

The penal provision on wage theft

In Norway, wage theft is defined as a criminal offence under sections 395 and 396 of the Penal Code. These provisions came into force in January 2022, but have so far resulted in few convictions. This is in contrast to reports from trade unions and interest organisations indicating that wage theft is widespread and has serious consequences for those affected. This brief examines the background to the legal provisions, their introduction, and the subsequent enforcement and reactions.

Why are there provisions on wage theft?¹

'Wage theft' refers to various forms of wrongdoing involving the deliberate withholding of wages or other remuneration by an employer (Regjeringen, 2021). The provisions on wage theft and aggravated wage theft were incorporated into the Norwegian Penal Code as a measure to combat work-related crime. Wage theft most commonly affects employees in small and medium-sized businesses, with vulnerable workers – such as migrant workers with limited knowledge of their rights, the language and trade unions – being particularly at risk (Wold, 2025; Økokrim, 2023).

The exploitation of migrant workers can yield major cost savings in labour-intensive industries, enabling businesses to offer lower prices and win contracts in tender competitions (Økokrim, 2020). In doing so, work-related crime also distorts market competitiveness. In its consultation paper on criminal liability for wage theft, the Norwegian Ministry of Labour and Social Inclusion (2020) drew on the 2020 threat assessment from the National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim). The assessment described how organised criminals are increasingly infiltrating the business sector with the aim of maximising financial gain, and how this development is blurring the lines between organised, economic and work-related crime. In the same year, the National Multi-Agency Centre for Analysis and Intelligence (NTAES), which produces situation reports on de-

The Penal Code defines wage theft as follows:

'Any person who improperly and with intent to obtain unlawful gain for themselves or others, breaches their obligation to pay wages, holiday pay or other remuneration to which an employee is entitled under an agreement, statutory provision or regulation, shall be liable to a fine or imprisonment for up to two years' (Penal Code section 395). Aggravated wage theft *'is punishable by a fine or imprisonment for up to six years. In determining whether the offence is aggravated, particular emphasis shall be placed on whether it involves a substantial value, is of a systematic or organised nature, or is otherwise particularly injurious or harmful to society'* (Penal Code section 395).

velopments in work-related crime in Norway, reported that the exploitation of migrant workers and the evasion of taxes and other statutory charges were the two most common forms of such crime.

The agencies involved in the joint effort to combat labour market crime² report that migrant workers are particularly vulnerable to this type of exploitation, partly because many have limited knowledge of the applicable regulations in the Norwegian labour market. This increases the risk of workers be-

¹ This subsection draws extensively on the Norwegian Ministry of Labour and Social Inclusions' consultation paper on criminal liability for wage theft, which formed the basis for the introduction of the provision(s) (Ar-beids- og sosialdepartementet, 2020). Unless otherwise stated, the information presented here is drawn from this source.

² The Norwegian Labour Inspection Authority, Norwegian Labour and Welfare Administration, Norwegian police and Norwegian Tax Administration.

ing subjected to poor working conditions. The agencies have identified exploitation of migrant workers across a range of sectors. For example, the multi-agency centre in Bodø has uncovered significant exploitation of migrant labour in the fishing industry. This includes non-compliance with generally applicable collective wage agreements, unpaid overtime, demands for repayment of wages, illegal accommodation and threats from employers. Inspectors from the Norwegian Labour Inspection Authority have also reported receiving enquiries from workers regarding employers who fail to meet their wage obligations, and about how they can obtain their unpaid wages in these situations. These enquiries are largely from migrant workers in the construction and hospitality sectors.

Work-related crime encompasses various types of offences committed for financial gain in the workplace that undermine employees' working conditions and rights (Arbeids- og sosialdepartementet, 2020). These crimes are often defined as acts committed in a systematic manner that deliberately breach Norwegian laws on pay and working conditions, welfare benefits, taxation and other statutory charges.

The scale of work-related crime is difficult to quantify. An analysis from 2017 estimated that economic activity concealed through criminal conduct amounted to between NOK 28 billion and NOK 108 billion in 2015, while the scale of work-related crime based on payment evasion was between NOK 12 billion and NOK 60 billion (Eggen et al., 2017).

