

FAQ – for employees – in the event of bankruptcy of an employer

1. ABOUT THE FAQ

This FAQ is for employees who are covered by the employer filing for bankruptcy.

The information is updated continuously. In the upper right corner of the document's first page, you will be able to see the document's validity date in the format dd.mm.yyyy, as well as the version version in the format xv (x = number in the order. v1 is the first version, v2 is the second version, etc.).

Changes from the previous version are highlighted in gray.

You can use the search function to search for keywords, or use the table of contents to see different topics that the FAQ covers.

The FAQ begins with a short chapter on important actions you should take. Then comes a question and answer section.

Questions or input to the FAQ can be directed by e-mail to nf@flyger.no.

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2. IN SUMMARY – THIS IS IMPORTANT TO KNOW AND TO DO

- **Register as a jobseeker** with NAV, within 14 days of receiving the notice of termination
 - o If you do not do so, you may lose the right to have your salary covered during the notice period covered by the estate as a preferential claim, see Section 7-11, fourth paragraph, of the Coverage Act.
 - o **It is no longer a condition for salary guarantee coverage that the applicant has registered as a job seeker with NAV.**
- **File a claim in the bankruptcy estate: NB; The deadline for filing claims against the bankruptcy estate is stated in the public announcement of bankruptcy, and is set by the district court (tingretten).**

Filing a claim within the stipulated deadline is important in order to maintain the claim in the bankruptcy estate. However, missing the deadline has **no impact on the right to coverage under the wage guarantee scheme, but it is highly recommended that to comply.**

NB: Report all claims, including those that are uncertain or not covered by the wage guarantee. Without filing, you will not receive any coverage, even if the estate later receives funds. Priority determines whether and how much you get paid.

Remember to include both amounts that have not been paid before bankruptcy and claims after bankruptcy proceedings (where applicable).

Report all claims to the trustee:

- o outstanding wages: Ordinary salary, overtime, any supplements, see collective agreement)
 - o holiday pay (feriepenger)
 - o wages during the notice period according to the deadlines in the **Working Environment Act § 15-3 (1–4) (arbeidsmiljøloven)**, or collective agreements entered earlier than six months before the cut-off date (*fristdagen*); these are first-class preferential claims.
 - o benefits in kind such as free housing/lodging, private use of a car, etc.
 - o non-payment to mandatory occupational pension (OTP)
 - o trade union dues deducted from salary
 - o expense allowance/diett
 - o telephone, internet and newspaper
 - o mileage allowance
 - o travel expenses (flights, hotels, transportation)
- **Document the requirements well:**
 - o Employment contract, payslips and collective agreement
 - o Lack of documentation may delay or stop processing
 - o Use of a private car or private equipment at work

- **Inform the trustee if you start a new job within 1 month**
 - If you have a lower salary in a new job, you can apply for coverage for the loss
- **Apply for unemployment benefits (preferably 2 weeks before the last day of work)**
 - You can apply for an advance payment of salary guarantee funds
 - Advances are deducted at the final payment
 - Unemployment benefits are taxable
- **Personal finance and health**
 - Update your tax deduction card
 - Take early action in your finances and seek advice if needed
 - Take care of your own mental health – use your network and support systems

3. QUESTIONS & ANSWERS

3.1 BANKRUPTCY – WHAT IS IT AND WHY DOES IT HAPPEN?

The board is responsible for the finances of a private limited company, and the board must ensure that the limited liability company has adequate equity and liquidity in relation to the scope and risk of its operations. If the board concludes that the equity is no longer sound, it is the board's responsibility to assess whether there is a basis for continued operations. If the result of this assessment is that the business is insolvent and there is no realistic hope of changing the company's financial situation, the board has the responsibility and duty to petition for bankruptcy.

