

European (& the GCC) Employment Law Update

Jurisdiction: **Norway**
Date: April 2017

Impact date	Development	Impact
1 July 2016	Temporary layoffs	<p>The Government has adopted new rules concerning temporary layoffs which will allow employers to temporarily lay off employees for a longer period than previously permitted. The layoff period is extended with 20 weeks, and employees can now be laid off for a total period of 52 weeks with right to salary and unemployment benefits from the National Insurance. The new rules imply that:</p> <ul style="list-style-type: none">• The employer must pay salary for the first ten working days after the temporary lay-off took effect;• Employees will thereafter receive unemployment benefits for a period of up 30 weeks;• The employer's duty to pay salary will reoccur for five working days; and• Employees will thereafter receive unemployment benefits for a period of up 19 weeks. <p>In total, employees may be temporarily laid off with pay or payments from the National Insurance for up to 52 weeks.</p>

1 July 2016	Retirement age	The age at which employment can be terminated due to age has been increased from 70 to 72 years. Company internal retirement ages cannot be lower than 70 years of age (previously 67 years).
31 December 2016	Defined contribution pension schemes	The maximum limit for annual contributions to defined contribution pension schemes is increased. The contribution threshold has been changed from 6 G to 7,1 G (from approximately NOK 540,500 to NOK 640,000).
1 January 2017	Restrictive covenants	<p>New rules on restrictive covenants have been adopted which may require revision and renegotiation of agreements currently in force. Pursuant to new legislation, non-compete clauses and non-solicitation clauses cannot be invoked for more than 12 months, and they must be entered into in writing. In addition, non-compete clauses must also be compensated (i.e. compensation of 100 % of the employee's salary up to 8 G (National Insurance basic amount currently at NOK 92,576) and thereafter a minimum of 70 % of the employee's salary in excess of 8 G. Compensation may in any event be limited to 12 G.</p> <p>Employers must also establish systems in order to manage and respond to employees' requests for statements on the application of the restrictive covenants (which they would now be entitled to under the law).</p>
Winter 2017	Whistleblowing	The Government has proposed changes to the rules on whistleblowing which increase the protection of whistleblowers and establishes a more extensive obligation for employers to implement whistleblowing policies.