There is no statutory national minimum wage in Norway, but minimum wage rates in collective agreements are generally applicable in certain sectors. Furthermore, the Working Environment Act, which is the primary legislation governing employment, contains provisions on overtime pay. Prior to the incorporation of the wage theft provisions into the Penal Code, there were already some penal provisions that could be applied to certain forms of wage theft, including in the Working Environment Act, the General Application Act and the Penal Code.

Under the Working Environment Act, there were particularly two situations relating to wage theft that could be subject to criminal prosecution. The first covers cases where an employer enriches themselves through unlawful wage deductions, while the second is where an employer appropriates all or part of the employee's statutory overtime pay. The General Application Act, which regulates the application of collective agreements and their enforcement, also treats the non-payment of generally ap-

plicable wages as a criminal offence. The Penal Code, meanwhile, contains provisions on coercion, extortion and human trafficking which, under specific circumstances, can also encompass cases where an employer unlawfully appropriates an employee's wages.

Apart from the provisions for generally applicable minimum wages, there were no penal provisions for when an employer failed to pay wages owed to an employee under their employment contract or collective agreement. The Norwegian government therefore established a comprehensive new regulatory framework through the introduction of wage theft provisions in the Penal Code.

Introduction of the provisions

The provision on wage theft was adopted in 2021 and came into force in 2022. The concept of wage theft was relatively new to the Norwegian debate at the time, and certain trade unions played a key role in putting the issue on the political agenda. The legislative proposal specified that the term covered a range of situations involving the deliberate appropriation by an employer of an employee's wages or other remuneration (Prop. 153 L (2020–2021)).

At the time the decision was made, policymakers were unaware that specific penal provisions on wage theft had already been introduced in other European countries (Prop. 153 L (2020–2021)). Comparable wage theft provisions had, however, been introduced at the state level in the United States and Australia. In addition to criminalising wage theft through specific provisions in the Penal Code, a proposal was also put forward to increase the maximum penalty for breaches of the Working Environment Act.

When the proposal to criminalise wage theft was sent for consultation in October 2020, wage theft was treated as an employment law enforcement issue and was therefore recommended for inclusion in the Working Environment Act. By the time the bill was submitted to the Norwegian Parliament (Storting), this had changed. Wage theft was instead regarded as an economic crime, which ultimately led to the provisions being incorporated into the Penal Code. This move also marked a shift from regulatory compliance to criminal law enforcement.

The provisions in practice

Based on interview data and statistics, Brunovskis et al. (2026) find that the provisions on wage theft have so far had limited impact in practice. The Norwegian government's 2025 action plan to combat social dumping and work-related crime also notes

that few criminal cases have been brought before the courts (Regjeringen, 2025).

In light of this, the action plan includes two new measures aimed at wage theft. First, the Government will examine the wage theft provisions in order to assess whether they are working as intended (Regjeringen, 2025). Second, cases involving wage recovery will be a prioritised category for legal aid. This is justified, among other reasons, by the fact that the non-payment of wages is closely linked to general work-related crime, and that legal aid in these instances could help prevent such crime: 'Wage theft can have major consequences for those affected, and the changes strengthen the legal protection of victims of wage theft' (Regjeringen, 2025, p. 21).

In May 2025, the Norwegian newspaper Klassekampen reported that 383 cases of wage theft had been reported since the provisions entered into force on 1 January 2022. Of these, 291 had been dismissed. Brunovskis et al. (2026) point out that this area is still developing. Meanwhile, a review of court rulings up to May 2026 reveals that, even after its criminalisation in 2022, wage theft is rarely prosecuted under the provisions of the Penal Code. Of the 23 rulings pertaining to wage theft, only six are classified as a criminal case. The remainder were processed under employment law, bankruptcy law, civil procedure, social security law and company law.