When the company petitions for bankruptcy, it is the board's responsibility to notify the district court of the cancellation. It is up to the court to decide whether bankruptcy proceedings should be opened. A petition for bankruptcy will normally be accepted by the court if the company acknowledges that it is insolvent or has suspended payments. After the court has accepted the petition for bankruptcy, a ruling is made on the opening of bankruptcy proceedings and a bankruptcy estate is established. This means that a distinction is formed between the company and the company's finances. In the event of bankruptcy, the company loses the right to dispose of its assets (all assets owned by the company, money, bank deposits, real estate and things), and is not allowed to dispose of the assets or use them without the consent of the administrator. Nor can the company sell the assets.

Once the petition is accepted by the court, a bankruptcy estate (*konkursbo*) is created. The company loses the right to manage its assets. The court appoints a **trustee (bostyrer)** to manage the liquidation and safeguard the creditors' interests. The trustee then takes over the disposal of the business and is the person the company must deal with.

The trustee must safeguard the common interests of the creditors (creditors). He or she leads the liquidation of the bankruptcy estate and represents it externally.

A creditor is a person who has a claim against another, e.g. for payment of money. The person against whom the claim is directed and who is obliged to fulfil this is referred to as the debtor or debtor.

3.2 THE EMPLOYMENT RELATIONSHIP AND THE DUTY TO ATTEND – WHAT HAPPENS TO ME AS AN EMPLOYEE NOW?

The bankruptcy estate becomes the employer while the bankruptcy proceedings are ongoing. The employees and union representatives must therefore deal with the trustee (bostyrer) after the bankruptcy has been opened.

The bankruptcy itself does not automatically terminate your employment. The estate has **3 weeks** to decide whether to continue (step into) your employment contract. You must remain available to the estate during this period. Usually, the estate does not continue the contracts, and you will receive a notice of dismissal. You will likely not be required to work during the notice period. You can choose to resign from the position yourself with one month's notice.

3.3 SALARY – I HAVE NOT BEEN PAID A SALARY. WHAT DO I DO NOW AND WHAT AM I ENTITLED TO?

The funds in a bankruptcy estate must be distributed among the creditors according to a specific order of priority. Salary claims are a so-called "preferential claim of first class" and receive coverage first. This depends on you submitting a claim to the bankruptcy estate/trustee.

In principle, you are entitled to full salary during the normal notice period (the claim is preferential) from the estate. The normal period of notice is that which follows from the law or collective agreement (which is entered into no later than 6 months before the deadline date – usually on the day the bankruptcy petition was received by the district court). If you have an individual agreement on a longer notice period, the salary beyond the normal notice period will not be entitled to preferential treatment.

Please note that if you have not found any other work during the notice period, you can only claim coverage of salary during the notice period from the estate if you have registered as a job seeker with NAV (see information related to NAV below). You are also not entitled to coverage of salary during the notice period if you decline an offer of other suitable work.

If you find other work during the notice period, deductions will be made for other income from the salary that you receive from the estate. You are obliged to report such income to the trustee.

You are also, in principle, entitled to any overdue salary that you have not been paid (due up to 4 months before the deadline date - usually on the day the bankruptcy petition was received by the district court), but your salary claim in total (including salary during the notice period) will be a maximum of 6 months.

Note that your right to salary coverage will depend on how much funds are in the estate. If

there are no funds in the estate to cover the employee's salary during the notice period, you can have your salary covered for up to 1 month from NAV's salary guarantee scheme, see more information below.

3.4 HOLIDAY PAY – WHAT HAPPENS TO THE HOLIDAY PAY I HAVE EARNED?

You are entitled to be paid earned holiday pay during the bankruptcy proceedings - even if you would otherwise not have been entitled to holiday pay until next year.

According to the Coverage Act, holiday pay is earned within 24 months before the deadline date and for a maximum of 30 months, a preferential claim of the first class. Older holiday pay claims may also be eligible for priority if the claim has been collected without undue delay.

If there are insufficient funds in the estate to cover the holiday pay claim, the remaining part of the claim may be covered by the wage guarantee scheme, see more information below.

