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Factsheet for case **NO-2020-12/720**

Temporary amendment to the regulation of layoff

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|--------------|--|
| Country | Norway, applies nationwide |
| Time period | Temporary, 20 March 2020 - 31 December 2020 |
| Type | Legislation or other statutory regulation |
| Category | Supporting businesses to stay afloat – Direct subsidies (full or partial) |
| Case created | 17 April 2020 (updated 05 May 2020) |

Background information

The regulation of lay-off is amended to reduce employers' costs of lay-off so that they can better adapt to market failure and avoid permanent dismissals. Many businesses are required to shut down, and the ripple effects of measures to limit infection are significant. This has resulted in a very high number of layoffs in a number of industries. The amendment to the lay-off regulation reduce the cost for employers and increase the unemployment benefit for the unemployed. Part time lay-off can be applied if the employee work 40 per cent or less (changed from 50 per cent).

Content of measure

The lay-off regulations secure unemployment benefits to the individual employee if he or she is laid off. In this way, companies can quickly reduce their costs, while at the same time the working relationship can continue. The period where employers have to pay wages during lay-offs (the employer's period) is reduced from 15 to 2 days. The state carry the cost from day 3. The unemployment benefit starts when the unemployed person has been unemployed and has been registered as a real job seeker for at least three of the last fifteen days. These three days constitute the waiting period in the unemployment benefit scheme. To reduce the burden on workers the waiting time is removed for the laid off. The temporarily dismissed are guaranteed 100 per cent salary up to 6G (aprox. EUR 50700) from day 3, when employer is exempted from paying wage, through day 20. Unemployment benefits for laid-off persons and those who become ordinary unemployed are adjusted upwards and shall constitute 80 per cent of the former wage (dagpengegrunnlaget) up to 3G (aprox. EUR 25350) and 62.4 per cent of the part of former wage that is between 3G and 6G (aprox. EUR 50700). The lower income limit for entitlement to unemployment benefit is lowered to 0.75G

(aprox. EUR 6340) over the past 12 months or 2.25G over the past 36 months. The requirement for reduced working hours for entitlement to unemployment benefits is changed from a minimum of 50 per cent to a minimum of 40 per cent.

Use of measure

In the period from 9 Mars to 15 April, 342 228 persons have applied for unemployment benefit. In accomodation and food and beverage services (NACE I) the unemployed constitute 57 per cent of the employed in the industries. In industry (NACE C) and construction and building (NACE F), 12 per cent is registered as laid off.

Actors, target groups and funding

| Actors | Target groups | Funding |
|--|-----------------------------|----------------|
| National government Public employment service | Unemployed All companies | National funds |

Social partners

| | |
|-------------------------|---------------------|
| Role of social partners | Consulted |
| Form of involvement | Direct consultation |

Social partners have been consulted regularly during design and implementation of the measure.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 20 March 2020: Slik blir endringene i permitterings- og dagpengeregelverket (www.regjeringen.no)