

**COLLECTIVE WAGE AGREEMENT BETWEEN VR AND THE
CONFEDERATION OF ICELANDIC EMPLOYERS
(SAMTÖK ATVINNULÍFSINS, SA)**

VALID FROM NOVEMBER 1st 2022 TO JANUARY 31st 2024

Please note that this is a translation. In matters of dispute, please refer to the original in Icelandic.

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1. WAGES

1.1 Minimum pay scales

1.1.1 General customer service in shops

	1.11.2022
Starting wages	406,923
After 6 mths. at comp.	416,205
After 1 yrs. at comp.	418,114
After 2 yrs. at comp.	429,833
After 5 yrs. 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 mths at comp.	423,345
After 1 yr. at comp.	425,198
After 2 yrs. at comp.	437,127
After 5 yrs. at comp.	450,587

Starting wages apply to workers aged 18 and older.

When evaluating length of service for wage calculations, attainment of the age of 22 shall grant the right to be placed on the next service-related step above the starting rate. See Section 1.4.

1.1.2. Starting wages and wages of adolescents

In this Collective Wage Agreement, starting wages apply to employees who have reached the age of 18 and gained the experience to undertake the work in question. Training hours are a maximum of 300 working hours for the employer or 500 hours in the profession after the age of 16. 95% of starting wages may be paid during the training period.

The employee is to submit confirmation of experience in a profession, in which case length of service is taken into account as of the beginning of the next month after such confirmation has been submitted.

The wages of persons aged 17 are 89% of the starting wage, the wages of those aged 16 are 84%, the wages of those aged 15 are 71% and the wages of those aged 14 are 62% of the same base. The age division of young people under the age of 18 is based on the year of birth.

1.1.3. Office workers

	1.11.2022
Starting wages	441,145
After 3 years in the position	457,828

The above wages of office workers are minimum wages. In other respects, the wage terms of office workers covered by this Agreement shall be decided by the market.

Pupils undergoing vocational training in connection with studies in tourism shall be entitled to wages equivalent to 55% of the starting rate. The precondition for wage payments according to this provision shall be the existence of a tripartite agreement between the school, the trade union and the company.

1.1.4. Other agreements

For the wages of workers in guest receptions, recreation and travel services companies (composite occupations) and dispensing pharmacies, reference is made to the appropriate collective agreements.

1.2. Wage structure

1.2.1. Wage increases

Pay scales

Previous pay scales will be replaced by new ones which are part of this agreement, see attachment. Pay scales are valid from 1 November 2022.

Starting wages apply to workers aged 18 and older.

Wage changes 1 November 2022

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.

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.

The above increases to wage rates are calculated from issued pay scales in Section 1.1. and in the attachment page xx.

Wage-related items

Wage-related items in the collective wage agreement increase by 5% on the same dates unless otherwise negotiated.

1.2.2. Individually agreed wages

When determining wages between the employer and the employee, the wage shall reflect the employee's work contribution, competence, educational qualifications and skills, as well as the nature of the job and the responsibility involved. Decisions regarding wages must take into account the Gender Equality Act.

If wages at workplaces where the working hours are determined by service time (opening hours) are determined as aggregate wages for the employee's total work contribution, an estimate of the work contribution on which the aggregate wages are based shall be stated, with the average number of paid hours of overtime work each month or other factors involved in the wage structure, as appropriate. In the event of a change in the worker's work contribution or in the worker's job which conceivably changes the basis on which he is engaged, then his wages and wage structure shall be reviewed, taking into account the relevant changes, if either party considers there is reason to do so. In the same manner, the employer will verify the composition of employee's overall agreement and demonstrate that the employee's total pay and conditions are not worse than those provided for in the collective agreement should the employee so wish.

An employee is entitled to have an interview with his superior once a year concerning his job and possible changes in employment terms. If the employee requests an interview, it should be granted within two months, and the resulting outcome of the interview should be available within one month.

[View the accompanying document from 2011 regarding employee interviews, which includes instructions on what is normal to discuss in such interviews.](#)

Notes of the general wage increase

The negotiated general wage increase in the collective wage terms refers to the minimum increase in the regular wages enjoyed by an employee on the date when the increase according to the collective wage agreement is to be implemented, irrespective of the wages of the employee in question at that time.

Overpayments may not be decreased or discontinued by failing to pay out general wage increases. Overpayments can only be reduced or discontinued by following the provisions of the employment contract. This provision, however, does not prevent companies from being able, by means of wage decisions, to accelerate increases through special decisions, in which case account can be taken of unrealised general increases in the next 12 months in a

foreseeable and predetermined manner. The employee is verifiably pre-informed that the increase is an accelerated increase according to the collective wage agreement.

(Protocol from 2011 on a general wage increase).

1.3. December and holiday supplements

1.3.1. December bonus

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

In 2023 ISK 103,000

A full year's employment, for this purpose, is 45 worked weeks or more, excluding holiday time (annual vacation) or 1,653.75 hours for office workers and 1,743.75 hours for shop assistants.

The bonus is to be paid no later than 15 December of each year, based on the employee's job proportion and length of employment, to all employees who have been employed by an employer for 12 weeks over the past 12 months or who are employed during the first week of December. An agreement may be reached with the employee to the effect that the settlement period runs from 1 December to 30 November of each year instead of the calendar year.

The December bonus includes holiday (vacation) pay, and it is a fixed amount that is not subject to changes according to other provisions. Accrued December bonus shall be paid upon termination of employment in the event that such termination occurs prior to the due date for the bonus.

Notes:

As an agreement has been reached that a December bonus is included in the monthly wages, the parties agree that a special increase in December bonus is not automatically included in the monthly wage. A special payment may therefore be paid separately in December according to the rules that the collective wage agreements contain, or they may be paid as a certain ISK increase of the monthly wage.

(Protocol 2014 on Holiday and December supplements that are paid out simultaneously with monthly wages)

1.3.2. Holiday bonus

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

- In the holiday reference year beginning on 1 May 2023: ISK 56,000.

A full year's employment, for this purpose, is 45 worked weeks or more, excluding holiday time (annual vacation) or 1,653.75 hours for office workers and 1,743.75 hours for shop assistants.

The bonus shall be paid before 1 June, based on the employee's job proportion and length of employment during the holiday reference year, to all employees who have been in continuous employment for the same employer for 12 weeks during the previous 12 months as of 30 April or are employed during the first week of May.

The holiday allowance bonus includes holiday allowance, and it is a fixed amount that is not subject to alterations according to other provisions. Accrued holiday bonus shall be settled upon termination of employment in the event that such termination occurs prior to the due date for the bonus.

Notes:

In cases where an agreement has been reached that the holiday allowance bonus is included in the monthly wages, the parties agree that a special increase in the holiday bonus is not automatically included in the monthly wage. A special payment may therefore be paid separately in June according to the rules that the collective wage agreements contain, or they may be paid as a certain ISK increase of the monthly wage.

(Protocol 2014 on Holiday and Desember supplements that are paid out simultaneously with monthly wages)

1.3.3. Holiday and December bonus entitlement accrued during childbirth leave

After one year's employment with the same employer, absences due to statutory paternal leave are considered as periods of employment when calculating the December and holiday bonuses. The same applies in the case of women who, as a safety precaution, have to stop work during pregnancy, cf. the Regulations on measures to improve safety and health at work for women who are pregnant, have recently given birth or are breast-feeding.

1.3.4. Leave instead of holiday and December bonuses

The employee and the employer may reach an agreement to waive or reduce holiday and/or December bonuses, with corresponding periods of leave being granted instead, based on the wages of the individual worker. Such leave shall be granted in the form of whole or half working days.

Example:

An employee has a monthly wage of ISK 450,000 for full-time employment, based on daytime work. His daily wage is therefore ISK 20,766 (450,000/21.67). The December bonus is ISK 103,000 (2023). Instead of this ISK 103,000 holiday bonus, the employee and employer may agree that they receive three days of leave at full pay (ISK 20,766 x 4) and payment of ISK 19,936 as the balance of the holiday bonus.

1.4. Evaluation and length of service

If an employee works at more than one paid job within the same company, they shall draw pay based on the higher or highest-paid job, unless they undertake the other as extra work.

When an employee who is not employed as the deputy of a superior temporarily takes over the functions of the superior, e.g. during holiday periods or illness, and such replacement periods last for one week or more, the subordinate shall be entitled to remuneration for deputising in this way, taking into account the responsibility and workload undertaken. The parties shall agree on the remuneration before the deputising takes place.

Evaluation of length of service, for the purpose of wage placement, shall be based on the time when the employee begins work at the company, irrespective of his age; such evaluation may be made for the first time when the employee earned the right to a starting wage grade. Evaluations of length of service that adolescents/employees have accumulated before such time shall be based on the hours they have worked. The number of hours may be found on the basis of estimated average wages, with a full year's work being regarded as 1,743.75 hours in shops and 1,653.75 hours for sales representatives and office workers.

When evaluating length of service for wage calculations, attainment of the age of 22 shall grant the right to be placed on the next service-related step above the starting rate. This does not apply, however, in the case of office workers.

If the employer demands a certificate regarding working experience, the employee shall be obliged to comply with such demand, if possible, providing that the employer involved is obliged to issue such a certificate. Otherwise, length of service shall be established by reference to the appropriate pay scales and agreements.

1.5. Courses

1.5.1. Courses during working hours

If employees are required to attend courses organised jointly by the parties to this Agreement, then such courses shall be held during working hours and shall not result in any reduction of the employees' wages. Such courses shall be aimed at increasing employees' competence and professional knowledge.

Employees may spend up to 4 daytime work hours each year attending industry-related courses without a cut in wages for daytime work, provided that at least half the course hours are attended on his own time. Time for course attendance shall be chosen taking into consideration the type of operation of the company.

1.5.2. Courses outside working hours

When taking courses that they are required to attend outside their working time, employees shall receive their contractual hourly rates of pay for half of the hours spent on the course, at daytime, after-hours or overtime rates, as appropriate. This may never, however, result in a reduction of the employee's regular monthly wage.

In the case of courses intended to acquire knowledge/rights which are of use only in the company in question, the employee will receive payment for all the hours spent on the course, unless the parties agree otherwise, such as in wage terms.

1.5.3. Courses for sales representatives

It is desirable, where possible, that sales representatives should be sent on the courses available to them within their profession, both in Iceland and abroad, and that the employer pay their course fees and travelling and maintenance costs.

- For further provisions on sales representatives, see Section 2.1.2. (about working hours) and Section 3.5.3. (on travelling costs).

1.6. Divisors

1.6.1. Divisors for calculating hourly rates

1.6.1.1. When refreshment breaks are taken

The daytime hourly rate of the employee shall be calculated by dividing the fixed monthly wage of the appropriate step on the pay scale by 167.94 according to Section 1.1 in the case of shop assistants and by 159.27 in the case of office workers.

1.6.1.2. When no refreshment breaks are taken

The daytime hourly rate of the employee shall be calculated by dividing the fixed monthly wage of the appropriate step on the pay scale by 155.3. according to Section 1.1 in the case of shop assistants and by 153.86 in the case of office workers.

1.6.2. Divisors for calculating daily pay rates and holiday allowance

Each employee's daily daytime rate of pay is found by dividing his regular monthly wage by 21.67 (Saturdays are not included).

1.7. Wages for after-hours work, overtime work and work on major public holidays

Calculation of overtime work and other supplemental payments is governed by the provisions of an employment contract or written confirmation of employment.

1.7.1. After-hours, nighttime and overtime wages: shop assistants

Payment for work done outside the daytime working hours shall be paid at hourly rates equivalent to 0.8235% of monthly wages for daytime work up to 167.94 hours per month (38 hours and 45 minutes on average per week). Payment for work in excess of 167.94 hours shall be made at hourly rates equivalent to 1.0385% of monthly wages for daytime work.

Payment for work carried out between the hours of 00:00 and 7:00 shall be at an hourly rate that is 0.8824% of monthly wages for daytime work up to 167.94 hours per month.

1.7.2. After-hours, nighttime and overtime wages: shop assistants

Payment for work done outside the daytime working hours shall be paid at hourly rates equivalent to 0.875% of monthly wages for daytime work up to 159.27 hours (36 hours and 45 minutes on average per week). Payment for work in excess of 159.27 hours shall be made at hourly rates equivalent to 1.0385% of monthly wages for daytime work.

Payment for work carried out between the hours of 0:00 and 7:00 shall be at an hourly rate that is 0.9375% of monthly wages for daytime work up to 159.27 hours per month.

1.7.3. Major public holidays

Payment for all work done on major public holidays shall be made at hourly rates equivalent to 1.375% of monthly wages for daytime work. This shall not apply to regular work for which winter leave entitlement is granted in exchange for work on the days indicated, in which case the valid rules on payment shall apply without amendment.

For a definition of major public holidays, see Section 2.3.2.

1.8. Call-outs

When an employee is called out for work that is not in direct continuation of his daily work, he shall receive overtime payment for at least 4 hours except when his regular working time commences within two hours.

1.9. Rules on wage payments

Wages shall be paid each month on the first day after the end of the month for which wages are paid. If this day falls on a holiday, then payment shall be made on the last working day of the month.

1.9.1. Payslip

Employees shall receive a payslip when each wage payment is made. Payslips must be itemised, e.g. under daytime pay, after-hours pay and overtime pay, with the number of hours worked in after-hours, nighttime and overtime work being stated. Accrued and accumulated holiday time together with rest time accumulation must be shown on the pay slip. All deductions must also be itemised.

In workplaces where electronic registration or a time clock are used to register working hours, the employee may request access to or a copy of the time registration, and that request shall be complied with within a week.

1.9.2. Payment period

All wages shall be paid in a lump sum, retroactively, for each month.

1.10. Wages in a foreign currency

The employee and the employer may agree that a part of the regular monthly wage is to be paid in a foreign currency or that a part of the regular monthly wage may be linked to the exchange rate of a foreign currency. The selling rate of the currency should be used for reference on the date when the agreement between the employee and the employer was made.

Regular monthly wages shall be calculated and stated on the payslip as follows:

1. The regular monthly wages designated in ISK on the date of the agreement.
2. To be deducted is the amount in ISK that an agreement has been made to pay in a foreign currency or to link to the exchange rate of a foreign currency on the date of the agreement.
3. The part of the fixed monthly wage paid in or linked to foreign currency (cf. item 2), calculated in ISK at the selling rate of the foreign currency three business days before the date of payment.

The sum of items 1–3, however, may never be lower than the minimum rate of the collective wage agreement in force for the industry in question.

The total of items 1–3 forms the base for the payment of taxes and contributions in accordance with the collective wage agreement, such as to the pension fund, trade union fund, sickness benefit fund, vocational rehabilitation fund, holiday home fund and the continuing education fund.

