.

Please describe the technologies used and how those technologies were deployed in an innovative way. Also, please include any technical or other challenges that were overcome for the successful implementation of the project.

Over four years, NAV invested US$500 million to launch a groundbreaking pension system by the mandated deadline where users apply for benefits online with just two clicks. Creating a simple, flexible self-service portal required developing complex, service-oriented architecture and IT solutions that re-invented pension process from claim to payment by automating paper-based pension application process. The massive undertaking, the largest European service-oriented IT program at its inception, faced daunting hurdles: Combining 290 services, more than 30 application components; transforming outdated legacy systems, case processing, and pension organization into a centralized IT spine supporting the self-service portal. The end result: a coordinated, customer-focused enterprise. Compiling and converting 125 million records dating from the 1960s to calculate each citizen's pension; building central registries to collect and store data. Ramping up from zero to 100 developers in months; implementing 160 screens, 114 batch programs and over 6,000 pension rules for the rules engine. Completing 115,000 tests in 35 parallel environments. NAV's pension reform demonstrates the power of innovative solutions to help public agencies do more with less. In this case, how to convince a hesitant population of older citizens to adopt online self-service. The results are win-win: empowered, better-informed citizenry while government conserves resources and tax dollars. Norway's pension reform sets new global standards with two firsts: The only country providing citizens with an integrated view of their total public and private pension benefits. The only system worldwide enabling an end-to-end, automated process that gathers user information, calculates benefits, completes applications, generates a decision letter and enables payment transactions in seconds. To convert elderly citizens to self-service, NAV's extensive communications campaign included traditional and social media, including a smartphone application downloaded by 20K people.

Please list the specific humanitarian benefits the project has yielded so far.

The benefits of NAV's new pension program are dramatic and far reaching, helping Norway achieve its overarching goal: doing more with less. The pioneering transformation has delivered: Better service and increased flexibility for retirees: In spite of rising demand and increased complexity, automation allows NAV to process more benefits at the same cost. Broad user adoption of self service: 40% of all pension claims submitted online, additional 26% assisted by case workers using the self-service portal to enter applications on behalf of Norwegian citizens. Since the portal's launch in 2010, an average of 17,000 Norwegians logged on each week. Recent public survey confirmed more people are choosing pension assistance online. Faster application processing with automated systems: Instead of taking three months to manually process a pension claim, two-thirds of applications submitted electronically are processed in just seconds. Citizens receive a response explaining the reasons and basis for the decision. Another measure of automation's success: 44% of all new applications using self-service were fully processed electronically. This is the highest level of self-service and automation achieved within NAV, especially impressive given the age of applicants: 62 to 70 years old. Improved case-handling quality and efficiency: By deploying a centralized IT backbone with fully integrated pension processes, NAV now has accurate, up-to-date data, reducing errors, streamlining work and increasing productivity. Better information and advice for pension planning and decision-making. The simulation tool allows citizens to make more informed choices, view the consequences of, for example, early retirement by detailing available benefits. A new specialized pension call center gives users direct access to dedicated pension experts. Based on pension

reform's achievements, NAV is using the new SOA-architecture, along with automation and self-service solutions, to modernize other NAV welfare programs.

Please provide the best example of how the project has benefited a specific individual, enterprise or organization. Feel free to include personal quotes from individuals who have directly benefited from the work.

Norway's citizens are the prime beneficiaries of the nation's pioneering pension transformation. The automated, self-service portal helps Norwegians answer their pension-related questions from the comfort of their home, using a laptop, instead of wasting time standing in line at a municipal office or waiting on hold for customer service agent. With a few key strokes, a secure automated system guides citizens through the pension process, allowing them to quickly learn how much money they'll have to live on when they retire. With just two clicks, they can submit an application and receive an automated response within seconds. The new lower eligibility age and option to phase in retirement gives Norwegians important pension options, choices that require in-depth personal information. With the self-service portal, citizens can quickly and easily see an overview of the alternatives as well as the data and calculations needed to make three crucial decisions: When will I receive a pension? How much of a pension will I draw? How much will I work: stop altogether, work part time, or postpone a pension? Unique to Norway, the site also allows users to calculate both their public and private pension contributions and generates the total amount of benefits they'll be able to withdraw. One of the most innovative tools is the ability to simulate their future pension. By changing the pension application information, users view how different choices alter their pension benefits; they're able to save and compare calculations. The information helps Norwegians make a smoother transition from full-time worker to pensioner, ensuring that citizens are well-informed before making one of the most important decisions of their lives -- when to stop working -- with the assurance that they'll have enough income to support their needs.