Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

16 October 2003 [shall come into force from 31 October 2003];

18 December 2003 [shall come into force from 21 January 2004];

26 January 2006 [shall come into force from 23 February 2006];

19 December 2006 [shall come into force from 1 January 2007];

13 December 2007 [shall come into force from 1 January 2008];

18 June 2009 [shall come into force from 10 July 2009];

10 June 2011 (Constitutional Court Judgment) [shall come into force from 14 June 2011];

15 December 2011 [shall come into force from 1 January 2012];

14 June 2012 [shall come into force from 28 June 2012];

12 September 2013 [shall come into force from 1 January 2014];

22 November 2017 [shall come into force from 1 January 2018].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*1 has adopted and

the President has proclaimed the following law:

**On Protection of Employees in case of Insolvency of Employer**

**Chapter I**

**General Provisions**

**Section 1.**

The purpose of this Law is to regulate:

1) general provisions for satisfaction of claims of employees in case of insolvency of the employer;

2) procedures for the formation and use of the resources of the employee claims guarantee fund.

**Section 2.**

(1) Within the meaning of this Law, insolvency case of an employer shall be in effect from the day when a court has proclaimed insolvency proceeding of a legal person or has proclaimed insolvency of a credit institution.

(2) Within the meaning of this Law, cross-border insolvency proceedings are insolvency proceedings that are commenced in accordance with the Council Regulation (EC) No 1346/2000 of 29 May 2000 on insolvency proceedings (hereinafter – the Council Regulation No 1346/2000).

[*26 January 2006; 13 December 2007*]

**Chapter II**

**Employee Claims to be Satisfied**

**Section 3.**

(1) Claims of the following persons shall be satisfied from the resources of the employee claims guarantee fund:

1) who, prior to the occurrence of insolvency case of the employer, have been in employment relationships, or who still are in employment relationships, which were started prior to the occurrence of insolvency case, with an employer for whom the insolvency proceeding of a legal person has been declared, and in respect of whose claims (creditor’s claim) an administrator of the insolvent employer (hereinafter – the administrator) has taken a decision to recognise the creditor’s claim and has included them in the register of creditors’ claims;

11) who, prior to occurrence of insolvency case of the employer, have been in employment relationships, or who still are in employment relationships, which were started prior to the occurrence of insolvency case, with an employer for whom the insolvency proceeding of a credit institution has been declared, and whose claims (creditor’s claim) the administrator has included in the list of unsecured creditors;

2) who perform or normally perform work in Latvia and who, prior to occurrence of insolvency case of the employer, have been in employment relationships, or who still are in employment relationships, which were started prior to the occurrence of insolvency case, with an employer who operates in the territory of at least two Member States of the European Union and against whom insolvency proceeding has been commenced in another state in accordance with the Council Regulation No 1346/2000 if the aforementioned claims have been recognised as justified in accordance with the laws and regulations of the Member State of the European Union, which are applicable in the specific cross-border insolvency proceeding.

(2) An employee is entitled to the satisfaction of his or her claim from the resources of the employee claims guarantee fund regardless of whether the employer has made all the payments prescribed by law.

(3) In case of death of an employee, his or her spouse and dependants are entitled to satisfaction of the claim of the employee.

[*18 December 2003; 26 January 2006; 13 December 2007; 15 December 2011*]

**Section 4.**

(1) The claims of employees resulting from employment relationships for the following payments shall be satisfied from the resources of the employee claims guarantee fund:

1) work remuneration;

2) reimbursement for annual paid leave;

3) reimbursement for other types of paid leave;

4) severance pay in connection with the termination of employment relationships;

5) reimbursement for injury in connection with an accident at work or an occupational disease;

6) [18 December 2003].

(2) Claims for such State social insurance mandatory contributions and personal income tax payments, which are related to the payments referred to in this Section, shall be satisfied from the resources of the employee claims guarantee fund.