The employee and the employer can negotiate that overtime, shift premiums, bonuses and other payments will be settled in part or fully in a foreign currency.

Wage increases shall only be calculated with respect to Item 1, i.e. regular monthly wages in ISK.

An employee can, at any time, request the termination of the agreement. In the event that an employee submits such a request, the employer should comply with such request as of and including the beginning of the second month from that date. An employee shall receive wages according to Item 1 as amended from the date when the original agreement was reached.

The employee and the employer must enter into a written agreement regarding the payment of wages in foreign currency or regarding wage linkage with a foreign currency.

– See 2008 attachment to agreement on wages in foreign currencies – Contract form, page 74.

1.11. Contracts of employment and letters confirming employment

1.11.1. The preparation of employment contracts

Wherever a worker is engaged for a period of more than one month and for more than 8 hours per week, on average, a contract of employment must be prepared no later than two months after the commencement of the job, or the engagement shall be confirmed in writing. If the employee stops work before the two-month period is up, without a contract of employment having been prepared or the engagement having been confirmed in writing, then he shall be provided with such a confirmation at the termination of employment. The employer will be held liable for compensation in the event that the provisions of this article are violated.

1.11.2. Amendments

Amendments to terms of engagement, other than those resulting from legislation or collective agreements, shall be confirmed in the same manner (cf. Section 1.11.1.) not later than one month after they take effect.

1.11.3. Occasional jobs

The provisions of Articles 1.11.1 and 1.11.2 do not apply to recruitment in occasional jobs, providing that such an arrangement is based on objective considerations.

1.11.4. Employer's duty to inform

Contracts of employment or written confirmations of employment, i.e. letters of engagement, shall contain at least the following information:

1. The identity of the contracting parties, including their ID numbers.
2. The employer's place of work and address. If there is no fixed place of work or place where work is normally carried out, then it shall be stated that the employee is engaged for work at various locations.
3. The title, job position, nature or type of work for which the employee is engaged, or a short summary or description of the job.
4. The first day of employment.
5. The duration of employment, if temporary.
6. The employee's right to an annual holiday.
7. The notice period for termination to be given by the employer and the employee.
8. Monthly or weekly wage rates, e.g. including references to pay scales, monthly wage rate used as base for calculations for overtime, other payments and perquisites, as well as the payment periods.
9. The length of an ordinary working day or week, weekly work hours or employment ratio.
10. Pension fund, mandatory pension fund and private pension fund.
11. Reference to a valid collective wage agreement and the trade union involved.

Information according to items 6–9 may be given in the form of a reference to a collective wage agreement.

1.11.5. Working abroad

Employees required to work in another country for one month or longer shall receive written confirmation of their appointment before leaving Iceland. In addition to the information listed in Section 1.11.4., the following must be stated:

1. The estimated time spent working abroad.
2. The currency in which wages are to be paid.
3. Bonuses or perquisites associated with the work abroad.
4. Where applicable, the conditions by which an employee can return to his country of origin.

Information according to Articles 2. and 3. may be given in the form of a reference to legislation or collective wage agreements.

1.11.6. Temporary employment

Temporary employment shall be governed by Act No. 139/2003 on the Temporary Engagement of Employees.

1.12. Competition provisions

Provisions in employment contracts that forbid employees to enter into an employment contract with the competitors of the employer are non-binding if such an engagement is wider in scope than would be necessary in order to prevent competition or unfairly limit the employee's freedom to employment.

To determine whether this is the case, each case must be evaluated on a case-by-case basis, taking into consideration all circumstances. Competition provisions, therefore, may not be worded too generally.

When making an assessment of the permissible scope of a non-competition clause in a contract of employment, particularly as regards scope and time limits, the following factors must be considered:

- a. The type of work performed by the employee involved, e.g. is the employee a key employee, in direct contact with the customer or has a high level of confidentiality. In addition, what knowledge or information the employee might possess with regard to the activities of the company or its customers.
- b. How quickly the employee's knowledge becomes outdated and whether a normal balance is kept among the employees.
- c. The type of operations involved and the identity of the competitors in the market where the company operates and which the employee's know-how covers.
- d. That the employee's freedom of employment is not restricted unfairly.
- e. The non-competition clause must be defined and concise with regard to the purpose of protecting certain competition interests.
- f. The perquisites of the employee will also have an effect on what his wages are.

The competition provisions of employment contracts do not apply if the employee is dismissed from his position without sufficient cause.

2. WORKING HOURS

2.1. Daytime work

2.1.1. Daytime work in shops

Active working hours in daytime work, i.e. the time actually worked by shop assistants, excluding meal and refreshment breaks, is to be 35 hours and 50 minutes per week (35.83 hours). Daytime hours shall be from 9:00 to 18:00 from Monday to Friday. If workers take their contractual refreshment breaks, then working hours shall be lengthened accordingly (cf. Section 3.1.2.), in which case weekly working hours are to be 38 hours and 45 minutes (38.75 hours). Working hours shall be arranged by agreement between employees and employer according to what is considered suitable in each individual place of work.

2.1.2. Daytime work of office workers and salesmen

Active working hours in daytime work, i.e. the time actually worked by office workers and salesmen, excluding meal and refreshment breaks, is to be 35 hours and 50 minutes per week (35.5 hours). If workers take their contractual refreshment breaks, then working hours shall be lengthened accordingly (cf. Section 3.1.2.), in which case weekly working hours are to be 36 hours and 45 minutes (36.75 hours). Working hours shall be arranged by agreement between employees and employer according to what is considered suitable in each individual place of work, then working hours shall be lengthened accordingly before 9:00 and after 17:00 and/or shorter meal breaks.

- For further provisions on sales representatives, see Section 1.5.3. (about courses) and Section 3.5.3. (on travelling costs).

2.1.3. Daytime work in bakeries

2.1.3.1. Shop workers in bakeries

Active working hours in daytime work, i.e. the time actually worked by shop workers, excluding meal and refreshment breaks, is to be 35 hours and 50 minutes per week. Daytime hours shall be from 8:00 to 18:00 from Monday to Friday. If workers take their contractual refreshment breaks, then working hours shall be lengthened accordingly cf. Section 3.1.2., in which case weekly working hours are to be 38 hours and 45 minutes (38.75 hours). Working hours shall be arranged by agreement between employees and employer according to what is considered suitable in each individual place of work.

2.1.3.2. Assistants in bakeries

Active working hours in daytime work, i.e. the time actually worked by assistants in bakeries, excluding meal and refreshment breaks, is to be 35 hours and 31 minutes per week (35.83 hours). Daytime hours shall be from 7:00 to 17:00 from Monday to Friday. If workers take their contractual refreshment breaks, then working hours shall be lengthened, cf. Section 3.1.2., in which case weekly working hours are to be 38 hours and 45 minutes (38.75 hours). Working hours shall be arranged by agreement between employees and employer according to what is considered suitable in each individual place of work.

The meal and refreshment breaks of assistants in bakeries may be arranged to co-ordinate with the meal and refreshment breaks of other personnel working there, providing that full consultation takes place regarding such an arrangement.

2.1.4. Daytime work before 9:00

Daytime work may nevertheless begin before 9:00 in the morning according to what is considered the best arrangement for each occupation or company. Daytime work may never, however, begin before 7:00 in the morning.

2.1.5. Continuous daytime work

The contractual maximum period of daytime work shall take place within the limits set forth above, so that the daytime work period shall be continuous.

2.1.6. Beginning of after-hours/overtime work

If daytime work begins by any amount earlier in the morning, then after-hours/overtime work shall begin correspondingly earlier.

2.1.7. Leave in exchange for daytime work

Employers and employees may enter into a written agreement on a different structure of daytime work within the daytime working period so that the employee works in excess of 38 hours and 45 minutes during the daytime working period for shop workers and 36 hours and 45 minutes for office workers and sales representatives, accumulating the hours so worked in the form of entitlement to paid leave later on, specified in whole and half days.

2.1.8. Time off instead of after-hours/overtime pay

An agreement may be reached between the employee and the employer to accrue leave due to after-hours/nighttime/overtime work in such a manner that after-hours/nighttime/overtime hours accrue for leave taking during daytime hours while the difference between after-hours/nighttime/overtime pay and daytime pay is paid out on the next regular wage payment date or accrues in total toward leave taking during daytime work periods. The value of worked after-hours/nighttime/overtime hours is to be used as the basis.

Notes:

One hour of after-hours work is calculated as 1.4 hours daytime work, one worked hour of nighttime work is calculated as 1.5 hours daytime work and one hour of overtime work is calculated as 1.662 hours of daytime work in offices and 1.765 in shops.

The parties are to reach an agreement as to when the leave is taken. Entitlement to leave pursuant to the above that has not been used before 1 May each year or on termination of employment is to be paid out based on the value of daytime work hours on the date of payment. Leave shall be taken by agreement and shall be organised in such a way as to cause the minimum disturbance to the functioning of the company.

2.1.9. End of the daytime working period on Christmas Eve and New Year's Eve

On Christmas Eve (24 December) and New Year's Eve (31 December), the daytime working period shall end no later than 12:00 noon if these days fall on any of the days from Monday to Friday.

2.1.10. Miscellaneous working hours provisions

On the first working day after Christmas, daytime work in shops shall begin at 10:00.

All workers have the right to refuse to do after-hours/nighttime/overtime work, and if they do so, they shall not be made to suffer in any way.

Regarding annual working hours, reference is made to the appendix on annual working hours.

[Protocol from 2004 on time off at weekends:

The parties will call on their constituent members to structure the working time of shop assistants who work every weekday so that they will have time off on at least 6 weekends of every 18 from Friday evening until Monday morning.]

2.2. After-hours work, nighttime work, overtime work and work on major public holidays

2.2.1. After-hours work

After-hours work is work of any type carried out outside the ordinary daytime working period and also on Saturdays and Sundays, as well as on all public holidays listed in Section 2.3.1., up to 167.94 hours (159.27 hours for office workers and sales representatives) each month.

2.2.2. Nighttime work

Nighttime work of any type carried out between 24:00 and 07:00, all days, up to 167.94 hours (159.27 hours for office workers) each month, except on major public holidays according to Section 2.3.2.

2.2.3. Overtime work

Overtime work is work of any type carried out outside the ordinary daytime working period and also on Saturdays and Sundays, as well as on all public holidays listed in Section 2.3.1., exceeding 167.94 hours (159.27 hours for office workers and sales representatives) each month.

2.2.4. Work on major public holidays

Work on major public holidays is work during major public holidays, cf. 2.3.2.

2.2.5. Work on Saturdays and Sundays

When work is done on Saturdays and Sundays, payment shall be made for a minimum of 4 hours at after-hours/nighttime/overtime rates, even if the period worked is actually shorter.

2.3. Public holidays and major public holidays

Public holidays are all the holidays of the Church of Iceland in addition to the days listed in Sections 2.3.1 and 2.3.2.

2.3.1. Days off

Public holidays are: Maundy Thursday, Easter Monday, the First Day of Summer, 1 May, Ascension Day, Whit Monday and Boxing Day.

2.3.2. Major public holidays

Major public holidays are New Year's Day, Good Friday, Easter Sunday, Whit Sunday, 17 June, the August Bank Holiday (first Monday in August), Christmas Day and the period after 12:00 noon on Christmas Eve and New Year's Eve.

2.4. Minimum rest

2.4.1. Daily rest period

Working hours shall be arranged in such a way that during each 24-hour period, starting from the beginning of the working day, the employee receives at least 11 hours' continuous rest. If possible, this daily rest period shall include the period between 23:00–6:00.

Work may not be arranged in such a way that the working period exceeds 13 hours.

2.4.2. Exceptions and right to take leave

Under special circumstances, when it is necessary to protect items of value, a work session may be extended to as many as 16 hours, in which case, without exception, a rest period of 11 hours shall be granted immediately following the work, without any reduction of the employee's right to regular wages for daytime work.

When special circumstances make it unavoidable to deviate from the daily rest period, in accordance with the authorisation in the Working Hours Agreement between the Icelandic Confederation of Labour (ASÍ) and the Confederation of Icelandic Employers (VSI) from 30 December 1996, the following shall apply: If employees are specially asked to report for work before the 11-hour rest period is up, then the rest period may be postponed and granted later, in such a way that a right to take leave in the form of 1½ hours (of daytime working time) accumulates for every hour by which the rest period is shortened. It shall be permitted to pay ½ hour (of daytime working time) of the leave entitlement if the employee wishes. In no case may 8 hours of continuous rest be reduced.

If the employee works for such a long time preceding a holiday or weekend as to make it impossible to have 11 hours' rest before the normal beginning of the working day, the situation shall be handled in the same way as above. If the employee reports for work on a holiday or weekend, payment at overtime rates shall be made for the time worked without further additional payments.

However, the above provisions shall not apply in the case of organised shift work, in which the rest period may be reduced to as little as 8 hours.

Accrued leave-taking entitlement shall be stated on the employee's pay slip, and leave shall be granted in half and whole days outside the peak periods in the company's activities in collaboration with the employee, providing that the accrued leave-taking entitlement amounts to at least 4 hours. Settlement in respect of the employee's unused leave-taking entitlement shall be made on termination of employment, with the entitlement counted as part of the period of engagement.

Work may not, except with the agreement of the employee, be so arranged that accrued leave is taken during

periods when the employee is travelling on behalf of the employer or is engaged in work away from his home/ residence except in the normal continuation of such accrual.

2.4.3. Weekly day off

During each 7-day period, the employee shall have at least one weekly day off, connected directly to the daily rest period. For this purpose, the week shall be taken as beginning on Monday.

2.4.4. Postponement of the weekly day off

To the extent practicable, the weekly day off shall be Sunday, and to the extent practicable, all those who work for the same company or at the same permanent place of work shall receive a day off work on that day. The company may, however, by agreement with the employees, postpone the weekly day off when special circumstances necessitate such a deviation from the norm. If it is necessary to structure work in such a way that the weekly day off work is postponed, then a collective agreement shall be reached thereto. In such a case, the taking of days off may be arranged in such a way that 2 days off are taken together every second weekend (Saturday and Sunday). If, on the other hand, due to unforeseeable reasons, a day off falls on a working day, this shall not reduce employees' entitlement to regular wages and shift-work supplement.

In the event that the employee, at the request of the employer, needs to travel between countries during unpaid days off, he must receive, on arrival back home, leave corresponding to 8 daytime work hours for each day off thus lost, provided that account has not been taken thereof in the determination of his wages. The taking of such days off is governed in the same manner as provided for in the section on minimum rest and leave taking.

