

Holiday pay

Every employee in Norway is required by law to take a minimum of four weeks of vacation during the course of a calendar year. The law also states that every employee is entitled to holiday pay. The vacation itself is not paid, but the employee is entitled to the equivalent of 12% of the previous year's wages as holiday pay, to compensate for the loss of wages.

Example of calculated holiday pay:

Yearly wages: 450 000
Monthly wages: 37 500
Paid yearly wages: 403 763 (Yearly wages minus 5 weeks of unpaid vacation)
Holiday pay 12%: 48 452

Holiday pay is exempt of taxes and paid **in full** in June.

Through VISTA you have the right to take five weeks of vacation. Your pay slip for June will show that four days' wages have been deducted. This is because holiday pay is paid out in full in June, whilst five weeks' worth of wages is deducted. One working month amounts to 4 weeks and one day, thus leaving four days' worth of wages to be deducted from your June wages.

In principle your wage slip might look like this:

Holiday pay	kr 48 452
Wages for June	kr 37 500
-wages for June	kr 37 500
- 4 days of holiday	kr 6 922
Paid amount	kr 41 530

But for VISTA employees it will look like this:

Holiday pay	kr 48 452
-4 days of holiday	kr 6 922
Paid amount	kr 41 530

As you can see, the amount paid in holiday pay is larger than a regular monthly wage.

Exceptions:

The example above is based on an employee having been employed full time the previous year. Since the holiday pay is computed from the previous year's wages, employees who have not been employed the previous year will not be entitled to holiday pay. Those who have been employed for only part of the year are entitled to 12% of the wages they have earned in the previous year.

Though the law states that every employee in Norway is required to take a vacation, an exception from the rule is made if taking a vacation will result in reduced income for the employee.

If you began your VISTA-project in the previous year it is up to you to decide how much of your vacation you wish to take. You can contact us for information about how much holiday pay you are entitled to. If you were employed in Norway in the previous year you will be entitled to holiday pay from your previous employer, unless you have already been compensated for this on your last paycheck.

If you are a new employee of this year you will not be entitled to holiday pay from us. It is therefore up to you to decide how much, if any, of your vacation you wish to take, since taking a vacation will result in wages being deducted. If you were employed in Norway in the previous year you will be entitled to holiday pay from your previous employer, unless you have already been compensated for this on your last paycheck.

Up to 14 vacation days are transferable from one year to the next.

Deadline:

You must let us know by **May 1st** how much of your vacation you wish to take out. **If we do not hear from you we will assume that you want to take out the full five weeks of vacation.**