

COLLECTIVE WAGE AGREEMENT

Between

The Confederation of Icelandic Employers (Samtök atvinnulífsins, SA)

and

VR and the Commercial Federation of Iceland (LÍV)

Article 1

This collective wage agreement includes amendments and additions to the main collective wage agreement made by LÍV and VR on the one hand and SA on the other, as well as the special wage agreements that are considered part of it.

Article 2

Principal objectives

This collective wage agreement is an extension of the parties' Living Standards Agreement that was valid from 2019–2022. According to the parties to the agreement, the agreement supports the purchasing power of wages as well as providing predictability to households and companies in times of great uncertainty. The agreement can thus build stability and create the conditions for a long-term agreement.

Period of validity

The effective term of the agreement is from 1 November 2022 until 31 January 2024.

General wage increase

The wage increase in the agreement is in the form of a percentage increase and a maximum ISK increase.

On 1 November 2022, monthly wages will receive a general increase of 6.75%, with a maximum of ISK 66,000.

Pay scales

Previous pay scales will be replaced by new ones which are part of this agreement. Wage rates are valid from 1 November 2022.

Wage-related items

Wage-related items in the collective wage agreement increase by 5.0% from 1 November, unless otherwise negotiated.

December and holiday supplements

The December bonus for each calendar year, based on full-time employment, is:

In 2023, ISK 103,000.

The holiday bonus for each holiday reference year (1 May to 30 April), based on full-time employment, is:

During the holiday reference year beginning 1 May 2023, ISK 56,000.

Additional economic growth 2023

With the increase on 1 November 2022, the additional economic growth, cf. the collective wage agreement of the parties, which was due for payment on 1 May 2023, has been accelerated and fully implemented. Furthermore, there is an agreement that with this increase and acceleration, there will be no further reassessment of the additional economic growth, cf. the collective wage agreement 2019–2022.

Article 3

Acceptance of the collective wage agreement

The acceptance of the collective wage agreement shall be notified on Tuesday, 21 December 2022.

Supporting document – wage tables

Shop workers

Service workers

1.11.2022

Starting wages	406,923
After 6 months at comp.	416,205
After 1 year at comp.	418,114
After 2 years at comp.	429,833
After 5 years at comp.	441,919

Specially trained shop workers who are capable of working independently, who show initiative and can be entrusted with supervisory roles

1.11.2022

Starting wages	412,701
After 6 months at comp.	423,345
After 1 year at comp.	425,198
After 2 years at comp.	437,127
After 5 years at comp.	450,587

Pharmacy workers

Pharmacist technicians

1.11.2022

Starting wages	433,736
After 6 months' exp.	437,478
After 3 years' exp.	445,521
After 5 years at comp.	461,732

Workers in guest reception facilities

1.11.2022

Starting wages	425,848
After 6 months' exp.	432,583
After 1 year's exp.	438,297
After 3 years' exp.	444,462
After 5 years at comp.	457,828

Workers in leisure and travel services companies

11.11.2022

Starting wages	425,848
After 6 months' exp.	432,583
After 1 year's exp.	438,297
After 3 years' exp.	444,462

After 5 years at comp. 457,828

Office workers

1.11.2022

Starting wages 411,145

After 3 years' exp. 457,828

Attachment

Project schedule |

With the extension of the Living Standards Agreement until 31 January 2024, discussions on other issues than

the wage item in the party's presentation of a claim are postponed. The parties agree to start negotiations on other claims

as is shown in the attached table.

The first meeting of each group will be held on the premises of the State Conciliation and Mediation Office where the group's work

will be planned and the scope of the project and the need for subgroups will be assessed. A meetings schedule will be prepared

assuming that the working groups' projects will be completed in accordance with the timeframe stated in the project plan.

Either party may request the assistance of the State Conciliation and Mediation Office in chairing the meeting, if necessary.

	Project begins	Project finishes
Work on bookings	Started	10 February 2023
Professional training and continuous and life-long learning	19 January 2023	9 November 2023
Working hours (vacation, shortening, holidays, flexibility, etc.), remote working	14 March 2023	14 December 2023
Other issues (acquired rights, notice period, wage settlement period, trips to and from work, etc.)	16 May 2023	6 September 2023
Pension fund and industrial democracy	13 September 2023	14 December 2023
Facilities and health (illness, health promotion, health protection)	10 October 2023	14 December 2023

**Joint declaration of SA on the one hand and
VR-LÍV, as well as industrialist workers associations, on the other**

The parties to the agreement appoint a joint working group whose task is to monitor the progress of economic affairs, development in price levels and underlying factors. The working group shall consist of two

representatives nominated by SA and two representatives jointly nominated by the negotiation committees of the trade unions that are party to this declaration. The working group will meet monthly as well as meeting quarterly with representatives of the Central Bank of Iceland, the Ministry of Finance and the Economy, Statistics Iceland and the Ministry of Infrastructure for housing matters. Furthermore, the group's role is to promote better information dissemination to consumers in order to increase competition. At the group's meetings, the development of price levels during the period and the parties' assessment of the development of the coming seasons will be discussed in detail.

When concluding the agreement, the parties have considered the Central Bank of Iceland's forecasts on inflation trends and other economic factors. If the development of inflation is such that it must be considered likely that the assumptions the collective wage agreement is based on will not be realised, the working group will analyse in more detail the causes of the negative development and may request explanations for changes in, i.a. certain product categories, fuel price trends and bank tariffs. If there is an unexplained deviation from the norms, the working group can send out a joint statement recommending to individual markets that price increases need to be considered, as well as requesting a response from the public sector as the situation requires.

The parties then appoint a special premises committee which is made up of four representatives and is appointed in the same way as stipulated in Paragraph 1. If the economic situation develops in such a way that the premises committee assesses that the assumptions on the development of the price level have failed, a special meeting will be convened to discuss the reactions of the members of the labour market and the government.

Reykjavík, 12 December 2022