[Protocols of March 1997 and May 2000 on the interpretation of Section 2.4.4. on a weekly day off:

It is the joint understanding of the parties that if there is no agreement between employees and managers to postpone the weekly day off work, the employee shall be entitled to leave on a working day in the following week, without reduction of pay.

The same understanding applies regarding working trips abroad.]

2.4.5. Breaks

Employees are entitled to a break of at least 15 minutes if their daily work hours exceed 6 hours. This shall not reduce the effect of the provisions of this agreement regarding meal and refreshment breaks under Section 3.1.

With regard to scope, rest periods, breaks and more, reference is made to the ASÍ and VSÍ agreement of 30 December 1996, on certain aspects of the organisation of working hours and is considered a part of this collective wage agreement. The aforementioned provisions supplement Chapter 13 of this Agreement.

2.5. Breaks in the working time of workers in grocery stores

In view of the additional workload on staff working on cash registers on Fridays and the last working day before public holidays that fall on any of the days from Monday to Friday, employees who are obliged to be at work for at least three continuous hours after 16:00 shall be granted a 15-minute break during the period 16:00–19:00, provided that no evening meal break is taken on the aforementioned days.

2.6. Recording working hours

2.6.1. General

Employees shall turn up punctually for work, whether such work begins in the morning or after a meal or refreshment break. In the event that employees are repeatedly late for work, the employer may deduct ¼ hour from their monthly wages at after-hours/nighttime/overtime rates for each ¼ hour or fractions thereof in the case of repeated instances.

Each begun ¼ hour of worked after-hours/nighttime/overtime work shall be counted as ¼ hour.

2.6.2. Recording with punchcards

An employee who turns up late for work shall not be entitled to claim wages for working time that has already elapsed. After-hours/overtime rates shall not be paid until the contractual number of daytime working hours has been worked. However, this shall at no time cause the beginning of the time paid at after-hours/overtime rates to be deferred by more than 30 minutes.

2.7. The rights of part-time workers

Persons who are engaged to work part time, and who work regular working hours, shall be paid monthly wages in proportion to those paid to full-time employees according to Section 2.1., i.e. 38 hours and 45 minutes or 36 hours and 45 minutes.

The number of working hours changes as of 1 January 2020 in accordance with the provisions of 2.1.11. on the reduction in working hours.

Employees who work regular part-time work for the same employer shall enjoy the same entitlements to payment for contractual holidays, days off work due to illness and accidents, increases due to length of service etc. as those who work full-time, and these payments shall be based on the employee's normal working hours.

The parties are in agreement that the above provision shall apply equally to those who work a continuous portion of each day throughout the week and to those who work at regular intervals, e.g. one day or a part of one day each week.

Other arrangements concerning part-time workers shall be subject to the agreement between ASÍ and SA concerning part-time work and, as appropriate, the Part-Time Workers Act.

2.8. Stand-by shifts

Stand-by shift duty may be imposed, according to which employees are obliged to be contactable by telephone and to respond to call-outs. Where no other arrangements are negotiated in the employment contract, the following shall apply:

For each hour on stand-by duty during which the employee is confined to home, he shall receive payment equivalent to 33% of the hourly rate for daytime work. On national holidays and major public holidays, as defined in Section 2.3.1. and 2.3.2., the proportion shall be 50%.

For stand-by duty in which the employee is not required to respond without delay, but where he is prepared to go to work as soon as he is contacted, he shall receive 16.5% of the hourly rate for daytime work for each hour spent on stand-by. On national holidays and major public holidays, as defined in Section 2.3.1 and 2.3.2, the proportion shall be 25%.

For a call-out when on stand-by, employees shall receive payment for the time they work, though never for less than 4 hours, except when their scheduled daytime work is to begin within two hours. However, payment for stand-by work and for after-hours/overtime work shall never be combined.

2.9. Disturbance due to use of telephone

If an employee's home or mobile telephone numbers are listed by the company in the company's telephone directory, the workload resulting from this shall be taken into account when determining wages.

3. MEAL AND COFFEE BREAKS; FOOD AND TRAVELLING COSTS

3.1. Meal and refreshment breaks during the daytime work period

3.1.1. Meal breaks

The meal break during the daytime working period shall be ½–1 hour during the period 12:00–14:00 and shall not be counted as part of ordinary working time. Entitlement to a lunch break shall be based on at least 5 hours' work during the daytime working period.

3.1.2. Refreshment breaks

The refreshment break for shop workers shall be 35 minutes per day, based on full daytime work. For office workers, the refreshment break shall be 15 minutes per day, based on full daytime work. Part-time workers shall receive proportional refreshment breaks. Refreshment breaks may be omitted or shortened by agreement in the workplace, with working hours being shortened accordingly.

3.2. Meal and refreshment breaks outside the daytime work period

3.2.1. Supper break

A supper break shall be granted during the period 19:00–20:00, with pay at after-hours/overtime rates as appropriate. If employees work during this period or part thereof, they shall receive pay for correspondingly longer overtime work.

Example 1:

The employee works until 19:10. Ten minutes' work is paid for at after-hours or overtime rates, as appropriate, for the work done up to 19:10. An additional 10 minutes' work is paid for at overtime rates due to work done during the meal break.

Example 2:

The employee works until 21:00. The employee receives a 40-minute meal break. Working hours from 19:00 to 20:00 shall be paid at after-hours rates to part-time employees and at overtime rates to full-time employees. Payment is also made for 20 minutes at overtime rates for time worked during the meal break.

3.2.2. When work begins at 16:00 or later

Shop workers who turn up for work at 16:00 or later shall receive payment for 5 minutes for each hour they work (though for a minimum of 15 minutes) with respect to refreshment breaks that are not utilised. Employees who work 4½ hours or longer, however, shall be entitled to a full 1-hour meal break.

3.2.3. Other meal and refreshment breaks

When work is done outside the daytime working period, the meal break shall be from 3:00–4:00 and coffee breaks from 22:00–22:20 and from 6:15–6:30.

On Þorláksmessa (23 December), however, a 20-minute refreshment break may be granted during the period from 21:40–22:20. The meal and coffee breaks listed above shall be counted as working time, and if employees work during them, then they shall receive pay for correspondingly longer periods of overtime work.

3.2.4. Meal and refreshment breaks on Saturdays, Sundays and public holidays

Meal and refreshment breaks on Saturdays, Sundays and public holidays as defined in 2.3. shall be subject to the same rules as those on ordinary working days.

3.3. Work during meal and refreshment breaks

When work is done during meal and refreshment breaks, or part thereof, during the daytime working period, it shall be paid for at after-hours/nighttime or overtime rates, as appropriate.

3.4. Travelling to and from the workplace

Travel to and from the workplace in the Greater Reykjavík Area (Reykjavík – Kópavogur – Garðabær – Hafnarfjörður – Mosfellsbær – Seltjarnarnes) during periods when buses do not run shall be paid for by the employer.

3.5. Work outside the area covered by the Agreement

3.5.1. Food and travelling costs

If work is done outside the area covered by this Agreement, the employer shall provide the employee with free food, accommodation and transport to and from work.

3.5.2. Rest in connection with travel for the employer

If no other terms are agreed or established by practice in the case of the individual employee, then employees who are obliged to travel during the evening or overnight for their employer shall have the right to a minimum of 11 hours' rest (cf. 2.4.1.).

3.5.3. Salesmen's travelling expenses

The employer shall at all times pay all accommodation, food and travelling costs incurred in sales trips according to invoices. For longer working periods on sales trips, salesmen shall receive a 43% supplement on their monthly wages if the sales trip lasts 5 days or fewer and 65% if the duration of the sales trip exceeds 5 days. This supplement shall be paid on the monthly wage in direct proportion to the number of days during which travel is undertaken in areas outside a 60 km driving distance from the company's main headquarters, unless other arrangements have been agreed.

If salesmen use their own cars, they shall receive payment in accordance with the decision of the Government Travelling Expenses Committee (Ferðarkostnaðarnefnd ríkisins), i.e. out of town; if they use them in town, then an agreement shall be reached regarding daily rates.

- For further provisions on sales representatives, see Section 1.5.3. (about courses) and Section 2.1.2 (on working hours).

3.6. Driving expenses

If employees use their own cars in the course of their work, and if no other arrangements are agreed, then the decision of the Government Travelling Expenses Committee on kilometre rates shall be used as a guideline.

Amendments to these rates will be published in accordance with amendments to the rates applying to civil servants and will take effect from the date of publication.

3.7. Daily allowances abroad

Payments of per diem allowances to employees for travel abroad shall be subject to the decisions of the Government Travelling Expenses Committee unless the company has special rules on the payment of travelling expenses.

4. VACATION TIME

4.1. Holiday entitlement

Minimum annual holiday entitlement shall be 24 working days. Annual holiday allowance shall be 10.17% of all wage payments, whether at daytime, after-hours or overtime rates.

When calculating annual holiday, a divisor of 21.67 shall be used (Saturdays are not included). The first 5 Saturdays are not counted as part of an annual holiday.

(Concerning holiday entitlement, any person who has a notice period of at least one month for termination of employment shall be regarded as a permanent employee.)

4.2. Holiday taken outside the annual holiday period

Those who, at the request of their employers, do not receive annual holiday when it is assumed by law that holidays will normally be taken, i.e. during the period from 2 May to 15 September each year, shall receive a 25% extension of the part of holiday leave granted outside the aforementioned

Holiday in excess of 20 days may be granted during the defined holiday period from 2 May to 15 September unless other arrangements are negotiated. If an employee requests to use his holiday entitlement outside the aforementioned period, such request shall be granted to the extent possible give the nature of the operation.

4.3. Additional annual leave

Following 5 years' employment in the same profession, employees' holiday entitlement shall be 25 days, and holiday allowance shall be 10.64%.

Following 5 years' employment in the same company, employees' holiday entitlement shall be 27 days, and holiday allowance shall be 11.59%.

Following 10 years' employment in the same company, employees' holiday entitlement shall be 30 days, and holiday allowance shall be 13.04%.

Holiday rights earned because of work for the same company will be renewed after three years' work for a new company, provided that this has been verified.

– Concerning holiday bonus, see. 1.3.2

4.4. Determining the timing of holiday taking

The timing of holidays shall be a matter of agreement between the employer and employee.

4.5. Illness and accidents during holidays

If an employee becomes so ill during a holiday in Iceland, in a country within the EEA, Switzerland, the United Kingdom, the United States or Canada that he is unable to enjoy the holiday, he must notify his employer of such event on the first day of illness by means of e.g. telegraph, e-mail or other verifiable manner unless force majeure circumstances prevent him from doing so, in which case he must send notification as soon as such circumstances are alleviated. If the employee meets the notification requirement, the illness lasts for more than 3 full days and he notifies the employer within that time of the name of the doctor from whom he is receiving medical care or who will issue a medical certificate, he shall be entitled to additional holiday leave for the same length of time as his illness demonstrably lasted.

In the above circumstances, the employee must always provide confirmation of illness in the form of a doctor's certificate. The employer is entitled to have a physician examine an employee who has fallen ill during his holiday. As far as is possible, additional holiday leave shall be granted at the time requested by the employee during the period from 2 May to 15 September, except where special circumstances apply. The same rules as stated above apply to accidents during holidays.

4.6. The Holiday Allowance Act

In other respects, holiday time shall be governed by the provisions of Act No. 30/1987 on Holiday Allowance.

4.7. **Maternity/paternity leave**

Maternity/paternity and parental leave are subject to Act No. 95/2000 on the same subject.

Under the Act on Maternity/Paternity Leave and Parental Leave, parental leave is to be counted as working time when assessing work-related rights and entitlements such as the entitlement to annual holiday and extension of annual holiday according to collective wage agreements, wage increases due to length of service, sick-leave entitlements and notice period for termination of employment.

The same applies in the case of women who, as a safety precaution, have to stop work during pregnancy, cf. the Regulations on measures to improve safety and health at work for women who are pregnant, have recently given birth or are breast-feeding.

Parental leave is counted as worked time for the purpose of calculating holiday leave entitlements, i.e. the right to take a holiday, but not for the calculation of holiday pay.

See also Section 8.4 on antenatal care.

Example of holiday pay calculations:

A person's wages for shop work in May 2023 are ISK 4500,000 for daytime work and ISK 50,000 for overtime for each month worked. Total wages are ISK 500,000. His holiday pay for that month will be 10.17% of ISK 500,000, i.e. ISK 50,850.

This holiday pay is converted to hours of holiday by dividing it by the current hourly day-wage rate, which is ISK 2,679.53 (ISK 4500,000/167.94). Thus, the number of holiday hours for the month of May is 18.97 hours (ISK 500,000 x 10.17% / ISK 2,679.53).

Over the holiday leave year, this employee could, e.g., have acquired 206.58 hours of holiday leave entitlement. (10.89 months the person works x 18.97 hours). When he goes on holiday in summer 2023, his wages will possibly have risen and his hourly rate will, e.g, be ISK 2,900. Thus, the holiday allowance will be ISK 599,082 (206.58 hours of leave x ISK 2,900 per hour).

5. SPECIAL COMPANY AGREEMENT PROVISIONS

5.1. Definition

Company agreement (workplace agreement), within the meaning of this Section, is an agreement between a company and its employees, all or a specific proportion, on the adaptation of collective wage agreements to the needs of the workplace.

A company agreement, negotiated on the basis of this Section, is not a collective wage agreement, as employer and union associations are not parties thereto. Reference as regards the involvement of these parties in the negotiations is made in Section 5.5.

5.2. Objectives

The aim of the special company provisions in this Collective Wage Agreement is to stimulate collaboration between employees and employers in the workplace with the aim of creating conditions for improved terms of service for the employees through increased productivity.

The aim is to develop collective agreements so that they will bring benefit to both parties. Amongst other things, the aim is to shorten working hours while maintaining or increasing productivity. The aim at all times is to be that defined gains should be apportioned between the employees and the company according to clear principles.

5.3. Authorisation to negotiate

As a rule, the special company provisions apply to all employees covered by the collective wage agreements negotiated by the relevant unions. Special agreements, however, may be made in individual delineated workplaces if this is agreed.

Negotiations on special company agreement provisions [agreements with individual enterprises] shall be held under the obligations of general collective agreements to pursue peaceable means and shall be adopted with the consent of both parties. In addition, it shall be stated in writing to whom the agreement is intended to apply.

When a decision has been made to hold negotiations, then the relevant unions and employers' organisations shall be notified.

5.4. Consultants

Both parties, employees and company representatives, are entitled to seek advice from the parties to the agreement. The parties may, jointly or separately, decide to call in representatives of the parties to this Agreement for advice on the negotiations as soon the decision has been made to hold negotiations.

