

State Wage Guarantee

The state wage guarantee is provided to ensure that company employees are not deprived of deposited salaries, if the company would initiate company restructuring or would file for bankruptcy.

The state wage guarantee applies to all employees of a company, from substitutes to the CEO. The idea is that everyone who has been working in the company, should also be paid. There are exceptions though e.g. if one or ones relative would, to some extent, be the owner of the company.

There are specific rules on how long one can get paid through wage guarantee system and how much money one can get. The County Administrative Board (Länstyrelsen) is the authority in charge of paying the wage guarantee to the employees after the bankruptcy trustee (konkursförvaltaren) or company restructuring administrator (företagsrekonstruktören) decides on the matter of wage guarantee. The fact that you are granted wage guarantee does not necessarily mean that you will get a full salary, nor does it mean that the salary will be paid on the usual payment date.

FAQs in regard to the wage guarantee:

Can the state wage guarantee compensate me? All company employees are covered by the wage guarantee at the time of the bankruptcy or company restructuring.

What are the requirements in order to apply for compensation? The bankruptcy trustee will decide on the matter of wage guarantee. Normally, you do not need to apply for it. However, you must provide a declaration to the County Administrative Board showing that your salary information and employment conditions are in order. A specific form will be sent to your address by the County Administrative Board in this regard.

How do I get an employer's certificate (arbetsgivarintyg)? Employer's certificates, as well as grades and other certificates are issued by the employer, not the bankruptcy trustee. Most appropriate course of action would be to contact your work place manager.

When will the salary be paid? One should expect about a week of waiting time. Furthermore, it is not certain that the salary will be paid on your regular payday.

The bankruptcy trustee must first investigate employment conditions and salary issues, thereafter the bankruptcy trustee will send the decision to the County Administrative Board. It is then the County Administrative Board that will pay the salary. The length of the waiting period before payday all depends on the bankruptcy trustee's and the County Administrative Board's processing times.

If my employment is terminated due to the bankruptcy, will I be compensated? If your employment is terminated by the bankruptcy trustee, you do have the right to receive salary during the period of notice (uppsägningstiden), provided that you have registered yourself at the Swedish Public Employment Service (Arbetsförmedlingen).

How long is the period of notice? Regardless of the period of notice stated in your employment contract, the periods of notice according to the Employment Protection Act (LAS) applies.

Will I receive holiday compensation (semesterersättning)? Yes, you are entitled to receive holiday compensation through the wage guarantee for the earned but not withdrawn holiday in respect of the current and the previous year of earning and in addition some eventual saved holiday days (maximum 5 days).

Can I be compensated for salary that the employer has not payed before the bankruptcy? Yes, you can receive compensation for salary earned in the last three months before the bankruptcy application was filed at the District Court.

Does the wage guarantee compensate my entire salary? Since a maximum amount cap has been set for the wage guarantee, it is possible that you therefor may receive a lower salary.

What amount of compensation is possible to get? The wage guarantee compensates up to maximum 4 base amounts, which for the year of 2020 equals an amount of 189 200 SEK.

Can I get salary if I am on sick leave (sjukskrivning)? No. The wage guarantee cannot be payed if you would be receiving sickness allowance at the same time.

Can I get salary I am on parental leave (föräldraledighet)? No. If you are receiving parental allowance you are not allowed to receive salary through the wage guarantee.

Where does the money come from? The wage guarantee is payed by the state via the County Administrative Board.

Where do I go if I'm dissatisfied? If you have not been granted a wage guarantee or feel that you have received too little compensation, you can contact the bankruptcy trustee and request a re-assessment of the decision. You can also turn to your trade union and consult with them. If you remain dissatisfied, you do have the right to bring a legal action before the District Court.

Where can I turn to if I have further questions about the wage guarantee? If you have further questions, please feel free to contact the bankruptcy trustee, County Administrative Board or you trade union.