3.5 THE WAGE GUARANTEE SCHEME – WHAT AM I ENTITLED TO?

The employee must submit his or her claim on Form A and send the application to the bankruptcy board, no later than 6 months after the opening of bankruptcy if the estate has been closed.

The wage guarantee scheme is administered by NAV Salary Guarantee. Please note that the salary guarantee from NAV does not fully cover your claim against the estate.

An employee is entitled to have "salary and other remuneration" covered by the wage guarantee scheme.

- Outstanding wages include wages, overtime, various supplements such as shift supplements, attendance supplements and shift supplements, check the collective agreement.
- Benefits that are considered salary/remuneration can be covered by the wage guarantee. This applies when the benefit is intended as payment for the work you perform.
 - o Examples of benefits that can be covered: Salary that is given in whole or in part in kind, such as: free board and lodging, free car for private use, other fringe benefits that are intended as a reward for work effort.
- Holiday pay (feriepenger): Only holiday pay earned in the same year as the deadline day, and the year before can be covered under the wage guarantee. Holiday pay claims older than this cannot be covered under the wage guarantee, even if the employee has tried to collect his or her claim.
- Contributions to a pension scheme under the OTP Act are considered to be remuneration for work that can be covered under the wage guarantee, cf. Section 1

- of the Wage Guarantee Act, cf. Section 9-3, first paragraph, no. 1 of the Coverage Act.
- Trade union dues deducted from salary
 - **Benefits that are not covered by the wage guarantee:**
 - o Expenses you have had in connection with your job, which the employer reimburse. Such benefits are not counted as wages, but as expenses covered.: use of a private car for work, travel, board and subsistence expenses, subscriptions to newspapers, specialist literature and telephone, other expenses necessary to carry out the work
 - o These claims do not have priority in the bankruptcy estate and are not covered by the wage guarantee.

According to the Wage Guarantee Act, salary that fell due during the last 12 months prior to the deadline date may be eligible for coverage under the wage guarantee, cf. Section 1, fourth paragraph, no. 2 of the Wage Guarantee Act. This limit is absolute. Salary that fell due earlier than 12 months before the deadline date may be a preferential claim of the first class in the estate.

If you have unpaid wage claims (wage claims that have fallen due earlier than 12 months before the deadline date), the wage guarantee scheme will also be able to cover such claims if the claim has been collected without undue delay, cf. Section 9-3 of the Coverage Act.

Under the wage guarantee scheme, you are entitled to have your salary covered during the notice period, but *only for 1 month after the opening of bankruptcy. This means that if there is a bankruptcy opening on 2 February, claims up to and including 2 March may be eligible for coverage under the wage guarantee* (note that this date is only an example).

Note that the total amount that you can receive through the wage guarantee scheme will be 2G (as of 07.01.2026, 1G = NOK 130,160). This means that the cap on 2G includes both salary after bankruptcy opening, previously overdue salary and holiday pay.

The part of the claim that NAV does not cover may be entitled to priority in the estate.

Salary claims for up to six months may be covered under the wage guarantee, cf. Section 1, third paragraph, of the Wage Guarantee Act, cf. Section 9-3, first paragraph, no. 1, third paragraph, of the Coverage Act. Salary claims mean ordinary salary, but also e.g. overtime, other remuneration for work, OTP and interest. The claim must be limited to six months in total, but the applicant can have several types of claims covered for the same pay period.

3.6 CLAIMS IN THE ESTATE – HOW DO I SUBMIT A CLAIM?

The employee must register as a jobseeker with NAV within 14 days of receiving the notice. As explained above, the employee may lose the right to salary during the notice period if the employee does not do this.

You must report the salary claim and holiday pay claim to the administrator using the attached form, or by using the form from the Civil Law Administration's website. The administrator

checks the application and documentation for the claim before it is sent to NAV. Once NAV has processed the application, the decision will be sent to the administrator, who will forward it to you.

