

Work in Iceland



**EQUAL
RIGHTS**
— NO EXCEPTIONS!



Alþýðusamband Íslands



The right of foreign nationals to work in Iceland

Workers from the member states of EU and EFTA) have the right to work in Iceland and do not need residence- or work permit.

Citizens from outside the EEA must have work- and residence permit before they start working in Iceland.
www.vmst.is/en

All foreigners working in Iceland **MUST** register at Þjóðskrá Registers Iceland **www.skra.is/english**
This is important to get rights in the Icelandic Social Security System.

Collective agreements are the minimum for all

According to Icelandic law, wages and other terms of employment as negotiated by trade unions and employers set the minimum rights for all workers. Job contract cannot allow lower wages or worse conditions than the collective agreement for your job stipulates and are illegal.

All jobs and industries in Iceland are covered by collective agreements.

Wages and conditions

Wages and conditions are, in the main, determined by the collective agreement. It is important that you know what collective agreement applies to your job, because then you can gather information about wages, rights and duties that apply to it. Most collective agreements can be read on the website of the relevant union.

It is a fundamental point that wages and other conditions, which you negotiate with your employer, can never be worse than what the collective agreement says. It is, however, perfectly all right for your wages to be higher and your conditions better than the collective agreement says.

Before you start work, wages and other payments should be clear. It is harder to negotiate about these things after you have started working.

Foreign workers should get wages based on their diplomas and work experience. **www.idan.is**

Equalised pay (I. jafnaðarkaup)

Equalised pay does not exist as a specific rate. If you get such pay, the danger is that you may get less money paid than if you would have gotten at daytime wages for daytime work and overtime rates for overtime hours.

The payslip

When your wages are paid, you always have the right to a payslip. Your payslip should list all the individual items that make up your total salary. From the total wages, the employer must deduct taxes, pension contributions, membership dues and so on. The employer is responsible for transferring these payments to the appropriate places. What remains are the wages you get paid.

Working time

Icelandic law sets a general rule, defining a full job as five 8-hour days per week, or 40 hours in total. However, the collective agreements of the individual unions define in detail how the working time of workers should be organised. Active working time for workers and craftsmen is 37 hours and 5 minutes per week. Other working hours should be paid with overtime pay.

Rest and free days

Workers are entitled to a minimum of 11 hours consecutive rest during each 24-hour period and at least one day of rest per week immediately succeeding the daily minimum period of rest. Circumstances may allow for shorter rest.

Food- and coffee breaks

Food and coffee breaks are organised differently between workplaces. Food brake is usually 30-60 minutes. Coffee breaks are also given. For workers and craftsmen 35 minutes of food and/or coffee breaks are part of payed working time. Remember that you have a right to food- and coffee breaks!

Holidays

Holiday rights work in two ways; as a right to holidays, and as a right to wages while on holiday. All workers have a right to summer holidays or vacation. Holiday pay is not included in the regular wages.

Holiday pay is added to the wages, and the basic proportion is 10.17%. Normally, workers get their holiday pay as they take their vacation. When no vacation is taken, holiday pay still must be paid out.

Remember that when you quit your job, you have a right to your unused holiday pay.

Illness and accidents

When you get ill or have accident, you have the right to be at home if you can't go to work due to your illness. A minimum right to two payed sick days per worked month is protected by law. Illness must be reported to the employer, otherwise you might lose your right to wages during your sick leave.

Sickness of children

In collective agreements, there is a right of workers to stay at home when their children are ill two days for each worked month, without loss in daytime and shift work wages. After 6 months work you have a right to 12 days for every 12-month period.

Remember to inform your employer when you have to stay at home due to your child's illness.


Accidents at work

If you are injured at work, or on your way to or from work, you have the right to compensation in addition to your sick days, in the form of daytime wages for up to three months. Remember to talk to your union if you are injured at work.

Certified occupational qualifications

A worker's entitlement to hold certain jobs is frequently restricted by statutory requirements to persons holding professional degrees or who are specially authorized to work in a particular field or area. Furthermore, in some fields of work workers are required to have special job-related certifications, such as an advanced driving licence or a driving licence for industrial machinery.

Contact idan.is/um-okkur/english



Why do I pay money to a union?