Using criminal case registry data obtained via the National Police Directorate, the researchers also find that many cases are concluded without an indictment or conviction (Brunovskis et al., 2026). They argue that the data show how, despite a specific criminal provision being in place, the threshold for criminal prosecution can be high in practice. Police feedback suggests that such cases are often deprioritised in favour of other, more serious crimes, partly because individual cases may entail relatively small amounts (Wold, 2025). The police have also found it challenging to document that the criteria for criminal liability are met, as criminal law imposes a high standard of proof and requires intent to obtain unlawful gain.

Despite the low number of convictions, there are examples of wage theft reports that have been successful. The first of these was in October 2023 (Ognedal, 2023), when a pub owner was given a 30-day suspended sentence and a confiscation order of NOK 243,000. A female employee from Southern Europe had been working at the pub six hours a day, six days a week, for a monthly salary of

NOK 15,000. The Oslo District Court found that the owner had intentionally underpaid the woman. The most recent wage theft conviction was in May 2026. A married couple who owned two Indian restaurants in Oslo were convicted of aggravated fraud and wage theft amounting to NOK 800,000 from chefs employed at the restaurants (Vikås & Muladal, 2026). The chefs believed their wages were being paid into a bank account in India, where they were from, but in reality the defendants had opened an account in the employees' names, which they themselves controlled (NRK, 2026). The couple pleaded guilty, but argued that the amount they were originally charged with – NOK 1.3 million – was too high. In addition to being banned from operating a business for the next five years, the couple was sentenced to 208 hours of community service each and ordered to pay compensation to the chefs.

Disagreement about enforcement

The high number of dismissed cases and the low number of convictions have sparked a debate about who should be responsible for wage theft cases and what enforcement tools should be used.

The National Authority for Investigation and Prosecution of Economic and Environmental Crime has stated that the penal provision on wage theft is challenging due to the two criteria in the Penal Code to convict an employer: that the conduct is improper, and that there is intent to obtain unlawful gain (Wold, 2025). It therefore wants the Norwegian Labour Inspection Authority to be granted extended legal powers to intervene in wage theft cases. In its response to the 2020 consultation on criminal liability for wage theft, the National Authority for Investigation and Prosecution of Economic and Environmental Crime also expressed uncertainty as to whether the proposed penal provision would be sufficiently targeted. It pointed out that the proposal entailed 'a requirement of intent to obtain unlawful gain' and argued that 'such a high culpability requirement will in itself severely limit the scope of application of the provision' (Regjeringen, 2020).

The Norwegian Confederation of Trade Unions (LO), for its part, has responded to the National Authority for Investigation and Prosecution of Economic and Environmental Crime's statements, arguing that wage theft is a crime, even when it occurs in a workplace context (Wold, 2025). Indeed, in its consultation response back in 2020, the Norwegian Confederation of Trade Unions emphasised the importance of placing the provision in the Penal Code rather than the Working Environment Act in order to ensure that wage theft would be given a higher status and priority in society, and particularly within the

police force (LO, 2020a). It also based its argument on the principle of equality before the law (LO, 2020b). Among other things, it pointed out that when employees embezzle or steal from an employer, there is never a question of whether the matter should be treated as a criminal case. The Norwegian Confederation of Trade Unions' argument has been that applying one law to employers and another to employees constitutes class justice (Wold, 2025).

From the Norwegian Confederation of Trade Unions' perspective, another important aspect of placing the provision in the Penal Code is that the Working Environment Act only applies to employees. It argued that a major challenge today is that employers circumvent employment rights by misclassifying employees as independent contractors. Placing the provision in the Working Environment Act would therefore mean that the penal provision would not apply when self-employed contractors are denied payment, despite being in an equally vulnerable position.

Fair Play Bygg – an organisation working to prevent and document work-related crime, particularly in the construction industry – has also raised concerns that the police do not prioritise cases where the organisation has tipped them off about wage theft (Sæbø, 2023). Similarly, the Caritas Social Action Network has recorded and reported on wage theft cases where workers seek assistance to recover wages they believe their employer owes them.

Regardless of the underlying reasons, it is clear that the full impact of the new penal provisions has yet to be realised and will depend on the police investigating these cases and finding sufficient grounds to bring charges.

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This brief examines the background to the penal provisions on wage theft, their introduction, and the subsequent enforcement and reactions. The brief builds on a desk study.

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