



# Agreement

between

The Federation of General and  
Special Workers in Iceland (SGS) and  
SA Confederation of Icelandic Enterprise

For all unions associated to SGS

In force from 1 February 2024 until 1 February 2028

The Federation of General and Special Workers in Iceland is the largest national workers union in Iceland and is the largest union within ASI, with about 44,000 members.

The main role of The Federation of General and Special Workers is to unite unions in the battle for better terms of employment and to protect accrued rights and to be a leading force within the trade union movement and the platform for discussion on community development for the benefit of workers.

Keep in touch with changes to terms of employment and with the latest news on [www.sgs.is](http://www.sgs.is).

Reservation: The Icelandic version always takes precedence in the event of dispute.

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# Chapter 1: On wages

## 1.1 Wages

### 1.1.1 Rates of pay

**Wage Table from 1 February 2024 until 31 December 2024**

Wage Category	Start	1 year	3 years	5 years
4	425,985	430,245	436,699	445,433
5	428,456	432,741	439,232	448,017
6	430,941	435,250	441,779	450,615
7	433,440	437,774	444,341	453,228
8	435,954	440,314	446,919	455,857
9	438,483	442,868	449,511	458,501
10	441,026	445,436	452,118	461,160
11	443,584	448,020	454,740	463,835
12	446,157	450,619	457,378	466,526
13	448,745	453,232	460,030	469,231
14	451,348	455,861	462,699	471,953
15	453,966	458,506	465,384	474,692
16	456,599	461,165	468,082	477,444
17	459,247	463,839	470,797	480,213
18	461,911	466,530	473,528	482,999
19	464,590	469,236	476,275	485,801
20	467,285	471,958	479,037	488,618
21	469,995	474,695	481,815	491,451
22	472,721	477,448	484,610	494,302
23	475,463	480,218	487,421	497,169
24	478,221	483,003	490,248	500,053

Length of service is based on working experience in an industry while the 5 year increment is based on length of service with the same employer.

### Wage Table from 1 January 2025 until 31 December 2025

Wage Category	Start	1 year	3 years	5 years
4	449,735	454,232	461,045	470,266
5	452,343	456,866	463,719	472,993
6	454,967	459,517	466,410	475,738
7	457,606	462,182	469,115	478,497
8	460,260	464,863	471,836	481,273
9	462,930	467,559	474,572	484,063
10	465,615	470,271	477,325	486,872
11	468,316	472,999	480,094	489,696
12	471,032	475,742	482,878	492,536
13	473,764	478,502	485,680	495,394
14	476,512	481,277	488,496	498,266
15	479,276	484,069	491,330	501,157
16	482,056	486,877	494,180	504,064
17	484,852	489,701	497,047	506,988
18	487,664	492,541	499,929	509,928
19	490,492	495,397	502,828	512,885
20	493,337	498,270	505,744	515,859
21	496,198	501,160	508,677	518,851
22	499,076	504,067	511,628	521,861
23	501,971	506,991	514,596	524,888
24	504,882	509,931	517,580	527,932

Length of service is based on working experience in an industry while the 5 year increment is based on length of service with the same employer.

### Wage Table from 1 January 2026 until 31 December 2026

Wage Category	Start	1 year	3 years	5 years
4	473,485	478,220	485,393	495,101
5	476,231	480,993	488,208	497,972
6	478,993	483,783	491,040	500,861
7	481,771	486,589	493,888	503,766
8	484,565	489,411	496,752	506,687
9	487,375	492,249	499,633	509,626
10	490,202	495,104	502,531	512,582
11	493,045	497,975	505,445	515,554
12	495,905	500,864	508,377	518,545
13	498,781	503,769	511,326	521,553
14	501,674	506,691	514,291	524,577
15	504,584	509,630	517,274	527,619
16	507,511	512,586	520,275	530,681
17	510,455	515,560	523,293	533,759
18	513,416	518,550	526,328	536,855
19	516,394	521,558	529,381	539,969
20	519,389	524,583	532,452	543,101
21	522,401	527,625	535,539	546,250
22	525,431	530,685	538,645	549,418
23	528,478	533,763	541,769	552,604
24	531,543	536,858	544,911	555,809

Length of service is based on working experience in an industry while the 5 year increment is based on length of service with the same employer.