3.7 CASE PROCESSING TIME – WHEN CAN I EXPECT TO BE PAID SALARY/HOLIDAY PAY?

You must expect that the payment of claims for the period before and after the opening of bankruptcy proceedings may take several months. It is the administrator who makes the payment of the awarded guarantee amounts. The administrator must inform the applicants of the granted gross amount, tax deductions and other deductions, as well as make deductions before payment.

Until you find other income-generating work or receive payments from the bankruptcy estate or the wage guarantee scheme, you can make use of the general social security and social security schemes, e.g. unemployment benefits or social benefits. You can also apply to NAV for an advance salary guarantee during the notice period, up to 1 month after the opening day of bankruptcy, or apply to the bank for a loan.

3.8 PENSION – WHAT HAPPENS TO MY PENSION?

You are entitled to membership of the pension scheme until the end of the notice period. Accrued pension in an insured occupational pension scheme is also a claim against the pension provider and not a claim against the bankruptcy estate.

3.9 JOBSEEKER – HOW DO I REGISTER AS A JOBSEEKER?

You can do this on NAV's website: <https://www.nav.no/registrer-arbeidssoker>

3.10 UNEMPLOYMENT BENEFITS FROM NAV – WHEN AND HOW DO I APPLY?

You can read all about unemployment benefits on NAV's pages: <https://www.nav.no/dagpenger>

We recommend that you familiarise yourself with the information provided by NAV.

You can receive up to 62.4% of your previous income, upwards limited to 6G.

To receive unemployment benefits, you must:

- Stay in Norway and be a member of the National Insurance Scheme.
- Register as a jobseeker
- Applying for unemployment benefits
- Send a notification card every 14 days

- Be a genuine job seeker

You should apply for unemployment benefits 2 weeks before the last day you are entitled to salary. You can receive unemployment benefits at the earliest from the day you submit your application for unemployment benefits and register as a jobseeker. You apply for unemployment benefits here: [Application for unemployment benefits - nav.no](https://www.nav.no)

Note that you can receive an advance on salary guarantee funds in the form of unemployment benefits for up to one month. NAV will then be entitled to the corresponding share of the money you receive in connection with payments through the wage guarantee scheme. **Note: if you are also thinking of applying to your bank for a loan equivalent to the wage guarantee, you must make sure that you are able to repay both NAV and the bank when the money from the wage guarantee scheme arrives. Both parties will then have a claim in the money from the wage guarantee scheme.**

You should update your tax deduction card if your income changes.

You can do this on the Tax Administration's website:

<https://www.skatteetaten.no/person/skatt/skattekort/bestille-endre/>

3.11 LAID OFF "I WAS TEMPORARY LAID OFF WHEN THE AUCTION WAS ANNOUNCED. WHAT HAPPENS TO ME?"

You will most likely receive a notice of termination by the bankruptcy estate. If you are dismissed while you are laid off, you are entitled to salary during the notice period. In practice, the employer's salary obligation will resume upon termination since there is no longer a basis for layoff. At the same time, unemployment benefits from NAV will normally be stopped at this time.

You must therefore report your claim for salary and holiday pay to the estate, see information about this above.

3.12 PARENTAL LEAVE – I AM ON PARENTAL LEAVE – WHAT APPLIES TO ME?

In the same way as other employees, you will be entitled to salary for the duration of the notice period.

If you have been dismissed by the estate before you go on leave, but the notice period expires during the leave, the number of days of the notice period that are left when you go on leave will run after the leave period has ended.

If you are on care leave when a notice has been given, you will be able to be dismissed, but the effect of the dismissal will not occur until after the end of the leave period. You will be covered for salary for up to 1 month after the end of the leave under the salary guarantee.

If you are entitled to the difference between the awarded parental benefit and salary under

your employment contract, you will be able to report the difference as a preferential claim. See more information about this above.