[*18 December 2003*]

**Section 5.**

(1) Employee claims shall be satisfied from the resources of the employee claims guarantee fund in the following amounts:

1) work remuneration for the last three months of employment relationships in the 12 month period before the occurrence of the insolvency case of the employer;

2) reimbursement for annual paid leave rights to which have been acquired in the 12 month period before the occurrence of the insolvency case of the employer;

3) reimbursement for other types of paid leave in last three months of employment relationships in the last 12 month period before the occurrence of the insolvency case of the employer;

4) severance pay in the cases laid down in the Labour Law rights to which have been acquired no earlier than in the 12 month period before the occurrence of the insolvency case of the employer;

5) reimbursement for damages for the whole unpaid time period;

6) reimbursement for damages for the four subsequent years.

(2) [1 January 2005 / See Transitional Provisions]

(21) If an employee brings an action in court against the employer in order to recover payments that arise from employment relationships, then the 12 month period referred to in Clauses 1, 2, 3 and 4 of this Section shall be substituted with the 12 month period before the employee brought an action in court, provided that all of the following prerequisites exist:

1) court adjudication with which the employee's claim has been satisfied has taken effect after the occurrence of the insolvency case or no earlier than in the 12 month period after the occurrence of the insolvency case of the employer;

2) employment relationships with the employee have been terminated earlier than in the 12 month period before the occurrence of the insolvency case of the employer.

(3) The claim of an employee for reimbursement of damages in relation to an accident at work or occupational disease shall be satisfied if the accident occurred at work or the occupational disease was acquired until 1 January 1997, as well as if the former employee, who is not considered to be an insured person in accordance with the law On Compulsory Social Insurance in Respect of Accidents at Work and Occupational Diseases, the occupational disease the cause of which was the work performed by such employee in harmful work conditions until 1 January 1997 was determined after 1 January 1997.

(4) Claims laid down in Paragraph one, Clauses 1, 2, 3 and 4 of this Section and the relevant mandatory State social insurance contributions and personal income tax payments shall be calculated taking into account the amount of the minimum monthly wage specified in the State on the day when insolvency case of the employer has occurred, applying the coefficient 1.5. The Cabinet shall determine procedures for the calculation of the claim.

[*18 December 2003; 19 December 2006; 13 December 2007; 18 June 2009; 15 December 2011; 14 June 2012; 22 November 2017*]

**Section 5.1**

(1) Claims of the following persons shall be satisfied in limited amounts from the resources of the employee claims guarantee fund:

1) who have been or are in employment relationships with the insolvent employer, and who are or have been founders, shareholders, investors, partners, members of government institutions (executive institutions) as well as procurists with decision-making power of a commercial company, corporation or undertaking of the insolvent employer in a two-year period before the occurrence of the insolvency case of the employer;

2) [18 June 2009].

(2) The amounts of the claims of employees referred to in Paragraph one, Clause 1 of this Section shall be limited as follows:

1) the amounts claimed by employees referred to in Section 5, Paragraph one, Clauses 1, 2 and 3 of this Law shall be linked to the average wage in the private sector in the previous year according to the official statistical report of the Central Statistical Bureau, rounded up to full euro, and proportionally applied to the period prescribed in Section 5, Paragraph one, Clauses 1, 2 and 3 of this Law (the average wage according to the official statistical report published by the Central Statistical Bureau before the insolvency date shall be taken into account);

2) the amounts claimed by employees referred to Section 5, Paragraph one, Clause 4 of this Law shall be linked to the average wage in the private sector in the previous year according to the official statistical report of the Central Statistical Bureau, rounded up to full euro, and to which the average monthly wage used for the calculation of severance pay prescribed in Section 5, Paragraph one, Clause 4 of this Law shall be applied (the average wage according to the official statistical report published by the Central Statistical Bureau before the insolvency date the shall be taken into account).

(3) [18 June 2009]

[*13 December 2007; 18 June 2009; 12 September 2013*]

**Chapter III**

**Resources of the Employee Claims Guarantee Fund and Administration Thereof**

**Section 6.**

(1) Resources of the employee claims guarantee fund shall consist of:

1) the part of the entrepreneurship risk State duty;

2) gifts and donations;

3) amounts recovered by administrators.