5.5. Representatives of the employees – representation in negotiations

Trade union shop stewards shall represent employees in negotiations with the managers of the company. The representative of the union in question has full rights to participate in the negotiating committee. A shop steward may have an additional two to five persons elected, depending on the number of employees, to sit in the negotiating committee, and together they shall form a joint negotiating committee.

The shop steward and the elected members of the negotiating committee shall be guaranteed a normal amount of time during working hours in which to attend to preparations and negotiations. They shall also enjoy special protection in their work, and they may not be made to suffer for the work they do in the negotiating committee. Thus, they may not be dismissed from their jobs because of their work in the negotiating committee.

At workplaces where the shop stewards are members of two or more trade unions, they shall jointly represent the employees in cases where the special company agreement affects their position. In these cases, care must be taken to ensure that representatives of all divisions of the occupational sector concerned take part in the negotiations; this shall be done even if it means expanding the negotiating committee.

Where no shop stewards have been appointed, the union of the employees involved may take steps to have a negotiating committee elected.

5.6. Dissemination of information

Before a special company agreement is negotiated, the managers shall inform the shop stewards and other members of the negotiating committee of the company's standing, future prospects and staffing policy.

Shop stewards shall have the right to information on wage payments at the workplaces where they are representatives to the extent necessary to apply the provisions of the special company agreement.

During the period of validity of the special company agreement, shop stewards shall be informed twice each year of the matters mentioned above and the operational direction the company is focused on. They shall be bound by an obligation not to disclose this information to the extent that it is not under public discussion.

The obligation to provide information shall only apply to the extent necessary according to the provisions of the company agreement.

An agreement reached on the basis of this section shall be accessible to the employees of the company involved. Unauthorised persons may not be informed of its content.

5.7. Permitted adaptations

Under an agreement within the company between the employees and the company, the provisions of this Agreement may be adapted to the needs of the workplace by introducing variations regarding the following matters, providing that agreement is reached on remuneration to the employees.

- a. Four-day working week. The full week's daytime working obligation may be discharged in four working days where this is not prevented by law or other agreements.
- b. Shift work. An agreement may be reached on the introduction of shift work with at least one month's notice. Shift periods shall not last for less than one month at a time.
- c. After-hours/overtime supplement in the basic daytime rate. Part of the after-hours/overtime supplement may be incorporated in the base rate for daytime work.
- d. Holiday allowance for after-hours/overtime work. An agreement may be reached under which workers may accumulate after-hours/overtime working hours and take the same number of hours of leave on working days outside the company's busiest periods. Overtime hours may be accumulated and should be paid for in the form of taking leave for the equivalent number of daytime hours, but the supplementary payment for after-hours/overtime work is to be paid in cash.
- e. Refreshment breaks. Agreements may be reached on arrangements different from those in this Collective Wage Agreement regarding meal and refreshment breaks.
- f. Holiday. Part of the annual holiday entitlement may be used to reduce the level of activity or to close the company on certain days outside its busiest period.
- g. Performance-related wage system. Where considered appropriate by both parties, a performance-related wage system may be developed without formal studies of the work structure.
- h. Transfer of holidays falling on Thursdays. It may be agreed at a workplace to transfer leave in connection with the contractual holidays Ascension Day and the First Day of Summer, both of which always fall on a Thursday, to another working day, e.g. Friday or Monday, or to link it to other leave taken by the employees. A decision on a different day off work or another arrangement covering the taking of this leave shall apply to all the employees concerned and shall be determined by the choice of the majority. In this case, the same wages will be paid for these days as for other working days, and the workers will retain their daytime pay when they take days off on the new holidays. If employees are specially requested to work on the new holidays, they shall be paid after-hours/overtime rates in addition to daytime rates unless other provisions are made in collective agreements regarding shift work. If an employee has not taken the day off when he leaves the employ of the employer, payment shall be made for it in his final wage settlement, at the rate for 8 daytime working hours (based on full-time employment). Deviations from

the general rules of this Agreement over and above the limits set out above shall be permitted only in cases where the approval of the commercial workers' union and employers' union involved has been obtained. Employment contracts shall state the part played in the employee's wages and terms by the special company agreement.

5.8. Remuneration to the employees

Where an agreement is reached on the adaptation of the provisions of this Agreement to the needs of the company, or on other deviations from the agreed work structure, then an agreement shall also be reached on the employees' share of the benefits that the company derives from these changes.

The employees' share may take the form of a reduction in the number of working hours without a corresponding reduction of income, the payment of a fixed sum each month or each quarter, a supplement reflecting their competence, a percentage supplement on their wages, a fixed sum added to their hourly rates or some other form, depending on what is agreed. The benefit to the company, however, and the remuneration to the employees must be clearly stated in the agreement. Both these elements are deviations from this Agreement and may be abolished by termination under Section 5.9.

5.9. Entry into effect, scope and period of validity

Special company agreements shall be made in writing and shall be referred for approval to all those to whom they are intended to apply in a secret ballot organised by the employees' negotiating committee. An agreement shall be considered as being approved if it receives the support of the majority of the votes cast. The trade union involved shall establish whether the deviations that are agreed from regular terms, and the remuneration in return for them, are compatible, as a whole, with the provisions of law and collective agreements regarding minimum terms. If no notification to the contrary is received within four weeks, then the agreement shall be regarded as having been approved by both parties.

A special company agreement may be made for a trial period of up to six months, after which its contents shall be finalised in the light of experience. Otherwise, its period of validity shall be unlimited. Either party may request a review when one year has elapsed. The parties shall enter into negotiations on the review and renewal of the special company agreement no later than two months after the entry into effect of the main Collective Wage Agreement. If no agreement on amendments is reached within two months, either party may terminate the agreement with six months' notice, counting from the beginning of a month. When that period has expired, then both the amendments agreed and the employees' share in the gains shall cease to apply. In order for termination to be binding, it must receive the support of the majority of the employees concerned in a ballot of the same type as was held when the agreement took effect. If the employer terminates the special company agreement provisions, then wage increases according to them shall only be retracted to the extent involved in the additional costs resulting from the re-adoption of the former contractual provisions.

5.10. Effect of special company agreements on terms of employment

Changes in terms of employment resulting from special company agreements shall be binding for all the employees involved if they do not formally inform the managers of the company and the employees' negotiating committee of their opposition to the making of the agreement before it is put to the vote.

The provisions of the special company agreement shall apply equally to those workers who are in employment at the time that the agreement is approved in accordance with the provisions of this section and those who are engaged for employment subsequently, providing that they are informed of them at the time of their engagement.

5.11. Handling of disputes

In the event of a dispute within the company on the interpretation or application of a special company agreement that cannot be resolved by negotiations between the parties at the workplace, the employees may seek the assistance of the union in question or entrust it with the resolution of the dispute.

If no agreement is reached on the assessment of the effects of termination under the final sentence of the second paragraph of Section 5.9., either party may refer it for a ruling by an impartial party. 65% of the resulting expenses shall be paid by the company and 35% by the employees.

6. FACILITIES, SAFETY AND HEALTH

6.1. Medicine chest, toilet facilities and refreshment facilities

At workplaces, the employer shall ensure that a medicine chest is accessible, containing the necessary medicinal products and bandages, and that the workers have access to a toilet, running water and a washbasin.

All workplaces are to have facilities for consuming refreshments and storing protective clothing.

Employees shall have access to lockers or another secure storage place at their place of work where they can keep personal belongings during working hours.

6.2. Rules on canteens/kitchens

When meals are regularly taken at the workplace, both employers and employees shall comply with the instructions of the health authorities regarding toilet facilities and conduct in the canteen/kitchen area.

6.3. Safety equipment

The safety equipment considered necessary by the Administration of Occupational Safety and Health due to the nature of the work, or that which is specified in a collective agreement, shall be available at the workplace for use by the employees.

Employees shall be obliged to use the safety equipment mentioned in their collective agreements and in regulations, and managers and shop stewards shall ensure that such equipment is used.

6.3.1. Penalties for negligence on the part of employees

Workers who do not use the safety equipment provided at the workplace may be dismissed without notice after having been given a written caution. The employees' shop steward shall immediately establish whether such a dismissal was based on good reason and shall be given the opportunity to acquaint himself with all the facts of the case. If he is not convinced that the dismissal was based on valid reasons, he shall submit a written objection. In such case, the immediate dismissal shall not take effect.

Violations of safety rules that result in a threat to the life and limbs of workers shall result in dismissal, following a caution, if the shop steward and the representative of the company are in agreement on this measure.

6.3.2. Penalties for negligence on the part of the employer

If the safety equipment stipulated in collective agreements and the use of which has been required by the Administration of Occupational Safety and Health is not provided at the workplace, any worker who does not receive such equipment may refuse to do work for which such equipment is required. If no other work is available for the worker concerned, he shall retain his full wages.

6.4. Disputes

In the event of a dispute with respect to this section of the Agreement, such dispute may be referred to the standing committees of ASÍ (Icelandic Confederation of Labour) and SA (Confederation of Icelandic Employers).

Act No. 46/1980, and rules and regulations established thereunder, shall apply to working facilities and safety and health at work.

7. TOOLS AND WORKING CLOTHES

7.1. Work clothes and protective clothing

Where special work clothes are required in the opinion of the employee's supervisor and the shop steward, the employer shall provide such clothing and have it laundered, providing that it remains the property of the employer.

7.2. Insurance and damages compensation

If an employee demonstrably suffers damage to ordinary, necessary clothing or personal items, such as a wristwatch, spectacles, etc., in the course of his work, compensation shall be paid in accordance with an assessment of the value involved.

Compensation will only be paid for damage of this type if it occurs as a result of an accident in the workplace.

Compensation will not be paid for such damage if it occurs as a result of negligence or carelessness on the part of the employee.

[Protocol 2011 on work clothing:

Stores selling clothing that expect employees to wear clothing from the store while they are working must provide the clothing, which will be the property of the employer. Use of the clothing will be permitted at work only, and the employer may lay down a condition that the clothing is kept at the place of work.]

8. WORK-RELATED ACCIDENTS, ACCIDENT INSURANCE, OCCUPATIONAL DISEASES AND THE PAYMENT OF WAGES IN CASES OF ACCIDENT AND ILLNESS

8.1. Accidents at work and occupational diseases

8.1.1. Medical expenses

In the event of accidents at work, the employer shall pay the cost of transporting the injured person to his home or a hospital and will reimburse him for all medical expenses incurred in any given case, other than those paid by social security.

Accidents occurring on a direct route to and from work are considered accidents at work as regards medical and transport costs.

8.1.2. Wage payments in cases of accidents at work and occupational diseases

In each instance of an accident at work or an occupational illness caused at or as a result of work, or during travel to or from the place of work, the employer concerned shall pay wages at daytime rates for up to 3 months according to the pay scale at which the employee is engaged at the time that the accident or illness occurs, providing that per diem payments from Icelandic Health Insurance (Sjúkratryggingar Íslands) for those days are given over to the employer. The provisions of this paragraph shall not reduce any further rights that employees may have according to law or other collective agreements.

- See Act No. 19/1979.

Explanation

Inability to work due to accident can either manifest itself immediately after an accident or later. Proof and causal connection are governed by general rules.

8.2. Wages during absence due to illness and accidents

8.2.1. Wages during absence due to illness and accidents in the first year

Wage payments to employees who are absent from work due to illness during the first year of their employment with the employer shall be two days for each month they have worked.

8.2.2. Wages in cases of illness and accidents after one year

The arrangement of wage payments to employees who are absent from work due to illness or accidents when they have worked for the same employer for one year or more shall be as follows:

After 1 year's work for the same employer: 2 months for every 12 months
After 5 years' work for the same employer: 4 months for every 12 months
After 10 years' work for the same employer: 6 months for every 12 months

Explanation

Illness rights are based on paid illness days during a 12-month wage period. When an employee becomes unable to work, account is first taken of the number of illness days that have been paid during the preceding 12 wage months, and this number deducted from accrued illness rights.

In the event that an employee was not paid a wage during some of that period, such period is not included in the calculations.

However, employees who have earned the right to 4- or 6-months' wages during sick leave with their previous employer and who change workplace shall be entitled to receive wages for not less than 2 months during each 12-month period.

[Protocol from the year 2000 on inability to work due to illness:

The parties agree that, in addition to cases of illness and accidents, the sickness rights under this agreement are to be active if the employee needs to undergo urgent and necessary medical treatment in order to reduce or eradicate consequences of illness that would foreseeably result in the employee being unable to work.

The above definition does not imply a change in the concept of illness in labour law as it has been interpreted by the courts. The parties agree, however, that any treatment that the employee needs to undergo in order to alleviate the consequences of accidents at work should also result in the activation of sickness rights under this agreement.]

8.3. Medical certificate

If an employee falls ill and is unable, as a consequence, to attend work, he shall immediately notify his superior, who shall decide whether a medical certificate will be required. Such a medical certificate shall be provided by the company's regular physician if requested.

8.3.1. Payment for medical certificates

The employer shall pay for medical certificates if the above conditions are met.

8.4. Antenatal care

Pregnant women are entitled to absences from work that are necessary for antenatal care without reduction of their regular wages if such examinations must be made during working hours.

– See also Section 4.7. on maternity/paternity leave.

8.5. Children's illnesses and leave due to circumstances beyond the individual's control

After the first six months of work for an employer, parents may spend two days for each worked month looking after their children under the age of 13, provided that no other arrangements can be made to have them cared for. After 6 months' employment, the entitlement will be 12 days during each 12-month period. Parents retain their daytime wages as well as supplementary payment for shift work or after-hours work (40%) as appropriate.

The same applies to children under the age of 16 when their illness is so severe that they need hospitalisation for at least one day.

The parties agree that the term 'parent' here also refers to foster parents or guardians who support a child and act in loco parentis.

Employees shall be entitled to leave from work in the event of circumstances beyond their control (force majeure) and in the event of urgent family circumstances resulting from illness or accidents and necessitating their presence without delay.

An employee is not entitled to pay from an employer in the above cases, cf. however, the provisions of Paragraph 1.

8.6. Insurance against death, accidents and disability

8.6.1. Obligatory insurance

Employers are obliged to insure the wage-earners covered by this Agreement against death, permanent medical disability and/or temporary disability resulting from an accident at work or on a normal route from their homes to the workplace and from the workplace to their homes as well to and from the workplace during refreshment breaks. If an employee stays outside of his home because of his work, the venue where he stays replaces the home, and in such instance, the insurance also covers normal travel between the home and the venue of stay.

8.6.2. Scope of accident insurance

The insurance applies during travel within Iceland and abroad if undertaken on behalf of the employer.