3.13 LEAVE OF ABSENCE, OTHER TYPES – WHAT APPLIES WHEN I AM ON LEAVE?

Whether you are entitled to salary from the estate/wage guarantee scheme will depend on what has been agreed between you and your employer. If you are entitled to pay during the leave period, you will be able to file the wage claim as a preferential claim and the claim may be covered by the pay guarantee. See more information about this above. The notice period runs parallel to the leave period.

3.14 SICK LEAVE – WHAT HAPPENS TO ME IF I AM ON SICK LEAVE?

If you are 100% on sick leave, you basically have no salary claim beyond the employer's period of 16 days. You will continue to receive sickness benefit from the National Insurance Scheme, as long as you meet the conditions for this.

If you are entitled to compensation for the difference between sickness benefit and salary under your employment contract, you will be able to report the claim for the difference as a salary claim that may be preferential and may entitle you to coverage under the wage guarantee. See more information about this above.

Holiday pay from sickness benefits beyond the employer's period is not eligible for coverage.

3.15 PREFERENTIAL RIGHT TO NEW EMPLOYMENT IN THE EVENT OF BANKRUPTCY

Section 14-2 of the Working Environment Act gives employees who are dismissed due to the company's circumstances a preferential right to new employment. This also applies in the event of bankruptcy, if the business continues or resumes and is considered a continuation of the original business (Section 14-2 (7)). The preferential right means that former employees must be offered vacant positions before new people are hired, as long as they are qualified for the position.

The priority of engagement applies to employees who have been employed for at least 12 months during the last two years (Section 14-2 (3)). It applies from the date of notice and for one year from the end of the notice period (Section 14-2 (4)). If the employee does not accept an offer of suitable work within 14 days, the priority of engagement lapses (Section 14-2 (5)).

This means that if the business resumes operations after bankruptcy, former employees have a statutory right to return to work. The priority of engagement thus provides important security for

employees who lose their jobs as a result of bankruptcy, and can help reduce uncertainty in a difficult situation.

3.16 FINANCES – WHAT SUPPORT CAN I GET FROM THE BANK?

Loan equivalent to expected wage guarantee

Sparebank 1 offers a loan corresponding to the expected wage guarantee they are covered by. The loan is given at a mortgage interest rate and can be given without collateral. Contact your local Sparebank 1 bank, state that you are a LOfavør member and covered by the bankruptcy of PFA, and they will help you. **Note: if you also apply to NAV for an advance on salary guarantee, you must be sure that you are able to repay both NAV and the bank, as you will then have two parties who both give you a loan based on the salary guarantee.**

Deferral

You can get interest-only periods on mortgages and car loans. Contact your bank and ask for this.

3.17 TRADE UNION MEMBERSHIP – WHAT HAPPENS TO MY MEMBERSHIP IN THE NORWEGIAN PILOTS' ASSOCIATION?

The Norwegian Pilots' Association organizes pilots from the beginning of their pilot education, throughout their career as a pilot, and finally as a retiree. You can read all about membership on our website: <https://flyger.no/medlemskap/derfor-er-det-lurt-a-vaere-organisert>

If you become unemployed for a period of time, we offer membership in the Pilot Educators' Association (FUF), which is the membership that applies to those who are trained pilots, but are without a job as a pilot.

If you have not already been transferred, you can contact the federation on nf@flyger.no and request a transfer.

If you get a job as a pilot, send us an email with the name of your employer/company and date of employment, and we will make sure that your membership is updated. Should the job be abroad, you may qualify for [ECA seamless transfer](#).

If you wish to terminate your membership, please notify us in writing. The notice period is normally three months, but we adapt this within what is possible in relation to the obligations covered by the association.

3.18 PERSONAL FINANCES – WHAT SHOULD I THINK ABOUT?

If you think you may have challenges maintaining your current level of expenses with new/reduced income, you should take action as early as possible.