In short, it is because the unions make collective agreements on wages and conditions of work for all workers on the Icelandic labour market. The collective agreements are minimum which means that your job contract cannot allow lower wages or worse conditions than the collective agreement for your job stipulates.

Therefore, the collective agreements are very important when it comes to your wages and rights in the labour market. Making collective agreements is the main task of trade unions.

What other things do the unions do for you?

The union provides various services, covered by the membership dues. These include providing information to members, offering advice and support in disputes with the employer about wages and working conditions, and legal services in such cases if necessary.

Sickness benefits fund

The fund pays sick benefits to those members who have fulfilled minimum requirements regarding union fees and are unable to work due to illness or accidents. This fund also pays its members part of costs due to various health programs, cancer screening etc.

Recreational fund

Union members can apply for renting summer houses. Some Unions also offer discount tickets from flight and tourist companies and refund for accommodation in Iceland and fishing- and camping cards.

Education and courses

If workers want to educate themselves, they can apply for education and course grants from the education funds of the unions. Contact your union to get information on which grants you have a right to. You may also have a claim to support for various leisure activities, such as gym cards.

Work rehabilitation

If you've suffered illness or an accident, and don't have the same capacity for work as before, you should contact a representative of your union's Vocational Rehabilitation Fund.

What union should I pay into?

It depends on what job you do and who you work for. To get information about what union you should pay into, talk to your employer, or to your workplace's union representative. The information should also be on your payslip.



Employment contract

When you're hired, it is important to have a written hiring contract right at the beginning. In a hiring contract the following items have to be listed: name of worker and employer, workplace, a short job description, first day of work, period of employment if it is for a limited time, notice period, monthly or weekly wages, length of the working day, pension fund, and reference to a collective agreement.

Remember to negotiate your job in written terms, both when you are hired, and when changes are made to your conditions of employment.

Temporary or indefinite hiring contracts

Hiring contracts can be either temporary, such as from June 1 until September 1, or indefinite, that is without an end date of employment.

If a hiring contract doesn't say that it is temporary, it is considered indefinite. In that case the employer has to give you the notice period which your collective agreement affords you.

Contractors

Some employers encourage their staff to do jobs as contractors. If your employer encourages you to sign a contractor agreement, think carefully about what consequences that might have for you.

If you work as a contractor, you are in a sense running a small business. A contractor does not enjoy the same protections as a regular worker. A contractor does not have the right to paid holiday, a notice period, wages during illness or after suffering accidents. Contractors also must file their own taxes and insurance payments.

Undeclared work (black work) is illegal and is punishable by law, such as via high fines

Sometimes, employers offer people undeclared work (sometimes called black work). The offer is normally lower pay in return for not announcing it to the tax office. Undeclared work also doesn't ensure the workers various rights they'd otherwise have a claim to, and which can make a big difference if the worker suffers any setbacks or shocks.

Remember that it is illegal to do undeclared work!

Volunteering

It is a violation of Icelandic law and workers right to let volunteers replace employees in a regular job. In Iceland, volunteer work is only acceptable in case of non-economic charities and cultural or humanitarian activities. Employment contracts stipulating less favourable terms than those provided for in collective agreements are invalid.

www.volunteering.is

Termination

If you want to quit your job, or your employer wants to lay you off, it must happen via a formal resignation. Collective agreements state the notice period, which is generally three months.

If you want to quit your job, you must do it in writing. The notice period starts at the beginning of the next month. You must work through your notice period, and you maintain all your rights during that time as a regular worker.

Your employer may decide, when laying somebody off, that they don't have to work through the notice period. Employers are allowed to do this, but they have to pay full wages for the notice period. Remember to get a written confirmation in case your employer does not want you to work during the notice period.

If you've been laid off, it is important to start looking for another job immediately. You should register yourself as unemployed at the Directorate of labour www.vinnumalastofnun.is/en to acquire rights to unemployment benefits.

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**For further information
contact the local trade union**

Pension funds

All workers between the ages of 16 and 70 are required by law to be members of a pension fund. Pension funds pay old-age pensions, disability pensions and pension payments to surviving spouses and/or children.