(2) Entrepreneurship risk State duty for securing claims of employees from the resources of the employee claims guarantee fund, as well as for the purposes laid down in the law regulating insolvency matters shall be paid every year by each employer for whom insolvency proceeding of a legal person or insolvency of a credit institution can be declared.

(3) Entrepreneurship risk State duty shall not be paid by an employer to whom insolvency case has occurred. If solvency has been renewed, the full amount of the duty shall be paid also for the total period of insolvency case.

(4) Each year the Cabinet shall determine the amount of the entrepreneurship risk State duty and the share of such duty to be transferred to the resources of the employee claims guarantee fund. The income and expenditures of the employee claims guarantee fund shall be included in the annual State budget as a separate basic budget sub-programme.

[*16 October 2003; 13 December 2007*]

**Section 7.**

(1) Resources of the employee claims guarantee fund shall be used:

1) for satisfaction of claims of employees in case of insolvency of the employer;

2) for the payment of remuneration to the administrator for the submission of the claims of employees;

3) for the covering of deposit for insolvency proceedings of a legal person if the court fully or partly exempts an employee from payment of the insolvency proceedings deposit in the cases laid down in the Insolvency Law.

(2) Resources of the employee claims guarantee fund shall be kept in the Treasury.

(3) If the resources of the employee claims guarantee fund are not sufficient to satisfy the claims of employees in accordance with this Law, the claims of employees shall be satisfied from the State budget in accordance with procedures prescribed by law.

[*15 December 2011; 22 November 2017 /* *The new wording of Paragraph one shall come into force on 1 January 2019.* *See Paragraph 12 of Transitional Provisions*]

**Section 8.**

(1) The holder and manager of the resources of the employee claims guarantee fund shall be the Insolvency Administration that shall organise the accounting of financial resources and payments thereof to satisfy the claims of employees.

(2) The Insolvency Administration shall perform the following tasks in accordance with this Law:

1) accept and examine submissions of administrators of insolvent employers regarding the satisfaction of the claims of employees, and approve the amounts to be paid out from the resources of the employee claims guarantee fund;

2) satisfy the claims of employees;

3) [15 December 2011];

4) [15 December 2011];

5) exercise creditor's rights against the insolvent employer in the amount of resources paid for the satisfaction of the claims of employees in accordance with the procedures prescribed by the law;

6) exercise the procedural rights laid down in the Criminal Procedure Law and make a submission to the State institutions responsible for the progress of a criminal proceeding claiming reimbursement for the damages caused to the employee claims guarantee fund in the amount of monetary resources disbursed from the fund, provided that the Insolvency Administration has been recognised as a victim in the corresponding criminal proceeding.

(3) The surplus of the resources of the employee claims guarantee fund shall be used for the satisfaction of employee claims in the following financial years.

[*16 October 2003; 18 December 2003; 13 December 2007; 18 June 2009; 15 December 2011; 14 June 2012*]

**Section 9.**

The State Revenue Service and other State and local government institutions shall provide information to the Insolvency Administration which is required for performance of the tasks prescribed by this Law.

**Chapter IV**

**Procedures of Satisfying Employee Claims**

**Section 10.**

(1) The claims of employees shall be accepted, examined and compiled by an administrator, who shall submit them to the Insolvency Administration. An administrator shall make a submission to the Insolvency Administration requesting satisfaction of the claims of such employees:

1) for whose employer insolvency proceeding has been announced and who have applied with a creditor’s claim to the administrator, and the administrator has taken a decision to recognise each creditor’s claim and has included it in the register of creditors’ claims;

2) for whose employer insolvency of a credit institution has been announced and who have applied with a creditor’s claim to the administrator, and the administrator has included them in the list of unsecured creditors’ claims.