We recommend looking at the advice from Sparebank 1 and using free financial advice. You can book an appointment with an advisor digitally online and see the advice here:

<https://www.sparebank1.no/nb/bank/privat/tips-og-rad/bekymret-for-okonomien.html>

Remember that you can also apply for interest-only periods on mortgages and car loans, and with that only pay interest and costs.

Here's how you can go about getting control of your finances:

- Collect an overview of all income.
- Collect an overview of all expenses.
- Set up an account of the current situation. If you go into the red:
- Find out which expenses you do not need and end payment obligations on these.
- If necessary, apply for interest-only periods on loans.
- Sell or downsize areas that you don't strictly need, such as switching to a cheaper car.

Note: Be careful about which expenses you choose to cut. For example, it may be tempting to cut back a lot on insurance, or reduce the degree of coverage on these, but then make an assessment of the consequences if you happen, for example if you take away comprehensive coverage on the car; What consequences does it have for you if an accident occurs with the car? Are you better off keeping a more comprehensive coverage on the car and reducing elsewhere, if possible?

When it comes to invoices from the union, you can always contact us if you need adjustments as a result of challenges with paying. We are here to help and support you.

3.19 LOSS OF LICENSE INSURANCE THROUGH THE EMPLOYER TERMINATED. WHAT CAN I DO?

On a general basis, the association recommends that every pilot make a thorough assessment around a decision to have a private Loss of License insurance. Because an insurance through the employer normally only follows the employment relationship, you run a risk if you do not have private insurance.

The Norwegian Pilots' Association, as the only union in Norway, offers a private Loss of License insurance to its members. This can only be applied for the first 30 days after registration. You can read all about the insurance on our website: <https://flyger.no/medlemskap/loss-of-licence>

As an alternative, you can check out the scheme through the APPN, which has been established by our French sister federation SNPL. This is a worldwide Loss of License insurance for pilots, which is also largely run by pilots. The scheme has approx. 23,000 paying members: <https://appn.asso.fr/en/>. On the website, you can click *Get more information* in the top right corner. After a few days, you will receive more information and an application form for the insurance.

3.20 MENTAL HEALTH – YOU ARE NOT ALONE!

It can be very stressful to be covered by a bankruptcy, not least because it can entail financial consequences for you personally, which can also affect others you love.

In such a situation, it is important to take care of one's own mental health, and a good medicine for this is to be open about concerns and share with others:

- Talk to your closest family and friends if something worries you.
- At www.mentalhelse.no you can get help, including calling the free helpline on 116 123.
- The Norwegian Pilots' Association can put you in touch with pilot colleagues who are trained in Pilot Peer Support. You can read more about Pilot Peer Support here: <https://eppsi.eu/>

Remember that you can always contact the union on nf@flyger.no or 67 10 26 10. We have experts in pretty much everything that deals with aviation, from operational matters to human factors, in addition to the fact that we have an extensive network and resources at our disposal through the LO system, which is well drilled on member care.

3.21 BUILD YOUR CV – KEEP DEVELOPING YOURSELF!

When you feel that you are in control of your own situation, you may have been given an opportunity to use your time differently for a period of time, for example while waiting for a response to job applications.

On a general basis, the Norwegian Pilots' Association recommends that all pilots build up more legs to stand on, in other words; build resume. This may involve to:

- Cultivate other interests.
- Take further education or courses.
- Get involved in volunteering.
- Immerse themselves in an area of expertise.
- Build your own network.

As a member of the Norwegian Pilots' Association, you have the opportunity to get involved as a subject matter expert in the association. Subject matter experts are the backbone of all the work the union does, and it is these, your own pilot colleagues, who do a job every day to make aviation the

best possible for all of us. The subject experts build unique and sought-after expertise in a wide range of disciplines, and expand their national and international contact network. The subject matter experts often travel at the association's expense and are remunerated according to the association's financial ability.

Contact the association on nf@flyger.no or phone 67 10 26 10 if you want to hear more about the unique additional expertise and network you can build up as a subject matter expert.