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PAY SECURITY DECREE (868/1998)
(as amended by several decrees, including 948/2004)

Section 1
Pay security applications

Applications for pay security shall be made on a form approved by the Ministry of Labour.
(948/2004)

The forms shall be available free of charge at employment offices.

Section 2
Advisory duty

Employment and economic development centres and employment offices shall advise applicants how to apply for pay security if needed.

Section 3 (Hearings)
repealed (948/2004)

Section 4
Distrain and orders on withholdings from pays

The employment and economic development centres shall investigate whether an employee's claim is subject to distraint or an order on withholdings from pay.

Section 5 (Maximum amount)
repealed (522/2000)

Section 6 (948/2004)
Payment of pay security

Pay security shall be paid into the employee's bank account or by the bank to the address given by the employee. In the situation described in section 10, paragraph 3, of the Pay Security Act (866/1998), pay security is paid into the bank account of the recipient of the transfer.

Section 7
Application by a bankrupt's estate

With permission from the employment and economic development centre, a bankrupt's estate can apply for an employee's claims to be paid as pay security, when the administrator of the bankrupt's estate and the pay security authorities have ensured that said claims are eligible for payment as pay security. Permission can be refused for justified cause. The bankrupt's estate shall notify the employee of the claims for which pay security applications have been made on his behalf.

Pay security is paid to the bank account of the bankrupt's estate as laid down in section 4, paragraph 2 of the Pay Security Act. In transferring pay security to employees' accounts, the bankrupt's estate shall withhold the taxes and other statutory payments laid down in section 15, paragraph 1, of the Pay Security Act and immediately pay them to the proper recipients. (948/2004)

Section 8 (948/2004)

State representation

An employment and economic development centre shall represent the State in legal proceedings involving pay security and ensure that State claims arising from payments of pay security are collected. The Ministry of Labour may perform these duties regarding a certain case or issue.

Section 9 (941/2001)

Payment relief

An employment and economic development centre may grant a deferral of payment or release from the obligation to pay as laid down in section 19, paragraph 1, of the Pay Security Act if the principal of the State claim is not more than EUR 84 094.

Section 10

Executive assistance from the tax authorities

Employment and economic development centres are entitled to executive assistance from the tax authorities in verifying the information referred to in section 28, paragraph 1, of the Pay Security Act against employers' accounts, and in exercising the State's right of action in bankruptcies, ensuing legal action and other matters connected with distraint.

Section 11

Advisory Board for Wage Security

The advisory body in issues of pay security is the Advisory Board for Wage Security, appointed by the Council of State for three years at a time. The Advisory Board consists of a chairman, a vice chairman and six other members. Civil servants representing the Ministry of Labour are appointed to the posts of chairman and vice chairman. When the other members are elected, three of them shall represent central employer organizations, while the other three represent central employee organizations. (948/2004)

If a member of the Advisory Board resigns or dies during a period of office, the Ministry of Labour shall appoint a new member to replace him for the remainder of the period of office, based on a proposal from the relevant authority or organization. (948/2004)

The duties of the Advisory Board for Wage Security are:

- 1) to supervise the functioning of the pay security system;
- 2) to make initiatives and proposals in matters of pay security;
- 3) to issue statements on important matters of principle related to pay security.

The Advisory Board shall be convened by the chairman or vice chairman. The provisions on committees shall otherwise apply to the Advisory Board.

Section 12
Entry into force

This Decree enters into force on January 1, 1999.