(11) The administrator shall have the right to make a submission requesting satisfaction of the claims of employees until a decision to terminate the insolvency proceeding of a legal person has been taken. When insolvency has been announced for a credit institution, the administrator shall have the right to make a submission requesting satisfaction of the claims of employees until the administrator or a meeting of creditors in accordance with the powers laid down in the law regulating the operations of credit institutions has taken a decision to terminate the insolvency proceeding.

(12) If the administrator has made a submission to the Insolvency Administration requesting satisfaction of the claims of employees, he or she shall compile a list of the costs of the insolvency proceeding of a legal person and the plan for covering the claims of creditors after having received information from the Insolvency Administration about satisfaction of the claims of employees. The administrator shall submit an application to the court regarding the termination of insolvency proceeding of a legal person no earlier than after having received information from the Insolvency Administration about satisfaction of the claims of employees.

(2) The Cabinet shall determine procedures for the submission, examination and satisfaction of the claims of employees and for the payment of remuneration to the administrator.

[*18 December 2003; 13 December 2007; 15 December 2011*]

**Section 11.**

(1) After the allocation of the amounts to be paid out for the satisfaction of the claims of employees from the resources of the employee claims guarantee fund, the Insolvency Administration shall transfer the mandatory State social insurance contributions, personal income tax and reimbursement for damages for the four subsequent years to the budgets specified in the laws and regulations, and shall pay the amounts to be paid out to employees by a transfer into a bank account.

(2) After having taken a decision on the allocation of monetary funds from the employee claims guarantee fund for the satisfaction of the claims of employees the Insolvency Administration shall acquire:

1) the right to claim the recovery of monetary funds allocated from the employee claims guaranty fund from the insolvent employer's property in accordance with the procedures laid down in the law regulating insolvency matters;

2) unsecured creditor's right to claim in accordance with the law regulating the operation of credit institutions. The administrator shall include in the list of unsecured creditors the amounts which the Insolvency Administration has allocated from the employee claims guaranty fund for the satisfaction of the claims of employees.

(3) An administrator of an insolvent employer has a duty to refund monetary resources to the Insolvency Administration which it has paid to the employees to satisfy their claims from the resources of the insolvent employer. The administrator shall reimburse the Insolvency Administration from the resources of the insolvent employer for the amounts paid out or to be paid out from the employee claims guaranty fund for the satisfaction of the claims of employees in accordance with the procedures for the satisfaction of the claims of creditors laid down in the law regulating insolvency matters or in accordance with the procedures for the satisfaction of the claims of creditors within the framework of the bankruptcy proceedings laid down in the law regulating the operations of credit institutions.

(31) If the insolvency of a credit institution has been declared for the insolvent employer and restoration has been approved as a solution for dealing with insolvency, the restoration plan shall provide for reimbursement to the Insolvency Administration of the amounts paid out or to be paid out from the employee claims guaranty fund for the satisfaction of the claims of employees.

(4) The Insolvency Administration shall include resources received from the administrator of the insolvent employer in the resources of the employee claims guarantee fund.

(5) [13 December 2007].

[*18 December 2003; 19 December 2006; 13 December 2007; 15 December 2011*]

**Chapter V**

**Procedures of Satisfying Employee Claims in Cross-border Insolvency Proceedings**

[*26 January 2006*]

**Section 12.**

(1) In case of a cross-border insolvency proceeding, if in a Member State of the European Union the insolvency proceeding referred to in Article 3(1) of the Council Regulation No 1346/2000 has been commenced and in Latvia the insolvency proceeding referred to in Article 3(2) of this Regulation has been commenced, the claims of employees shall be satisfied according to the procedures specified in Chapter IV of this Law.

(2) In case of a cross-border insolvency proceeding, if in a Member State of the European Union the insolvency proceeding referred to in Article 3(1) of the Council Regulation No 1346/2000 has been commenced, but in Latvia the insolvency proceeding referred to in Article 3(2) of this Regulation has not been commenced, the claims of employees shall be satisfied according to the procedures specified in this Chapter.

