

Key points in new collective bargaining agreement between The Federation of General and Special Workers in Iceland (SGS) and the Confederation of Icelandic Enterprise (SA)

- The main objective of the agreement is to bring down inflation and interest rates with a concerted effort of the trade union movement, employers, the state, municipalities and other parties.
- This is a four-year agreement, i.e. from 1 February 2024 until 31 January 2028.
- Wage increases come into effect on four dates at one-year intervals during the term of the agreement.

1 February 2024: 3.25% or minimum of ISK 23,750

1 January 2025: 3.5% or minimum of ISK 23,750

1 January 2026: 3.5% or minimum of ISK 23,750

1 January 2027: 3.5% or minimum or ISK 23,750

- Holiday pay bonus increases by about ISK 2,000 per annum and will be ISK 64,000 at the end of the term of the agreement.
- December bonus increases by about ISK 4,000 per annum and will be ISK 118,000 at the end of the term of the agreement.
- Wages for cleaning are subject to special increases of two pay scales and with the addition of monthly payments of a special cleaning increase.
- Holiday rights of members increase by 1-3 holiday days according to length of service.



- Moderate pay increases create flexibility for rapid price reductions by companies and service providers and for a drop in interest rates, side-by-side with price reductions. If the objective for reduction in price levels is not achieved, the safeguard clause in the agreement is activated in September 2025 and in September 2026.
- The agreement also constitutes protection against an upward trend in pay scales that are due for payment on 1 April 2025, 2026 and 2027, should it come to light that the wages index has increased in excess of the increase in the lowest pay scales.
- A productivity bonus guarantees wage earners a share in increased productivity. Should it come to light that growth in productivity exceeds 2% per annum during the term of the agreement, a productivity increase may be due for payment on 1 April 2026 and 2027.
- The collective bargaining agreement also constitutes significant improvements in terms of employment from the government, for those with children, for tenants and those who are in debt. These improvements in terms of employment come in the form of increased tax-free benefits from public transfer systems, the removal of fees for school meals and limitations in state and municipality tariff increases.

Further information on the collective bargaining agreement can be found in a special information page on www.sgs.is.

A joint electronic vote by members of unions affiliated to SGS that operate according to the collective bargaining agreement, will take place on 13-20 March.

Remember to vote!