The insurance applies to accidents occurring during sports activities, competitions and games, provided that such events are organised by the employer or the staff association and the employee is expected to participate in such events as a part of the employee's work. In this respect, it does not matter whether or not the accident occurs during normal working hours. Exempted are accidents that occur in boxing, any form of wrestling, driving sports, hang-gliding, sailplaning, parachuting, bungee-jumping, mountain climbing that requires special equipment, cliff rappelling, scuba diving and parachuting.

The insurance does not pay compensation for accidents resulting from the use of motorised vehicles subject to registration in Iceland and which are covered by legally prescribed vehicle insurance, irrespective of whether covered by third-party insurance or by the driver's and owner's accident insurance under the Traffic Act.

The insurance shall take effect with respect to the employee when he begins working for the employer (is added to the payroll roster) and expire when employment is terminated.

8.6.3. Price indexing and indexation of compensation

Insurance amounts are based on the consumer price index for inflation adjustment effective from 1 November 2022 (555.6 points) and are adjusted on the first day of each month in proportion to the adjustment of the price index.

Compensation amounts are calculated on the basis of the insurance amounts on the date of the accident but are adjusted, however, on the basis of the consumer price index as follows:

Compensation amounts change in direct proportion to changes in the price index from the date of the accident to the date of settlement.

8.6.4. Death benefits

In the event that an accident causes the death of the insured within three years from the date of the accident, the beneficiaries shall be paid death benefits, less already paid-out benefits for permanent medical disability resulting from the same accident.

Death benefits as of 1 April 2019:

1. To the surviving spouse, the benefits shall amount to ISK 9,830,148. The term spouse refers to an individual who was married to the deceased, in registered partnership or common-law marriage.
2. To each minor that the deceased had custody of or paid child-support for in accordance with the Children's Act No. 76/2003, the benefits shall be equivalent to the total amount of child support in accordance with the Social Security Act as current, to which the child would have been entitled due to the death until the age of 18. The benefits are paid in a lump sum. On the calculation of benefits, account shall be taken of child support on the date of death. Compensation to each child, however, shall never be a less than ISK 3,932,059. Benefits to children shall be paid to the party who has custody of them after the death of the insured. To each adolescent aged between 18 and 22 who has the same domicile as the deceased and who were demonstrably supported by the deceased, the benefits shall amount to ISK 983,016. If the deceased has been the sole provider of a child or young person, the benefits increase by 100%.
3. If the deceased demonstrably supported a parent or parents aged 67 or more, the surviving parent, or parents jointly, shall receive benefits amounting to ISK 983,016.
4. If the deceased had no spouse pursuant to item 1 above, then death benefits amounting to ISK 983,016 shall be paid to the estate of the deceased.

8.6.5. Compensation for permanent disability

Compensation for permanent disability shall be paid in proportion to the medical consequences of the accident. Permanent disability shall be evaluated according to injury indices issued by the Disability Committee. The evaluation shall be based on the health of the injured party as it is when it has stabilised.

The base amount of disability compensation is ISK 22,412,740. Compensation for permanent disability shall be calculated in such a manner that ISK 224,128 is paid for each disability degree from 1 to 25, ISK 448,255 is paid for each degree of disability from 26 to 50 and ISK 896,510 for each degree of disability from 50 to 100. Compensation for 100% disability, therefore, is ISK 61,635,033.

Disability compensation, moreover, shall take account of the age of the injured party, so that compensation decreases by 2% for each year past the age of 50. After the age of 70, the compensation shall decrease by 5% of the base amount for each year. However, the age-linking of disability pension shall never lead to greater curtailment than 90%.

8.6.6. Compensation for temporary disability

In the event that an accident causes temporary disability, the insurance shall pay a per diem sum in proportion to the loss of working capacity, starting four weeks after the accident occurred and lasting until the employee is fit for work or until a disability assessment has been made, though not longer than 37 weeks.

Per diem payments for temporary disability are ISK 49,149 per week. If the employee is able to work to some extent, the per diem payments shall be paid proportionately.

Per diem payments are made by the insurance to the employer during such time as the employee is paid a wage in accordance with collective wage agreements or an employment contract and subsequently made to the employee.

8.6.7. Employers' insurance

All employers are under obligation to purchase an insurance from an insurance company holding an operating permit in Iceland that meets the above conditions of collective agreements as regards accident insurance.

In respects other than provided for in this section of the Agreement, the terms of the insurance company in question and the applicable provisions as are contained in the Act on Insurance Contracts No. 30/2004.

8.6.8. Effective term of compensation amounts

The above provisions on accident insurance and new compensation amounts apply to accidents that occur after 1 November 2022.

9. SICKNESS BENEFIT FUND, HOLIDAY PAY FUND, VOCATIONAL TRAINING FUND, PENSION FUNDS AND VOCATIONAL REHABILITATION FUND

9.1. Sick Pay Fund

Employers shall pay 1% of employees' wages to the sickness fund of the Trade Union concerned, unless higher payments have been negotiated in wages and terms agreements.

- See Act No. 19/1979 on Workers' Right to Advance Notice of Termination of Employment and to Wages on Account of Absence through Illness and Accidents. Moreover, Act No. 55/1980 on Working Terms and Obligatory Pension Rights Insurance.

9.2. Holiday pay fund

Employers pay 0.25% of the same pay reference base as is used to calculate pension premiums to the Commercial Workers' Holiday Home Fund (Orlofsheimilisjóður verslunarmanna). The parties to this Agreement agree that the pension funds concerned shall be responsible for the collection of this fee, together with a premium of the same size to be paid to the Community Centre Fund of the Commercial Employers' Association (Félagshemiliasjóður verslunarsamtakanna) or to other employers who are parties to this Agreement, as agreed in further detail by those paying these fees. Collection costs shall be divided equally.

- See Act No. 55/1980 on Working Terms and Obligatory Pension Rights Insurance.

9.3. Vocational Training Fund

Employers shall pay 0.30% of the wages of union members to a vocational training fund.

If, on the other hand, the company formally attends to vocational training issues and spends on them an amount comparable to or greater than the proportion stated above, then it shall pay the equivalent of 0.10% of the wages of union members working for the company. The management of the fund shall confirm that these conditions are met on the basis of information provided by the company.

The trade unions shall pay a matching contribution equivalent to one-fourth of the amount paid by the employers towards the project.

- See the agreement between SA and VR/LÍV on vocational training from 1 June 2000.

9.4. Pension funds

9.4.1. Operation of pension funds

An agreement has been reached on the operation of pension funds, functioning under the applicable laws and regulations, or those that the parties may subsequently approve, and shop and office workers covered by such agreement shall be entitled to become members.

- See Act No. 129/1997 on Obligatory Pension Rights Insurance and Pension Funds Operations.

9.4.2. Premiums

Premiums paid to pension funds shall be calculated in accordance with applicable rules.

The contribution of employers as of 1 July 2018 is: 11.5%

9.4.3. The Board of the Commercial Workers' Pension Fund (Lífeyrissjóður verzlunarmanna)

The Board of the Commercial Workers' Pension Fund shall consist of equal numbers of representatives from the employers' organisations and VR.

9.4.4. Additional contributions to pension savings

In cases where the employee makes an additional contribution to a personal pension fund, the employer shall pay a matching contribution as follows:

The employer's matching contribution shall be 2% against a contribution of 2–4% paid by the employee.

9.5. Vocational rehabilitation fund

Employers shall pay 0.13%³ to the Rehabilitation Fund (Starfsendurhæfingarsjóður), cf. the statement of ASÍ and SA attached to this agreement.

³ The fee to VIRK – Vocational Rehabilitation Fund will be 0.1% in 2019.

10. RIGHT TO EMPLOYMENT AND MEMBERSHIP IN VR/LÍV

10.1. Right to employment

Employers undertake to allow commercial workers who are members of VR or the appropriate constituent union of LÍV to enjoy priority access to employment in all general commercial work according to this Agreement when demanded and when members apply for positions and are competent to do the work involved.

10.2. Right to membership in VR/LÍV

Employers shall be free to choose which of the members of the unions involved they employ. If an employer wishes to employ a person who is not a member, then the union shall be obliged to grant the person entry into the union if he applies for membership and this does not violate the union's Articles of Association.

11. MEMBERSHIP FEES

11.1. Collection

Employers undertake to collect annual dues to the union in return for a stamped receipt from the cashier or other union employee or in another manner as agreed.

- See Act No. 55/1980 on Working Terms, etc.

11.2. Means of collection

The parties agree that the trade unions shall be provided with the means of collecting union dues as a percentage of wages, e.g. by collecting the dues together with pension premiums, and using the same calculation base.

11.3. Staffing reports

Employers shall provide the unions with reports on staffing at six-month intervals, if requested.

12. NOTICE OF TERMINATION

12.1. Notice period

For both parties, the notice period for termination of employment shall be:

1 week (7 calendar days) during the first three months, which constitutes a trial period

1 month during the three months following the end of the trial period.

After 6 months' employment, the notice period shall be 3 months.

All employment terminations shall be in writing. After the trial period, a notice of termination, moreover, shall be at the change of month.

If an employee is made redundant after at least 10 years continuous employment for the same company, the notice of termination is:

4 months if the employee is 55 years old and 5 months if aged 60

6 months if he has reached the age of 63

The employee, on the other hand, may give 3 months' notice on resignation.

These provisions on notice of termination shall not apply, however, if the employee demonstrates gross negligence in his work or if the employer commits an offence against the employee.

12.2. Implementation of termination

12.2.1. In general on termination of employment

The right to terminate employment is mutual. Any termination of employment shall be in writing and in the same language as the employment contract of the employee.

12.2.2. Interview on the reason for termination

Employees are entitled to an interview on their termination of employment and the reasons for termination.

Requests for an interview must be submitted within 4 days (based on working days) from the date that the termination notification is received, and the interview must take place within 4 days (based on working days) from such request.

The employee may request, on the conclusion of such interview, or within 4 days (based on working days), that the reasons for the termination be provided in writing. In the event that the employer acquiesces to such request, the request shall be fulfilled within 4 days (based on working days) thereafter.

If the employer does not acquiesce to the request of the employee as regards written reasoning, the employee is entitled to another meeting with the employer within 4 days (based on working days) as regards the reason for the termination of employment in the presence of his or her trade union representative or other representative of his or her trade union if the employee so requests.

12.2.3. Limitations to termination authorisations according to law

On termination of employment, account must be taken of the provisions of law that limit employers' general rights to terminate employment. These include, among others, provisions relating to shop stewards and safety stewards, pregnant women and parents on parental leave, employees who have given notice of maternity/paternity and parental leave and employees with family responsibilities.

Care must also be taken of the provisions of Article 4 of Act No. 80/1938 on Trade Unions and Labour Disputes, legislation on the equal status and equal rights of men and women, legislation on part-time workers, legislation on the legal status of workers on transfer of ownership of companies and consultation obligations in laws on collective redundancies.

When an employee enjoys protection against termination according to law, the employer is under obligation to justify in writing the reasons for the termination of employment.

12.2.4. Penalties

Violations of the provisions of this section may be subject to compensation according to general rules of tort.

12.3. Collective redundancies

The parties agree that it is desirable that notice of redundancy should be directed exclusively to employees who are to be made redundant and not at all the employees or groups of employees. Accordingly, the parties have entered into the following agreement:

12.3.1. Scope

This agreement applies solely to collective redundancies affecting permanent employees where the numbers of those to be given notice in a 30-day period are:

at least 10 in companies with 16-100 employees

at least at least 10% of the employees in companies with 100-300 employees

at least at least 30 in companies with 300 employees or more.

Where employment is terminated in accordance with employment contracts that are made for a specific term or to cover specific problems, this shall not constitute a collective redundancy. This agreement does not apply to the termination of employment of individual employees, to terminations carried out in order to make changes to terms of employment and where no redundancy is planned or to the termination of employment of ships' crews.

12.3.2. Consultation

An employer intending to implement collective redundancies shall, before doing so, consult the shop stewards of the trade unions involved in order to seek ways of avoiding collective redundancies to the extent possible and to reduce their consequences. If there is no shop steward, then the employer shall consult with representatives of the employees. Shop stewards shall have the right to obtain information that is relevant concerning the proposed redundancies, particularly as regards the reason for the redundancies, the number of employees to be laid off and when the redundancies are to be implemented.

12.3.3. Implementation of collective redundancies

If, in the opinion of the employer, collective redundancies are unavoidable even though the intention is to re-engage part of the employees without their stopping work completely, then the aim shall be that a decision on which of the employees are to be offered re-engagement should be made as soon as possible.

Where no decision has been made on re-engagement and the employee is informed that he cannot be re-engaged, and this is done sufficiently early in the process so that at least 2/3 of the notice period applying to the employee in question remains, then the notice period shall be extended by one month in the case of a three-month notice period, by three weeks in the case of a two-month notice period and by two weeks in the case of a one-month notice period. This provision applies to employees who have acquired the right to a notice period of at least one month. Notwithstanding the provisions of this section, an announcement of re-engagement may, in the event of external circumstances that are beyond the employer's control, be made subject to the condition that the employer will be able to continue the activities for which the employee is engaged, without this resulting in an extension of the notice period.

13. SHOP STEWARDS

13.1. Selecting shop stewards

Workers may elect one shop steward at all workplaces where 5-50 people are employed; where more than 50 people are employed, they may elect two. After the election, the relevant trade union shall nominate the shop stewards. If it is not possible to hold an election, then the shop stewards shall be nominated by the relevant trade union. Shop stewards may not be elected or nominated for periods longer than two years at a time.

Explanation

In this context, a workplace is any company in which a group of people work together. In companies with more than one operating unit, the shop steward shall be given the opportunity to undertake his shop steward duties in all operating units. Alternatively, a greater number of shop stewards may be elected to undertake such work.

13.2. Time for work as shop stewards

Shop stewards at workplaces shall, in consultation with their superiors, be permitted to spend time on work that may be entrusted to them by the employees at the workplace and/or by the relevant trade union in their capacity as shop stewards, without reduction of their wages.

13.3. Access to data

In connection with disputes, shop stewards shall have the right to examine records and work schedules that have a bearing on the matter in dispute. Such information shall be treated as confidential.

13.4. Locker and telephone

The shop steward in a workplace shall have access to a lockable storage space and a telephone, in consultation with his supervisor.

13.5. Meetings

The shop steward in each enterprise shall be able to call a meeting with the employees twice a year, at the workplace and during working hours. These meetings shall begin one hour before the end of the daytime working period if this can be arranged. The meetings shall be called in consultation with the relevant trade union and the managers of the enterprise, with three days' notice, except where the matter to be discussed is extremely urgent and directly connected with a problem at the workplace. In such cases, one day's notice shall be sufficient. Employees' wages shall not be reduced in view of the first hour of the meeting.

