



EMCC

European Monitoring Centre on Change

Norway: Wage guarantee in case of insolvency

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Norway

Phase:

Management

Type:

Wage guarantee in case of insolvency

Last modified: 10 February, 2021

Native name:

Lov om statsgaranti for lønnskrav ved konkurs m.v. (lønnsgarantiloven)

English name:

Act on state guarantee for wages in case of insolvency

Article

1, 2

Description

In the case of bankruptcy, the employees receive by the state through a guarantee system any outstanding payment, accrued holiday pay and pension, and the compensation for the termination period. The scheme is administrated by the Norwegian Labour and Welfare Administration (NAV) and employees have to make a claim to NAV in order to get the compensation.

Claims should be put forward within the deadline set by the court. NAV Wage Guarantee will process claims that are submitted in writing to the administrator of the estate before the bankruptcy proceedings are closed, or within six months of commencement of the bankruptcy proceedings.

The guarantee applies to all employees that are in an employment relationship where the employer is to pay social security contributions to the national insurance scheme. Self-employed and shareholders who hold more than 20% are not covered.

Claims have to be put forward by the employees (individually or with help from their trade union or a legal adviser) and the following can be covered:

- Pay for a maximum of six months. The pay claim must not have been due for payment more than 12 months before the deadline. This time limit is absolute.
- Holiday pay accrued in the same year as the final date of claim (i.e. when bankruptcy proceedings commenced in court) and the year before.
- Pension benefits for a maximum of six months.
- Compensation for lost remuneration for the performance of work for a maximum of six months.
- Interest.
- Reasonable costs linked to filing a petition for bankruptcy.

Maximum coverage is limited to a gross amount equivalent to two times the National Insurance basic amount, which is adjusted every year (NOK 199,716 or €20,752 in 2019). Reasonable costs linked to filing a petition for bankruptcy are in addition to this.

Once bankruptcy proceedings have commenced, claims are covered for one month from the date on which bankruptcy proceedings commenced. This applies even if a longer period of notice applies through agreement or by law.

Comments

The number of employees making claims under this scheme in 2013 was around 18,000 and the scheme paid out in total around €105 million (NOK 820 million) (no more recent data available).

Cost covered by

National government





Involved actors other than national government

Public employment service
Trade union

Thresholds

No, applicable in all circumstances

Sources

-  [Lønnsgarantiloven](#)
-  [The wage guarantee scheme, NAV](#)
-  [ERM database on restructuring support instruments - State guarantee for wages in case of insolvency](#)
-  [EMCC - Restructuring: support measures for affected workers](#)

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