(3) The claims of employees shall be accepted and compiled by the liquidator of the insolvency proceeding referred to in Article 3(1) of the Council Regulation No 1346/2000, who shall submit them to the Insolvency Administration. An employee, while submitting a creditor’s claim to the liquidator of the insolvency proceeding referred to in Article 3(1) of the Council Regulation No 1346/2000, may at the same time submit such claim to the Insolvency Administration, attaching a copy of the employment contract and a certification regarding the submission of the creditor’s claim to the liquidator of the insolvency proceeding referred to in Article 3(1) of the Council Regulation No 1346/2000.

(4) The liquidator of the insolvency proceeding referred to in Article 3(1) of the Council Regulation No 1346/2000 is entitled to make submissions to the Insolvency Administration regarding the claims of employees only in case if the claims have been recognised as justified in accordance with Section 3, Paragraph one, Clause 2 of this Law, moreover, only until such cross-border insolvency proceeding has been terminated in accordance with the laws and regulations of the relevant Member State of the European Union, which are applicable in the specific cross-border insolvency proceeding.

(5) The Cabinet shall determine procedures for the submission, examination and satisfaction of the claims of employees in case of a cross-border insolvency proceeding.

[*13 December 2007*]

**Section 13.**

(1) After the allocation of the amounts to be paid out for the satisfaction of the claims of employees from the resources of the employee claims guarantee fund, the Insolvency Administration shall transfer the mandatory State social insurance contributions, personal income tax and reimbursement for damages for the four subsequent years to the budgets specified in laws and regulations, and shall pay the amounts to be paid out to employees through the intermediation of postal payments or by transfer into a bank account.

(2) After the amounts allocated for the satisfaction of the claims of employees have been paid out from the employee claims guarantee fund, the Insolvency Administration in accordance with the laws and regulations of the relevant member State of the European Union, which are applicable in the specific cross-border insolvency proceeding, shall acquire creditor's rights in the amount paid out from the employee claims guarantee fund.

(3) After the use of the creditor rights of the Insolvency Administration, the monetary funds gained therefrom shall be transferred into the employee claims guarantee fund.

(4) If in accordance with the laws and regulations of the relevant Member State of the European Union, which are applicable in the specific cross-border insolvency proceeding, an insolvency solution purpose of which is not the liquidation of the insolvent employer is applied in this cross-border insolvency proceeding, the liquidator has a duty to inform the Insolvency Administration regarding the procedures and time periods for the amounts paid out or to be paid out for the satisfaction of the claims of employees.

[*19 December 2006; 13 December 2007*]

**Chapter VI**

**Procedures for Satisfying the Claims of Employees After a Report has been Submitted to the State Institutions Responsible for the Progress of Criminal Proceeding**

[*13 December 2007*]

**Section 14.**

(1) Regarding the satisfaction of the claims of employees the Insolvency Administration is entitled to submit a report to State institutions responsible for the progress of the criminal proceeding, so that they would consider commencing a criminal proceeding if after the evaluation of the administrator's submission on the claims of employees, other necessary documents and the requested information any of the following indications have been detected:

1) monetary funds from the employee claim guarantee fund have been requested for the satisfaction of claims of such persons whose average work remuneration and payments related thereto have increased in the last three months of employment relationships prior to occurrence of insolvency case of the employer in comparison with the average work remuneration in other months, which are a part of the 12 month period prior to occurrence of insolvency case of the employer;

11) monetary funds from the employee claims guarantee fund have been requested for the satisfaction of claims of such persons whose average work remuneration and payments related thereto have increased in the last three months of employment relationships prior to termination of the employment relationships in comparison with the average work remuneration in other months, which are a part of the 12 month period before the employment relationships were terminated;

2) monetary funds from the employee claim guarantee fund have been requested for the satisfaction of claims of such persons whose employer has become insolvent within a year since the establishment of the employer (obtaining legal status);

3) monetary funds from the employee claim guarantee fund have been requested for the satisfaction of claims of such persons in whose employer’s action in relation to hiring of employees the following conditions have been detected concurrently:

a) employment relationships with the employee have been commenced within a year prior to the occurrence of insolvency case;

b) the total number of employees of the employer in the 12 month period before the occurrence of the insolvency case of the employer has increased in comparison with the previous 12 month period;

c) the employer has not provided a report to the State Revenue Service on the mandatory State social insurance contributions from work income of employees, regarding the personal income tax and the State fee of the business risk, information regarding employees and accounting of the mandatory State social insurance contributions of employer within the deadlines specified in the laws and regulations governing the field of social insurance.