13.6. Complaints

Shop stewards shall present employees' complaints to their supervisors or other managers within the company before approaching other parties.

13.7. Courses for shop stewards

Shop stewards in workplaces shall be given the opportunity to attend courses intended to increase their competence in their work. Each shop steward is entitled to attend one or more courses that are organised by the trade unions with the intention to make the shop stewards better equipped to handle their job, for a total of one week per year. Those who attend these courses shall retain their daytime working wages for up to one week each year. In enterprises with more than 15 employees, the shop stewards shall retain their daytime working wages for up to two weeks during the first year. This shall apply to one shop steward in each enterprise with 5–50 employees and to two shop stewards where there are more than 50 employees.

13.8. Right to attend meetings

When collective wage agreements are being negotiated, members of VR and LÍV who have been elected to the negotiating committees shall be permitted to attend their meetings during working hours. The same shall apply to representatives to the annual meetings of ASÍ/LÍV and representatives on joint committees of ASÍ/LÍV and SA. Measures shall be taken to ensure that the absence of these employees from work will have the minimum disruptive effect on the operations of the companies in which they work, and each employee shall consult his supervisor concerning the absences with as much prior notice as possible. The general aim shall be that not more than 1–2 people from each company attend such meetings. Employers shall not be obliged to pay wages for the hours during which the employees are absent.

13.9. Further rights

This agreement concerning shop stewards at workplaces shall not abridge the rights of those trade unions that have already, in their collective agreements, acquired further rights regarding shop stewards in workplaces.

14. ACCRUED RIGHTS

14.1. Accrued rights

Employees' accrued rights shall remain valid if they are re-engaged within one year. In the same way, accrued rights shall become valid again after one month's work if the employee is re-engaged after more than one year but within three years. An employee who has worked for one continuous year or more for the same employer shall enjoy his accrued rights again after three months' work if he is re-engaged after a break in employment lasting longer than three years but less than five years.

Employees who enjoy more advantageous terms than those laid down in this Agreement shall retain them in full while they continue to work at the same job.

Note:

"Consecutive employment" in the context of collective wage agreements means that an employee has been in a continuous employment relationship irrespective of whether he has temporarily been off the payroll list.

A payless period, however, is not considered a part of an engagement period in the accrual of rights, unless laws and collective wage agreements decide otherwise, as is the case, for instance, with statutory childbirth leave.

14.2. Earned rights due to work abroad

Foreign employees in Iceland, as well as Icelanders who have worked abroad, bring with them their accrued period of employment with respect to the rights in the collective agreements that relate to the employment period in the relevant field of work, provided the work abroad is considered comparable.

Employees must, when recruited, provide evidence for their period of employment with a certificate from their former employer or by equally verifiable means. If an employee is not able to submit a certificate that meets the requirements according to Paragraphs 3 and 4, they may submit a new certificate within three months from the engagement. In that event, the accrued rights will become effective from the end of the current month. The employer shall confirm the reception of the certificate.

The certificate of the former employer shall i.a. indicate the following:

Name and identification of the employee involved.

The name and identity of the company issuing the confirmation, including the telephone number, e-mail address and the name of the party responsible for issuing the confirmation.

A description of the work of the person involved.

When the person involved began working for the company in question, when he quit working and whether there was any break, and if so, when the break occurred in the employment of the person involved.

The certificate shall be in English or translated into Icelandic by a certified translator.

15. DISPUTE RESOLUTION

15.1. Conciliation committee

Either party may refer disputes concerning wages and terms, and similar disputes on the interpretation of this Agreement that may arise during its period of validity, to a special conciliation committee consisting of two representatives from each party. The committee shall seek to resolve disputes between the parties.

16. EFFECTIVE TERM, STATEMENT AND PROJECT TIMETABLE

16.1. Effective term

This collective wage agreement will remain in effect to 31 January 2024, when it will expire without notice of termination.

16.1. 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.

16.2. Project timetable

With the extension of the Living Standards Agreement until 31 January 2024, discussions on other issues than the wage item in the parties' presentation of a claim are postponed. The parties agree to start negotiations on other claims as stated in the following 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. 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

PROTOCOLS, DECLARATIONS, AGREEMENTS AND APPENDICES

Protocol 2019 on vocational education in retail

Professional retail training is a project that provides employees with the opportunity to undertake studies of up to 90 credits and have their education used to determine their wages. Skills assessment measured against labour market criteria will be used so that employees can use the aforementioned skills as credit to shorten their studies. The courses take place in the premises of the Commercial College of Iceland (Verzlunarskóli Íslands) and consist of distance learning, localised classwork and workplace training.

The programme provides 90 credits, 60 credits theoretical work-related courses and 30 credits in workplace training under the guidance of a workplace trainer. The studies are based on competency analyses for the position of retail representative, which has been placed in level 2 of the ISQF, and middle management in shops, which has been placed in level 3 of the ISQF. The employee's application for the studies is subject to the approval of the company, and the workplace training aspect of the programme takes place in co-operation with the company with the involvement of its workplace trainer. The studies are expected to begin in January 2020, and individuals will be invited to undergo a skills assessment in October/November 2019. The parties to the agreement agree that the skills assessments of employee are to be used in the determination of wages. Either party to the agreement may request that the representatives of the agreement review the manner in which such assessment shall influence the determination of wages.

Protocol 2019 on a rental housing company

The parties will jointly continue to develop ideas and arrangements for the funding of a rental housing company, with e.g. the involvement of pension funds within the negotiating sphere of the parties. The object of the company is the housing security of tenants, advantageous renting conditions and to create a good investment opportunity for pension funds.

Protocol 2019 on wage systems

The parties to the agreement plan to adopt a new payroll system as a part of the collective wage agreement. Its principal object is to ensure that wage determinations within companies are objective and flexible. The payroll system is to provide an optional arrangement for workplaces as a permitted deviation under Section 5 of the Collective Wage Agreement. The provisions of Section 5 apply in other respects as regards the adoption of new payroll systems in companies. The trade union involved, or trade unions if more than one union is party to the Agreement, shall establish whether the deviations that are agreed from regular terms, and the remuneration in return for them, are compatible, as a whole, with the provisions of law and collective agreements regarding minimum terms, cf. provisions thereto in Section 5.

1. Basis

It is the shared understanding of the parties to the agreement that the efficient operation of companies is a prerequisite for good employment terms and reasonable working hours. Continuous improvements that promote increased productivity and efficiency ensure the operational and competitive capabilities of companies. One aspect of competitive ability relates to ensuring that wage determinations within companies involve measurable performance factors in payroll systems that are developed in co-operation with parties to collective agreements.

2. Objectives

The aim of new payroll systems is to classify jobs in an objective manner, increase the number of factors taken into account when determining wages and preparing clear criteria for the wage determination and wage development of individual employees. With a new payroll system, employees and employers are provided with a powerful tool that promotes increased education and career development, transparency and job satisfaction. At the same time, there are clearer career development incentives for employees.

The successful development and adoption of new payroll systems can promote increased vocational training and career development and transparency in wage structures. This entails clearly defining the manner in which assessments of jobs, roles, capabilities, responsibilities and performance create the basis for wage determination and increased benefits for employees and companies.

Act on the equal position and equal rights of women and men No. 10/2008 requires companies with 25 employees or more to employ payroll systems and wage determinations based on objective and transparent criteria. According to

the Act, companies are under obligation to adopt an equal pay standard during the period between 2019 and 2022. A new payroll system will facilitate such adoption. Smaller companies should preferably base their payroll systems on comparable criteria.

3. The project

The project involves developing a simple and accessible payroll system that is based on few but clear factors and can be used by companies of all sizes and types. The payroll system must reflect the different needs of companies so as to ensure that it is possible to take the appropriate criteria into account. Thus, the payroll system does not involve a final definition of the criteria or significance of individual aspects, rather it is a framework that employees and managers can jointly develop and adapt to the needs of each workplace in accordance with the authorisations contained in the Collective Wage Agreement.

The new payroll system is intended to support and reflect other developments in the labour market and in connection with the educational system. This applies to e.g. skills assessments in conjunction with jobs and the adoption of equal pay certification. Account will be taken of the Icelandic Qualifications Framework in the further development of the system and in formulating definitions of criteria. The focal point is to create a basis for wage determination based on the nature of the work and the skills of the employee irrespective of job titles, which will not be part of the system.

The system is based on five main aspects, with further criteria within each aspect. The aspects are both job related and individual based. On the basis of the aspects and the criteria within them, a foundation is created for wage determination, the aspects and the criteria within each aspect. The categories and examples or possible levels within each category are:

Work-related aspects

- Role: Criteria in this aspect include the nature of the work and position in the workplace, floor management, training management and reception of new recruits.
- Responsibility: Responsibility for tasks, people, machines, equipment, etc.
- Independence: Requirement for work-related independence, which can relate to the position as a whole or individual aspects thereof.

Individual-based aspects

- Experience and knowledge: Additional knowledge, experience and training useful for the position. General competencies, such as communication skills, initiative and flexibility.
- General competencies: Communication skills, initiative, flexibility, etc.

4. Implementation plan

After the entry into effect of this Collective Wage Agreement, the joint work of all parties in the development of a new payroll system will begin. Plans shall be made to complete this work by the end of 2019. Parties to the Agreement shall appoint a working committee consisting of three representatives from the unions, i.e. one from each of the following: SGS, VR and industrial workers' unions and three representatives from the Icelandic Confederation of Employers (SA). The working committee is responsible for the execution of the project and its timely completion. This includes authorisation for the temporary recruitment of an expert.

The work involves arrangements relating to aspects and criteria that create a new payroll system, taking into account the underlying basis described earlier. This includes, i.a. more detailed descriptions of criteria and their direct connections to wage determinations.

Once the work on the development of a payroll system has been completed, the second phase will begin, i.e. the preparation of introductory material and presentations.

Protocol 2015 on flexible retirement

The following policy on flexible retirement is policy formulating for the coming agreement period. The parties agree on the importance of providing employees with the option of enjoying some flexibility when leaving work due to age. The needs and circumstances of people in the labour market vary, as with greater longevity and improved health, it is common for people to have the energy and the will to continue to work after having reached retirement age. Flexibility at retirement could involve reduced worktime ratio over the final years of the working life together

with the option to continue to work past retirement age for those who are fully able and willing to continue to be active in the labour market. It is important to take the circumstances of each individual into account.

Flexible retirement has been under discussion in a committee which has the role of reviewing legislation on social security. Members of the employment sector also have representatives in the committee. The committee is in agreement that legislation should encourage increased individual-orientated flexibility and has proposed raising the retirement age to 70 years in stages and to allow the deferment of pension payments to the age of 80 instead of 72, as it is at present, in exchange for an increase in the amount of pension payments.

Over past decades, life expectancy has increased, and average life spans have increased throughout the world. Ever more people live longer and are healthier in old age. These developments require reassessments of retirement ages.

Most of our neighbouring countries have raised pension ages for these reasons.

The value of employment for the mental and physical wellbeing of people is unquestionable, and understanding of this fact is growing. The work contribution of older employees is important and is growing with the decrease in the natural increase of workers in the labour market due to changed age distributions.

Protocol 2015 on discussions about working hours arrangements

The parties to this Agreement aim to change definitions of working hours and thereby approach the working-hour arrangements common in the Nordic countries. The principal aim of the changes is to promote a family-friendly labour market with shorter total working hours, which could also involve streamlining and the simplification of payroll systems throughout the labour market.

Discussions on changes to the working time provisions of the collective wage agreements will address the adoption of "active work hours" and a review of peak periods and supplementary payments for work outside daytime work periods.

Supplementary payments for work outside the defined daytime work period are higher here in Iceland than is generally the norm in the Nordic countries. This has the effect of making daytime wages a lower proportion of the total wages.

The main aim of the changes is to increase the proportion of daytime pay in the total wages and encourage discussion in workplaces as regards better organisation of working hours and increasing productivity. This will bring the Icelandic labour market closer to the arrangements common in the other Nordic countries. Better organisation can also promote shorter working hours and thereby support a more family-friendly labour market. Changes in this respect would improve Iceland's position internationally, as regards both the working hours and basic wages, and could therefore strengthen Iceland's position in the competition for staff.

In exchange for working-hour changes, the pay scales of the collective wage agreement would increase. In addition, the minimum wages of some professions could change if it proves necessary to respond to the effects of altered supplementary payments.

The minimum income supplement, however, will not increase.

The voting process will be negotiated separately, although it is assumed that a simple majority will suffice for the agreement to enter into effect.

Protocol 2015 evaluating education for wage calculations

The parties will aim at ensuring that education / real competence is assessed for wage calculations in two steps on the basis of job skills analysis. A schedule will be prepared on the analysis of jobs with the involvement of both parties in consultation with Fræðslumiðstöð atvinnulífsins (the Education and Training Service Centre) where the skills aspects of jobs are set up in curricula.

A committee from the parties, three members from ASÍ and three from SA, will begin work no later than autumn 2015. Work will progress on the basis of the proposals that the parties have formulated in the lead-up to the collective wage agreements. The aim is to ensure that courses and real competence assessments will be

implemented on the basis of this work by autumn 2016.

Information on the manner in which payment is to be effected for assessed professional competence must be available by 1 October 2016.

Protocol 2015 on tooth damages in occupational accidents

The parties will jointly request insurance companies to change employee accident insurance terms to the effect that they will compensate for the necessary costs resulting from broken teeth caused by accident while working and which is in excess of payment participations according to the Act on Social Security. Reservations are in other respects to be in accordance with the Act on Social Security and the terms and conditions of the insurance companies.

Protocol 2015 on the revision of the Holiday Allowance Act

During the effective term of the agreement, the parties will request the authorities to revise the Holiday Allowance Act, with a view of providing clearer instruction on the rights and duties of the parties.

Protocol 2011 regarding the rights of employees who work alone in retail outlets

The parties to the agreement agree that the rights that employees enjoy in law and in collective agreements will be respected. Employees in retail outlets who carry out a proportion of their work alone and without relief have limited opportunities to take uninterrupted refreshment breaks. These employees take refreshment breaks when their work allows them to. If it is foreseeable that there will be considerable disruption of refreshment breaks, then this matter shall be addressed in the employment contract agreed between the parties.

Protocol 2011 on the definition of shifts

The parties agree to map and plan to revise the working hours section of the collective wage agreements of the member associations of ASÍ and SA which relate to shifts, working outside the daytime work period and variable daytime work periods, with co-ordination and increased transparency as the guiding light.

