

Mandatory pension scheme (OP)

Pension scheme for transfer income recipients

The Mandatory Pension Scheme Act for recipients of various transfer incomes came into force on 1 January 2020. Its purpose is to ensure that savings-based pensions are strengthened so that all citizens save towards their own pension, including during periods on transfer income. The contributions are fully financed by funds previously earmarked for the social initiatives fund (Satspuljen) to ensure that the individual citizen's transfer income is not reduced.

During 2025, 952,700 people paid into the scheme, and at the end of 2025 the scheme covers 1,819,700 members. There is a substantial overlap between OP members and ATP Livslang Pension (Lifelong Pension) members, as 99 per cent of OP members are also members of ATP Livslang Pension (Lifelong Pension). As several areas of transfer income (such as maternity/paternity benefits) see large ongoing fluctuations, there is a high replacement rate of citizens for whom the OP contributions will be payable. Over a 20-year period, it is estimated that OP contributions will be paid for around 3 million people.

For 2025, OP contributions represented 1.8 per cent of the relevant transfer income, equivalent to total contributions of DKK 2,434 million in 2025. Contributions increase annually by 0.3 percentage points until 2030, when total contributions will be 3.3 per cent. By 2029 at the latest, a policy decision has to be made as to whether to increase contributions beyond 3.3 per cent.

The authority paying the benefits to the individual beneficiary, such as unemployment insurance funds, municipalities, Udbetaling Danmark – Public Benefits Administration and the Ministry of Education and Research, will be responsible for calculating the OP contributions for the individual transfer income recipient and for making correct payment via income and payment to ATP.

Covered by Mandatory pension scheme (OP)

| | |
|--|-----------------------------------|
| Unemployment benefits | Flexible employment benefit |
| Maternity/paternity benefits | Resource course grant |
| Early retirement pension | Rehabilitation benefits |
| Holiday benefits | Senior pension |
| Flexible employment scheme benefit (fleksydelse) | State Adult Education Grants |
| Flexjob contribution (fleksløntilskud) | Supplement for fractional pension |
| Disability pension | Sickness pay |
| Welfare benefits | Education benefit |

The Mandatory Pension Scheme (OP) is managed by ATP in such a way that the scheme is associated with and fully integrated with ATP Livslang Pension (Lifelong Pension). Since most transfer income recipients are already paying or have paid contributions to ATP Livslang Pension (Lifelong Pension), administration activity expenses can be minimised and kept at a level that will not erode the Mandatory Pension Scheme.

Integration with ATP also means that:

- OP becomes part of the existing common assets with a common investment policy and risk sharing, in which a common bonus policy is applied based on a common bonus potential
- OP is a life annuity paid from the time of state-funded old-age pension age and for the remainder of life. Payment times, capitalisation and deferment regulations will be the same across ATP, the Supplementary Labour Market Pension Scheme for Disability Pensioners and OP
- OP contributions earn the right to payment of benefits on death together with rights accrued via ATP contributions.

OP members, end of 2025

| | |
|--|-----------|
| Members over the state retirement age | 186,100 |
| Members below the state retirement age | 1,633,600 |
| Total number of members | 1,819,700 |
| New OP members in 2025 | 126,900 |

Payments and contributions in 2025

| Payments | Number of | DKK million |
|------------------------------------|-----------|-------------|
| Current pensions | 180,100 | 26.4 |
| Lump-sum benefits | 1,200 | 8.6 |
| Total payments | | 35.0 |
| Contributions | | |
| Members with contributions in 2025 | 952,700 | |
| OP contributions | | 2,434 |