(2) The Insolvency Administration is entitled to assess the indications referred to in Paragraph one of this Section and submit a report if regarding the satisfaction of the claims of employees documents have also been submitted in a case of cross-border insolvency proceeding. When assessing the circumstances referred to in Paragraph one, Clause 3, Sub-clause “c” of this Section, the Insolvency Administration shall check whether a report on mandatory social insurance contributions for the reporting quarter has been submitted in respect of a self-employed person, a domestic employee employed by a foreign employer, or a foreign employee employed by a foreign employer.

[*18 June 2009*]

**Section 15.**

(1) Having received a submission on the satisfaction of the claims of employees from an administrator, the Insolvency Administration shall assess also the indications referred to in Section 14 of this Law.

(2) If it has detected any of the indications referred to in Section 14 of this Law, the Insolvency Administration shall take one of the following decisions:

1) a decision to submit a report to State institutions responsible for the progress of the criminal proceeding, so that they would take a decision to commence a criminal proceeding and refuse allocation of monetary resources for satisfaction of the claims of employees of the insolvent employer;

2) a decision to refuse submission of a report to State institutions responsible for the progress of the criminal proceeding.

(3) [18 June 2009]

(4) If the State institutions responsible for the progress of the criminal proceeding have refused to commence a criminal proceeding or the commenced criminal proceeding has been terminated, after receipt of such notification the Insolvency Administration shall, based on a repeated submission of the administrator, take a decision on the satisfaction of the claims of employees from the guarantee fund resources within one month after all necessary documents have been submitted.

[*18 June 2009*]

**Transitional Provisions**

1. Up to 31 December 2004, the aggregate amount of the satisfiable employee claims referred to in Section 5, Paragraph one, Clauses 1, 2, 3 and 4 of this Law, and the employee’s share of the mandatory State social insurance contributions and personal income tax payments may not exceed 1000 lats for one employee.

[*18 December 2003*]

2. The provisions of this Law are not applicable to those employees, regarding whose employer a decision regarding resolution of the insolvency situation has been taken up to the day of coming into force of this Law.

[*18 December 2003*]

3. Section 5, Paragraph two of this Law is in force until 31 December 2004.

4. The Cabinet not later than by 1 June 2006 shall issue the regulations referred to in Section 12, Paragraph five of this Law. Up to the day when these regulations come into force, the Cabinet Regulation No. 830 of 5 October 2004, Procedures for the Submission, Examination and Satisfaction of Claims of Employees against Insolvent Employers, shall be applied to procedures for the submission, examination and satisfaction of the claims of employees in case of a cross-border insolvency proceeding, insofar as they are not in contradiction with this Law.

[*26 January 2006*]

5. To satisfy the claims of employees whose employer has become insolvent before 31 December 2007, the norms of this Law regarding the satisfaction of the claims of employees shall be applied according to the wording effective on 31 December 2007, with the exception of Section 5, Paragraph one, Clause 4 of this Law, which shall be applied in the wording effective on 31 December 2011, Section 8, Paragraph two, Clause 6, Chapter VI.