Personal income taxes

Employers are required to deduct personal income tax and municipal income tax from and worker's wages every month and return the withholding tax to the local Inland Revenue office. Workers must apply for a tax card from the local Inland Revenue office. EEA citizens and others who do not need a work permit will receive a tax card after a residence permit has been issued. www.rsk.is/english/individuals

Equal status of women and men


Women and men who are employed by the same employer are entitled to equal pay and equal terms for equal-value and comparable work. Terms in addition to pay, means pension rights, entitlement to wages paid in case of absence due to illness and any other terms or benefits that may be given monetary value.

Icelandic language courses

According to law employers and trade unions must provide workers holding temporary work permits, with information regarding basic courses in Icelandic for foreigners, courses in civics, and other learning courses that may be available for the worker and his family.

Posted workers

All minimum rights according to collective agreements apply to foreign workers who are sent to Iceland by foreign companies and temporary work agencies – posted workers. Workers working for temporary work agencies shall have the same wages and conditions as if they were directly by the user company posting.is/en



Further information on the rights and obligations that apply to the Icelandic labour market

The Icelandic Confederation of Labour (ASÍ)

Guðrúnartún 1, 105 Reykjavík

Tel.: 535 5600, asi@asi.is, www.asi.is

Federation of General and Special Workers

(Starfsgreinasamband Íslands)

Guðrúnartún 1, 105 Reykjavík

Tel.: 562 6410, sgs@sgs.is, www.sgs.is

Federation of Skilled Construction and Industrial Workers

(Samiðn) Stórhöfða 31, 110 Reykjavík

Tel.: 535 6000, postur@samidn.is, www.samidn.is

Union of Icelandic Electrical Workers (RSI)

Stórhöfði 31, 110 Reykjavík

Tel.: 580 5200, rsi@rafis.is, www.rafis.is

The Commercial Federation of Iceland (LIV)

Kringlan 7, 103 Reykjavík

Tel.: 510 1720, asta@landssamband.is, www.landssamband.is

The Icelandic Union of Marine Engineers and Metal Technician (VM – Félag vélstjóra og málmþæknimanna)

Stórhöfði 25, 110 Reykjavík

Tel.: 575 9800, vm@vm.is, www.vm.is

The Icelandic Federation of Food and Restaurant Workers (MATVIS) Stórhöfði 31, 110 Reykjavík

Tel.: 540 0100, matvis@matvis.is, www.matvis.is

Federation of Icelandic Seamen (SSI)

Guðrúnartún 1, 105 Reykjavík

Tel.: 561 0769, hj@ssi.is, www.ssi.is

Government agencies

Registers Iceland

Borgartún 21, 150 Reykjavík

Tel.: 569 2900, thjodskra@thjodskra.is, www.skra.is

Foreigners working in Iceland must register at Þjóðskrá.

The Directorate of Internal Revenue

Laugavegur 166, 105 Reykjavík

Tel.: 442 1000, rsk@rsk.is, www.rsk.is

The Directorate of Internal Revenue is responsible for issuing tax cards that are a prerequisite for wage earners to enjoy personal tax credit.

The Directorate of Immigration

Dalvegi 18, 201 Kópavogur

Tel.: 444 0900, utl@utl.is, www.utl.is

The Directorate of Immigration is responsible for the issue of residence permits for citizens from states outside the EEA.

The Directorate of Labour

Kringlan 1, 103 Reykjavík

Tel.: 515 4800, postur@vmst.is, www.vinnumalastofnun.is

The Directorate of Labour is responsible for issuing work permits to citizens from states outside the EEA.

EURES – European employment service operating under the auspices of the Directorate of Labour, www.eures.is.

Further information in your own language

The Multicultural Centre

Árnagata 2-4, 400 Ísafjörður

Tel.: 450 3090, info@mcc.is, www.mcc.is

The Reykjavik Human Rights Office

Tjarnargata 11, 101 Reykjavík

Tel.: 411 1111, mannrettindi@reykjavik.is, www.reykjavik.is

Human Rights Office of Iceland

Túngata 14, 101 Reykjavík

Tel.: 552 2720, info@humanrights.is, www.humanrights.is

posting.is/en



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Guðrúnartún 1 | 105 Reykjavík

Tel.: 535 5600 | asi@asi.is | www.asi.is