Protocol 2011 on closings due to force majeure circumstances

During the first year from the entry into effect of the principal collective wage agreement between the member associations of ASÍ and SA, a special working group, consisting of representatives from ASÍ and SA, is to collect information and data from the Nordic countries on the arrangement of wage payments and/or compensation to employees in the wake of force majeure events.

Protocol 2011 on equality issues

The equal opportunities of men and women to work, career development and wages are a matter of great interest to wage earners and undertakings. The parties, therefore, will work together on the following issues during the term of the agreement.

Complete the preparation of a standard on the implementation of the equal opportunities of the genders to work and professional development. The work on the standards is carried out in co-operation with Standards Iceland (Staðlaráð Íslands) and the Ministry of Welfare. The aim is to publish the standard before the expiry of the agreement. Continue the collaboration with Statistics Iceland in the study of the wage formations of men and women based on the organisation's database, with the view of carrying out one study during the term of the agreement.

Jointly prepare promotional and educational material for wage earners and undertakings on equal rights in the labour market during the term of the agreement.

Encourage company managers to attend to formulating family policies within companies with the aim of increasing flexibility in the organisation of work and working hours so that account is taken of both the family circumstances of employees and the needs of the economy.

Protocol 2011 on information and consultation

The parties agree to embark on a joint campaign to present and implement the Act on Information and Consultation in Undertakings No. 151/2006 and to prepare educational and promotional material on the rights and obligations of undertakings and employees according to the Act. The parties agree to call on employers to meet with shop stewards at least twice a year to discuss the position and employment issues of the undertaking.

Protocol 2008 on the arrangement of employment terminations on the labour market

According to an agreement between ASÍ and SA dated 17 February 2008, the parties have reached a consensus on the arrangements of terminations of employment on the labour market. According to the agreement, employees are entitled to an interview with their employer about the reason for their termination of employment if employees so request. It is reiterated that the employers' freedom to terminate employment is subject to certain restrictions according to law. The parties, furthermore, agree to encourage the best implementation of terminations of employment on the labour market and will, to this end, work together to prepare informative material that shall be ready by year-end 2008.

Protocol 2008 on occupational diseases

The parties will jointly endeavour to ensure the establishment of a regulation on the registration of occupational diseases that give rise to benefits in accordance with Article 27 of Act No. 100/2007 on Social Security. The parties believe that it is important to step up research and preventive measures in the field of occupational diseases under the auspices of the Administration of Occupational Safety and Health in Iceland.

Protocol 2008 on medical certificates

The parties will submit a request to the Minister of Health that he take steps to change rules on medical certificates. A special medical certificate should be required in the event of long-term absences. If an employee becomes unable to work due to disease or accident for four consecutive weeks, the medical certificate shall state whether vocational rehabilitation is necessary to achieve or speed up recovery.

Protocol 2008 on notifications to physician/service company in the field of occupational health and safety

The parties are of the opinion that the development of preventive health care services and worker safety measures are of the greatest importance for the labour market. The positive development of services in this field is important so as to benefit employees and companies. The parties will appoint a discussion committee which is to reach an agreement on more detailed arrangements relating to the notification of illness to company physicians / service company in the sphere of health and safety at work. The discussion committee shall at least discuss the following issues:

The conditions to be met by company physicians / service companies.

The procedure regarding employee notifications to service companies in the sphere of health and safety at work as regards absences due to illness and accidents in the event the employer wishes to adopt such arrangement, provided that such notification generally replaces the submission of medical certificates.

Non-disclosure obligations and procedures in the handling of personally identifiable information that the company physician / service company obtains by means of their activities. This applies to the collection, treatment, storage and deletion of such information.

The manner in which the activities of company physicians / service companies may be of benefit to work in the interests of occupational safety and health in companies. In its work, the discussion committee will collaborate with the Data Protection Authority (Persónuvernd), the Medical Director of Health, the Administration of Occupational Safety and Health in Iceland and other interested parties.

The discussion committee shall complete its work no later than 30 November 2008.

The ASÍ and SA negotiation committees shall adopt a position on the proposals of the discussion committee no later than 15. December 2008.

In the event that the parties reach a common conclusion, their agreement shall be considered a part of the collective agreement for their member associations and shall enter into effect on 1 January 2009. During the course of the above work, the parties make no observations on the activities of the service companies in the sphere of occupational safety and health that have received certification from the Administration of Occupational Safety and Health in Iceland as service providers or of the obligation of employees to send notification to such service companies.

Protocol 1995 on illicit work

The parties agree to seek means to prevent illicit work, including that by teenagers in kiosks (corner shops). Teenagers who work in this way forego various rights, such as the right to sick-pay and pension rights. It is intolerable that teenagers' first experience of the employment market should be that collective wage agreements and the rules applying to labour relations are not respected.

Protocol 1989 on the proportion of women in managerial positions

The parties agree to aim at increasing the proportion of women in managerial positions in companies. At the same time, the aim is that women should undertake more responsible and better-paid jobs.

The parties agree to appoint a discussion group to examine the pattern in the wage differential between men and women, the reason for the wage difference and methods of reducing it.

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.

Declaration 2015 on pension issues

SA and ASÍ agree to continue to work on pension rights equality on the entire labour market, on the basis of the work that has been carried out in joint committee. This work has been delayed due to, among other things, the failure to reach an agreement between the state and public servants as regards the prior problems of the public pension plan system, and therefore, there are no grounds for completing discussions between parties on the basis of their declaration from 5 May 2011. The parties agree that the substance of the declaration is to maintain its effectiveness and that work will continue on its advancement during the term of the agreement.

2008 Agreement between SA and ASÍ regarding information and consultation in undertakings

1. Introduction

With reference to the Act on Information and Consultation in Undertakings, No. 151/2006 the Icelandic Confederation of Employers (SA) and the Icelandic Confederation of Labour (ASÍ) have agreed on the following rules on information and consultation within undertakings as regards representation and the calculation of employee numbers.

2. Calculation of the number of employees

The Act on Information and Consultation applies to undertakings in which an average of at least 50 persons are employed in the domestic labour market. When calculating the number of employees, the average number for the previous calendar year shall be taken. If the average number of employees was less than 50 during the previous calendar year, the obligation regarding information and consultation shall nevertheless apply under this Agreement if the number of employees, based on the average over the past four months, exceeds 70. If the average number of employees was 50 or greater during the previous calendar year, the obligation regarding information and consultation shall not apply under this Agreement if the number of employees, based on the average over the past four months, is less than 40. Substitute workers in connection with summer holidays, illnesses or absence for other reasons shall not influence the calculation of employee numbers.

3. Collaboration committee

3.1. Enterprises covered by this Agreement shall have an active collaboration committee of the enterprise and the employees. This committee shall consist of two representatives from the employer and two employee representatives.

3.2. Shop stewards from the undertakings select the representatives from among their ranks. Employees, however, may request that the employees' representative be elected from among the employees, providing that at least one-fifth of the employees submit a request to this effect. If there is no shop steward in the company, the employees shall elect their representatives on the collaboration committee from among their number. If there is one shop steward in the company, the employees shall elect the other member of the collaboration committee from among their number. Those who are not represented by a shop steward shall have the right to vote. The electoral term shall be two years from the date when election results are announced, unless otherwise decided. When electing shop stewards to the collaborative committee, each shop steward shall have one vote. If an election is held among the employees, the employer shall provide a list of the employees and assist with the preparation of the election materials and the election if necessary. "Shop stewards" here refers to shop stewards who work on the basis of Act No. 80/1938 and the provisions of collective agreements applying to shop stewards. Other representatives of the employees on the collaborative committee shall enjoy the same protection as shop stewards as regards their work on the collaborative committee.

3.3. The provision of information under the Act on Information and Consultation in Undertakings shall proceed within the forum of the collaboration committee unless another method of implementation is agreed within the collaboration committee.

3.4. Consultation with the employees under the Act on Information and Consultation in Undertakings shall proceed within the forum of the collaboration committee unless another method of implementation is agreed within the collaboration committee.

3.5. The collaboration committee shall set itself rules governing its work.

3.6. The representatives of the employers shall be responsible for calling meetings of the collaborative committee, with the aim that it meet not less frequently than twice a year unless the committee itself agrees otherwise.

3.7. The undertaking's obligations regarding information and consultation shall take effect when the shop stewards or, as appropriate, the employees, have elected their representatives on the collaborative committee in accordance with the rules set forth above and have notified the undertaking of the results of the election.

4. Groups of undertakings

Groups of undertakings with independent subsidiaries may, subject to the agreement of the collaboration committees of the subsidiaries involved, establish joint collaboration committees under the auspices of the parent company, containing representatives from the collaboration committees of the subsidiaries. Matters of common interest to the subsidiaries may be discussed in this committee. Similarly, under special circumstances, the collaboration committee of the parent company may take over the role of the collaboration committees of individual subsidiaries. A joint collaboration committee under the auspices of the parent company shall be abolished if either party, i.e. the representatives of the employees on the committee or the representatives of the undertaking on the committee, so demand with at least one month's notice.

5. Consultative committee of SA and ASÍ

A consultative committee, composed of two representatives from each of the parties to this Agreement, shall examine the execution of the Agreement and the application and interpretation of individual provisions thereof as is considered necessary.

In the event of any dispute as to the interpretation of the Agreement, the parties concerned may refer them to the committee, which shall attempt to reach a settlement.

2000 Agreement regarding vocational training

The parties agree on the importance of vocational training for the Icelandic economy. Enhanced skills and vocational training of workers are necessary elements in achieving greater productivity and improving the competitive position of Icelandic companies. The business sector needs well-educated workers who are able to rise to new challenges and changing demands in the labour market. It is important that available training and educational material reflect the needs of the business sector at any given time.

During the effective term of this Agreement, the parties will mount a joint vocational training project.

The project will be directed by a committee. Its principal elements will be as follows:

1. Grants to union members
2. Sponsorship of courses
3. Sponsorship for the preparation of educational material
4. Grants to companies to cover vocational training and the retraining of their employees

The committee in charge of the project shall consist of three representatives of the trade unions and three from the Confederation of Icelandic Employers, with two alternates from each side. The project committee shall set itself rules of procedure, which shall be approved by the parties, and define further goals for the project.

The trade unions and the Confederation of Icelandic Employers shall each attend to the reception and processing of applications from their respective members in connection with the project. It is not envisaged that the project committee's work will result in significant expense.

As a rule, employers shall pay the equivalent of 0.15% of the wages of union members to this project. If, on the other hand, the company formally attends to vocational training issues and spends on them an amount comparable to or greater than the proportion stated above, then it shall pay the equivalent of 0.05% of the wages of union members working for the company. The project committee shall confirm that these conditions are met on the basis of information provided by the company. The project committee shall set further details on the implementation of this provision.

The trade unions shall pay a matching contribution equivalent to one-third of the contribution paid by the employers to the project. In addition, individual projects may be financed by grants from the vocational training funds and by direct earnings generated by holding courses.

In general, it shall be a precondition for the provision of support grants for the operations that a specific proportion of the operating cost is carried by the participation fees according to further decision by the project management.

In spring 2003, the parties to this agreement shall assess the success of the project and the results it has produced. In the light of its conclusion, a decision shall then be taken on a possible continuation next time a collective wage agreement is negotiated.

This Agreement is effective as of 1 June 2000.

Attached document from 2011 regarding employee interviews

The objective of the employee interviews is that both the employer and the employee can express their opinions about the job and related matters. In order that the employee interview be as transparent as possible, it is preferable that the parties discuss matters relating to the employee's job. The parties have drafted instructions about, for instance, what matters should normally be discussed in such interviews.

- The main tasks in the work.
- The job itself and the workload, number of tasks, job management and satisfaction at work.
- Working environment: working conditions and work facilities.
- The atmosphere in the workplace and feedback to the employee from his or her immediate supervisor.
- Communication: With colleagues, clients and managers.
- Flow of information.
- Job development and goals, current field of work, training courses and targets for e.g. 12 months. If no decision has been made to discuss pay separately, then such issue must be discussed within the year.
- Other terms.

2008 ATTACHMENT ON WAGES IN FOREIGN CURRENCY – AGREEMENT FORM

The company ehf., ID No. on the one hand and ID No. on the other, enter into the following agreement to link a proportion of the wages with a foreign currency or to pay a proportion of the wages in a foreign currency on the basis of the provisions of the collective wage agreement thereto.

Linking with a foreign currency or payment in a foreign currency:

- Linking a part of wages to a foreign currency
- Payment of part of wages in a foreign currency

Currency:

- EUR
- USD
- GBP

Other currency, specify

Part of regular fixed wages or gross wages paid in / linked to the

- foreign currency: Part of regular fixed wages to be paid in / linked to a foreign currency
- Part of gross wages to be paid in / linked to a foreign currency

Proportion of wages to be paid in / linked to a foreign currency:

- 10%
- 20%
- 30%
- 40%
- Other percentage, specify

This agreement is made in duplicate, each party to retain a copy. Date:

On behalf of the company

Employee

Attachment – Workdays 2023

	24 days holiday	25 days holiday	27 days holiday	30 days holiday
Weekends	105	105	105	105
Days off	10	10	10	10
Vacation days	24	25	27	30
Working days	226	225	223	220
Total	365	365	365	365

SPECIAL COLLECTIVE WAGE AGREEMENT BETWEEN VR/LÍV AND SA COVERING PHARMACY WORKERS

Article 1 Scope

This special agreement covers workers in pharmacies. The agreement forms part of the general collective agreement between the parties and is valid for the same period.

Article 2 Wages

Shop assistants' wages shall be subject to the general collective agreement.

Pharmacist technicians

1.11.2022

Starting wages 433,738

After 6 months' exp. 437,478

After 3 years' exp. 445,521

After 5 yrs. at comp. 461,732

When evaluating length of service for wage calculations, attainment of the age of 22 shall grant the right to be placed on the next service-related step above the starting rate. See Section 1.4. in the general collective wage agreement.

Article 3 Footwear

In pharmacies where the use of special footwear at work is a requirement, the employer shall provide permanently employed workers with one pair of shoes each year. Alternatively, a payment of ISK 4.300 per year may be made to the employee each year to cover costs incurred in connection with shoe purchases. This sum may be transferred between years, with double the sum being paid every second year.

Protocol 2000 on publicity or promotional meetings that workers are obliged to attend

If workers are obliged to attend publicity or promotional meetings outside regular working hours, this shall be taken into account when their wages and terms are determined.

Protocol 1995 on student pharmacist technicians

The parties agree that student pharmacist technicians shall draw wages in accordance with the wage agreements of ordinary shop assistants.

SPECIAL COLLECTIVE WAGE AGREEMENT BETWEEN VR/LÍV AND SA COVERING GUEST RECEPTION WORKERS

Article 1 Scope

This special agreement covers workers in guest reception facilities. The agreement forms part of the general collective agreement between the parties and is valid for the same period.