[*13 December 2007; 18 June 2009; 15 December 2011*]

6. To satisfy the claims of employees whose employer's insolvency case has occurred between 10 July 2009 and 31 December 2011, the following regulation shall be applied to the provisions of Section 5, Paragraph one, Clauses 1, 2, 3 and 4, and Section 51, Paragraph two: the claims of employees shall be satisfied from the resources of the employee claim guarantee fund in the following amounts:

1) work remuneration for the past three months of employment relationships in the 12 month period before the insolvency case of the employer occurred, provided that it has been calculated in compliance with the requirements of the laws and regulations, taking into account that monthly work remuneration shall not exceed the minimum monthly wage specified in the State on the day when insolvency case occurred;

2) reimbursement for annual paid leave the right to which has been acquired in the 12 month period before insolvency case of the employer occurred, provided that it has been calculated in compliance with the requirements of the laws and regulations, taking into account that monthly work remuneration shall not exceed the minimum monthly wage specified in the State on the day when insolvency case occurred;

3) reimbursement of other type of paid absence during the last three months of the employment relationships in the 12 month period before the insolvency case of the employer occurred, provided that it has been calculated in compliance with the requirements of the laws and regulations, taking into account that monthly work remuneration shall not exceed the minimum monthly wage specified in the State on the day when insolvency case occurred;

4) severance payment in the minimum amount established by the law, the right to which has been acquired not sooner than within the 12 month period the insolvency case of the employer occurred, provided that it has been calculated in compliance with the requirements of the laws and regulations, taking into account that average monthly earnings shall not exceed the minimum monthly wage specified in the State on the day when insolvency case occurred.

[*18 June 2009; 15 December 2011 / The Clause has been declared invalid from the time it was adopted, insofar it is applicable to persons whose employer has been declared insolvent before 9 July 2009, with the Constitutional Court Judgement of 10 June 2011, taking effect on 14 June 2011*]

7. The aggregate amount per employee, consisting of the satisfied claims of employees referred to in Section 5, Paragraph one, Clauses 1, 2, 3 and 4, and Section 51, Paragraph two of this Law, related to employee share of mandatory social insurance contributions and personal income tax shall not exceed four minimum monthly wages specified in the State on the day when insolvency case occurred, if the insolvency case of the employer occurred between 10 July 2009 and 31 December 2011.

[*18 June 2009; 15 December 2011* / *The Clause has been declared invalid from the time it was adopted, insofar it is applicable to persons whose employer has been declared insolvent before 9 July 2009, with the Constitutional Court Judgement of 10 June 2011, taking effect on 14 June 2011*]

8. Section 51 of this Law shall be applied if the insolvency case of the employer occurred between 1 January 2008 and 9 July 2009.

[*15 December 2011*]

9. To satisfy the claims of employees in cases when the insolvency case of the employer occurred between 1 January 2008 and 9 July 2009, the norms of this Law regarding procedures for the satisfaction of the claims of employees shall be applied according to the wording effective on 31 December 2011.

[*15 December 2011*]

10. To satisfy the claims of employees in cases when the insolvency case of the employer occurred between 10 July 2009 and 31 December 2011, the norms of this Law regarding procedures for the satisfaction of the claims of employees shall be applied according to the wording effective on 31 December 2011, with the exception of Clauses 6 and 7 of the Transitional Provisions.

[*15 December 2011*]

11. To satisfy the claims of employees in cases when the insolvency case of the employer occurred between 1 January 2012 and 31 December 2017, the norms of this Law regarding the procedures for the satisfaction of the claims of employees shall be applied according to the wording effective on 31 December 2017.

[*22 November 2017*]

12. Amendment to Section 7 of this Law regarding the new wording of Paragraph one shall come into force concurrently with the amendments to the Insolvency Law that provide for the covering of the costs of insolvency proceedings of a legal person from the employee claims guarantee fund.

[*22 November 2017*]

**Informative Reference to European Union Directive**

[*18 June 2009*]

This Law contains legal norms arising from the Directive 2008/94/EC of the European Parliament and of the Council of 22 October 2008 on the protection of employees in the event of the insolvency of their employer.

The Law shall come into force on 1 January 2003.

The Law has been adopted by the *Saeima* on 20 December 2001.

Acting for the President, the Chairperson of the *Saeima*, J. Straume

Rīga, 28 December 2001