Article 2 Wages

Wages of 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 yrs. at comp.	457,828

The above rates include payments covering the necessary communications connected with changes of shift, preparations and tidying up. Allowance is made for the time required for this being up to 15 minutes for each shift; payment for this is included in the rates and forms part of the basis for overtime rates. Thus, special payments for shift changes have been abolished.

When evaluating length of service for wage calculations, attainment of the age of 22 shall grant the right to be placed on the next service-related step above the starting rate. See Section 1.4. in the general collective wage agreement.

Trainees doing their practical training as receptionists are entitled to wages equivalent to 60% of the starting wage.

Article 3 Working hours

3.1. Daytime work

In return for fixed monthly wages, employees shall work 38 hours and 45 minutes (35 hours and 51 minutes of active working hours) and prior to shortened working hours) per week, or proportionally shorter if any of the holidays listed in Sections 2.3.1. and 2.3.2. in the general collective agreement fall during the week.

Daytime working hours are from 8:00–17:00, Mondays to Fridays; daytime work may be begun earlier if the employer and employees agree on this. Nevertheless, each employee's daytime work shall always be carried out in a continuous working period each day and shall never begin before 7:00.

Regular part-time work

An employee who is engaged in a part-time position shall receive hourly rates of pay for work done over and above his job proportion at daytime rates for work in the daytime working period, at overtime rates outside the daytime working period and on contractually-defined holidays and at the rates for major public holidays for work done on major public holidays.

Occasional work

Workers who are called out for occasional work (when they are not under an obligation to work) shall receive hourly rates of pay at daytime rates for work in the daytime working period, at overtime rates outside the daytime working period and on contractually-defined holidays and at the rates for major public holidays for work done on major public holidays.

3.2. Overtime work

Overtime work begins after the end of the daytime working period, i.e. after 7 hours and 45 minutes (7 hours and 10 minutes of active working time) during the period 7:00–17:00, Monday–Friday.

If work is done during refreshment and meal breaks during daytime working hours, it shall be paid for at overtime rates.

Article 4 Shift work

4.3. Shifts

Work may be structured in shifts every day of the week. If shift work is done at least 5 days of the week during the period 17:00–8:00, then the working week shall be only 37 hours and 15 minutes.

Each shift shall not be longer than 12 hours and not shorter than four hours. Each shift shall run as a continuous period.

For the purpose of this agreement, “shift” refers to a pre-determined working arrangement. Work done by part-time workers over and above their FT/PT ratio shall be paid for at hourly rates, at daytime rates for work in the daytime working period, at overtime rates outside the daytime working period and on contractually-defined holidays and at the rates for major public holidays for work done on major public holidays.

Shift schedule

Shifts shall normally be planned out for four weeks at a time. The shift scheme shall be posted where workers have easy access to it one week before work according to the scheme is due to begin. When the scheme is drawn up, effort shall be made, as far as possible, to ensure that work during peak periods is divided evenly between the workers. Each worker’s working scheme shall be determined in his employment contract and may not be changed without prior termination of the contract or by agreement.

1.4. Supplement on daytime working rates

Supplements shall be paid as follows on daytime wages for that part of the 38 hours and 45 minutes (on average) of work per week falling outside the daytime work period: 8:00–17:00 Monday to Friday as follows:

33% for the period 17:00–24:00, Monday–Friday.

45% for the period 00:00–8:00 every day and also at weekends.

Supplements on public holidays

Payment for work done on Maundy Thursday, Easter Monday, the First Day of Summer, 1 May, Ascension Day, Whit Monday and Boxing Day shall carry a 45% supplement.

Supplements on major public holidays.

Work done on major public holidays, i.e. New Year’s Day, Good Friday, Easter Day, Whit Sunday, 17 June, the August Bank Holiday, Christmas Eve after 12:00, Christmas Day and New Year’s Eve after 12:00 is paid with 90% supplement

Overtime rates

Overtime is paid for work in excess of 38 hours and 45 minutes (37 hours and 15 minutes hours for work during the period between 17:00 and 08:00) average per week as shift work.

Refreshment breaks

Refreshment breaks shall be equivalent to 5 minutes for each hour worked and shall be divided as agreed by the employer and employee. Refreshment breaks shall normally consist of 15 continuous minutes. Work done during refreshment breaks shall be paid for at overtime rates or shall result in a corresponding shortening of working hours.

1.5. Winter leave due to work on public holidays and major public holidays

Workers who do shift work shall earn 12 days of winter leave, based on a full year’s work (94.2 hours of obligatory working hours, based on full-time employment), with respect to public holidays and major public holidays (cf. Sections 2.3.1. and 2.3.2. of the general collective agreement) which fall on days from Monday to Friday.

If the workplace is closed on the days referred to above, or if days off are granted, then the corresponding number of days shall be deducted from the additional leave days, except in the case of employees who are owed accumulated leave related to shift work. Such changes to the shift schedule shall be announced with one month’s notice.

Winter holidays are to be granted during the period from 1 October to 1 May. The recording period for winter leave days shall be based on the period October–October.

Subject to agreement between employer and employee, it shall be permitted to have payment replace the leave days referred to, with 7.45 hours at daytime work rates being paid for each leave day, based on full-time employment.

Winter holiday days that have accrued during the working period of temporary replacement staff shall be included in their settlement when they retire.

1.6. Night shifts

Exemptions from the general rule of Section 2.4 in the general collective wage agreement can be made by organising 7 days of nightshifts with 7 days of shift breaks, with an agreement between employee and employer.

Article 5 Trips to and from the workplace

The cost of travelling to and from the workplace in the Greater Reykjavík Area (Reykjavík, Kópavogur, Garðabær, Hafnarfjörður, Seltjarnarnes and Mosfellsbær) at times when buses do not run shall be paid by the employer. The same shall apply to other built-up areas where buses run from morning to evening every day of the week. Each payment shall be equivalent to 2½ times the starting fee charged by taxis. The employer may, however, transport the workers at his own expense if he so wishes.

Article 6 Working clothes (uniforms)

Uniforms shall be regarded as consisting of trousers or a skirt, a jacket or waistcoat, two blouses, shirts and shoes. These shall be dispensed once a year, for the first time after not more than four months' service. Uniforms are the property of the employer.

Article 7 Meals

If workers buy meals, partly or entirely, at the workplace, they shall pay for them from their wages each month. Meal breaks occurring during working hours shall be regarded as half meals. This represents ISK 10,064 as of 1 November 2023, based on a consumer price index of 560.9.

SPECIAL COLLECTIVE AGREEMENT BETWEEN VR/LÍV AND SA COVERING WORKERS IN LEISURE AND TOURIST SERVICES COMPANIES

Article 1 Scope

This special collective agreement applies to combined jobs (processing and services work) in leisure and tourist services companies where employees undertake reception, booking, telephone services and comparable tasks, i.e. combined jobs. Jobs that fall under this agreement include receptionist duties in whale watching companies, ferries, car rental, museums, theatres, coaches and the sale of tours in hotels.

The agreement forms part of the general collective agreement between the parties and is valid for the same period.

Article 2 Wages

Workers in leisure and travel services companies

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 yrs. at comp.	457,828

When evaluating length of service for wage calculations, attainment of the age of 22 shall grant the right to be placed on the next service-related step above the starting rate. See Section 1.4. in the general collective wage agreement.

Article 3 Working hours

3.1 Day work

Daytime hours shall be from 7:00 to 17:00 from Monday to Friday.

Active working hours, i.e. the time worked excluding meal and refreshment breaks, is to be 35 hours and 50 minutes per week, and never more than 7 hours and 10 minutes per day (7.16). If workers take their contractual refreshment breaks, then working hours shall be lengthened, cf. Section (cf. Section 3.1.2.) in main collective wage agreement, in which case weekly working hours are to be 38.45 hours and never more than 7 hours and 45 minutes per day (7.75).

3.2 Overtime work and work on major public holidays

Time off for work outside daytime work hours, cf. Section 3.1., on Saturdays and Sundays and contractual days off according to 2.3.1. in the main collective wage agreement, is paid as overtime or nighttime work according to 2.2.1.

Work in excess of the hours of daytime hours obligations based on full-time employment, cf. 2.1.1 in the main collective wage agreement, is paid as overtime.

Work on major public holidays is work during major public holidays, cf. 2.3.2. in the main collective wage agreement.

3.3 Permitted deviations from work obligations on public holidays and major public holidays

3.3.1. An agreement may be reached in the employment contract that instead of payment in accordance with Article 3.2., for public holidays and major public holidays, a 45% supplement is paid on top of daytime wages during public holidays and a 90% supplement on major public holidays. In such cases, the employee earns winter days off according to Article 3.3.2.

3.3.2. In addition, workers who do shift work shall earn 12 days of winter leave, based on a full year's work (94.2 hours of obligatory working hours, based on full-time employment), with respect to public holidays and major public holidays according to Section 2.3 of the main collective wage agreement, that fall on days from Monday to Friday. Winter holidays are to be granted during the period from 1 October to 30 April. The earning of winter holidays is based on the period between 1 October to 30 September. If a workplace is closed on such days or days off granted, the number of winter leave days shall be reduced correspondingly. The closure shall be announced with at least one month's notice according to the above days. Subject to agreement between employer and employee, it shall be

permitted to have payment replace the leave days referred to, with 7 hours and 45 minutes on daytime work rates being paid for each leave day, based on full-time employment. Winter holiday days that have accrued during the working period of temporary replacement staff shall be included in their settlement when they retire.

Article 4 Refreshment breaks

Refreshment breaks shall be equivalent to 5 minutes for each hour worked and shall be divided as agreed by the employer and employee. Refreshment breaks shall normally consist of 15 continuous minutes. Work done during refreshment breaks shall be paid for at after-hours or overtime rates or shall result in a corresponding shortening of working hours.

Article 5 Travel to and from the workplace

The cost of travelling to and from the workplace in the Greater Reykjavík Area (Reykjavík, Kópavogur, Garðabær, Hafnarfjörður, Seltjarnarnes and Mosfellsbær) at times when buses do not run shall be paid by the employer (acc. to the State Travel Expenses Committee). The same shall apply to other built-up areas where buses run from morning to evening every day of the week.

Collective wage agreement between VR/LÍV and SA

Pay scales 1 November 2022

Shop assistants

	Monthly wages	Daytime work	After-hours work	Nighttime work	Overtime work	Major public holiday supplement
14-year-olds	252,292	1,502.27	2,077.62	2,226.22	2,620.05	3,469.02
15-year-olds	288,915	1,720.35	2,379.22	2,549.39	3,000.38	3,972.58
16-year-olds	341,815	2,035.34	2,814.85	3,016.18	3,549.75	4,699.96
17-year-olds	362,161	2,156.49	2,982.40	3,195.71	3,761.04	4,979.71
Starting wages ¹	406,923	2,423.03	3,351.01	3,590.69	4,225.90	5,595.19
After 6 months at company	416,205	2,478.30	3,427.45	3,672.59	4,322.29	5,722.82
After 1 year at company	418,114	2,489.66	3,443.17	3,689.44	4,342.11	5,749.07
After 2 years at company	429,833	2,559.44	3,539.67	3,792.85	4,463.82	5,910.20
After 5 years at company	441,919	2,631.41	3,639.20	3,899.49	4,589.33	6,076.39

Specially trained shop workers

	Monthly wages	Daytime work	After-hours work	Nighttime work	Overtime work	Major public holiday supplement
Starting wages	412,701	2,457.43	3,398.59	3,641.67	4,285.90	5,674.64
After 6 months at company	423,345	2,520.81	3,486.25	3,735.60	4,396.44	5,820.99
After 1 year at company	425,198	2,531.84	3,501.51	3,751.95	4,415.68	5,846.47
After 2 years at company	437,127	2,602.88	3,599.74	3,857.21	4,539.56	6,010.50
After 5 years at company	450,587	2,683.02	3,710.58	3,975.98	4,679.35	6,195.57

Office workers

	Monthly wages	Daytime work	After-hours work	Nighttime work	Overtime work	Major public holiday supplement
Starting wages	441,145	2,769.79	3,860.02	4,135.73	4,581.29	6,065.74
After 3 years in the position	457,828	2,874.54	4,006.00	4,292.14	4,754.54	6,295.14

Pharmacist technicians

	Monthly wages	Daytime work	After-hours work	Nighttime work	Overtime work	Major public holiday supplement
Starting wages	433,736	2,582.68	3,571.82	3,827.29	4,504.35	5,963.87
After 6 months in the position	437,478	2,604.97	3,602.63	3,860.31	4,543.21	6,015.32
After 3 years in the position	445,521	2,652.86	3,668.87	3,931.28	4,626.74	6,125.91
After 5 years at company	461,732	2,749.39	3,802.36	4,074.32	4,795.09	6,348.82

Leisure and travel services companies, composite occupations²

	Monthly wages	Daytime work	After-hours work	Nighttime work	Overtime work	Major public holiday supplement
Starting wages	425,848	2,535.72	3,506.86	3,757.68	4,422.43	5,855.41
After 6 months in the position	432,583	2,575.82	3,562.32	3,817.11	4,492.37	5,948.02
After 1 year in the position	438,297	2,609.84	3,609.38	3,867.53	4,551.71	6,026.58

After 3 years in the position	444,462	2,646.55	3,660.14	3,921.93	4,615.74	6,111.35
After 5 years at company	457,828	2,726.14	3,770.21	4,039.87	4,754.54	6,295.14

Guest Reception

	Monthly wages	Daytime work	33% supplement	45% supplement	90% supplement	Overtime work	Major public holiday supplement
Starting wages	425,848	2,535.72	3,372.50	3,676.79	4,817.86	4,422.43	5,855.41
After 6 months in the position	432,583	2,575.82	3,425.84	3,734.94	4,894.06	4,492.37	5,948.02
After 1 year in the position	438,297	2,609.84	3,471.09	3,784.27	4,958.70	4,551.71	6,026.58
After 3 years in the position	444,462	2,646.55	3,519.91	3,837.50	5,028.45	4,615.74	6,111.35
After 5 years at company	457,828	2,726.14	3,625.77	3,952.90	5,179.67	4,754.54	6,295.14

2023

Holiday bonus 56,000

December bonus 103,000

¹See further information on starting wages in Art. 1.1.2. in the collective wage agreement between VR/LÍV and SA.

²If the employment contract stipulates an obligation to work on defined days, cf. Art. 2.3.1. of the collective wage agreement a 45% supplement is paid and a

90% supplement on defined days, cf. Art. 2.3.2. of the collective wage agreement along with winter holidays.