### Wage Table from 1 January 2027 until 1 February 2028

Wage Category	Start	1 year	3 years	5 years
4	497,235	502,207	509,740	519,935
5	500,119	505,120	512,697	522,951
6	503,020	508,050	515,671	525,984
7	505,938	510,997	518,662	529,035
8	508,872	513,961	521,670	532,103
9	511,823	516,941	524,695	535,189
10	514,792	519,940	527,739	538,294
11	517,778	522,956	530,800	541,416
12	520,781	525,989	533,879	544,557
13	523,802	529,040	536,976	547,716
14	526,840	532,108	540,090	550,892
15	529,896	535,195	543,223	554,087
16	532,969	538,299	546,373	557,300
17	536,060	541,421	549,542	560,533
18	539,169	544,561	552,729	563,784
19	542,296	547,719	555,935	567,054
20	545,441	550,895	559,158	570,341
21	548,605	554,091	562,402	573,650
22	551,787	557,305	565,665	576,978
23	554,987	560,537	568,945	580,324
24	558,206	563,788	572,245	583,690

Length of service is based on working experience in an industry while the 5 year increment is based on length of service with the same employer.

## **Ranking of jobs in Wage Categories**

### **Wage Category 4**

Security staff. Sheep slaughter S1 (General workers in abattoirs). Other workers not specified elsewhere.

Cafeteria assistants. General labourers. Employees in poultry abattoir Sheep slaughter S2 (Abattoir workers in slaughtering (shooters, butchers, eviscerators, skinners, offal handlers) and work with expelling half-digested fodder from stomach, cooks, work in freezers and in moving meat out of or into freezers).

Workers in cattle abattoirs. Sheep slaughter S3 (Workers with long experience in abattoir that have completed a special 6 week course, including academic studies in technical college and practical training in pig and cattle slaughtering at Roskilde, or comparable studies in Iceland as assessed by the parties to the agreement).

### **Wage Category 5**

General workers in fisheries. General workers in fish farming.

### **Wage Category 6**

Specialised workers who can work independently and who may be assigned project management on a temporary basis. Specialised workers in meat processing who have completed basic education in food handling, see article 20.2.3. Cooks. General workers in catering and guesthouses and in leisure services.<sup>1</sup> General construction workers. Workers in outdoor work and petrol station attendants. Workers at oil change service stations, rust proofing stations and at tyre, vehicle and metal workshops.

### **Wage Category 7**

Specialised employees in fisheries. Specialised employees in fish farming. General employees in guesthouses on completion of 3 month trial period. Specially trained employees in catering and guesthouses and in leisure services who can work independently, show initiative and who may be assigned supervision on a temporary basis.\* Workers at petrol stations who work both at cash registers and outdoors, and who generally work part of their shift serving customers in the shop and at a cash register.

### **Wage Category 8**

Cleaning.<sup>2</sup> Specially trained construction workers. Refuse collectors

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<sup>1</sup> In force from 1 April 2024.

<sup>2</sup> In force from 1 February 2024.

### **Wage Category 9**

Specialised fisheries workers who have attended additional courses. Specialised assistants to tradesmen with considerable trade experience, including in metal and machine workshops. Shift managers (cashiers) who are specifically employed to supervise shifts and who also make sales and work on the cash registers. General workers in agricultural product cooperatives.

### **Wage Category 10**

Cooks that manage one or more assistants. Machine operator I (machine operators on equipment that require a basic course of training pursuant to rules on qualifications to operate work machines).

### **Wage Category 11**

Fisheries workers who have completed a basic and additional course of training and who have 7 years' employment with the same employer. Milk tanker drivers

### **Wage Category 13**

Fisheries technicians who have completed studies at the Icelandic College of Fisheries in Grindavík. Machine operator II (Machine operators on equipment that require a basic or further course of training pursuant to rules on licences to operate work machines and drivers of vehicles that require a licence for additional types of vehicles). Drillers and explosives workers in tunnels (Earth drilling category).

### **Wage Category 17**

PCV (passenger carrying vehicle) drivers. Those holding a Diploma in Aquaculture from Hólaskóli College.

#### **1.1.2**

#### **Starting wages and wages for under 18s**

In this Agreement, starting wages are on the basis of the employee having reached 18 years of age and having gained competence to do the job in question. A training period assumes a maximum of 300 hours with the employer or 500 hours in the employment sector after reaching the age of 16. During a training period it is authorised to pay 95% of starting wages. An employee who has reached 22 years of age shall never however receive lower pay than, as per 1 year bonus step 1, see article 1.1.3.

Wages for 17 year olds are 89% of starting wages, for 16 year olds, 84%, for 15 year olds, 71% and for 14 year olds it is 62% of the same base. Age bonus for employees under 18 years of age are based on year of birth.

Wages for workers under 18 years of age in fisheries are pursuant to article 18.1.

Worker shall submit confirmation of experience in the industry, and length of service is assessed from and including the next end of month after confirmation is submitted.



### 1.1.3

#### Assessment of work experience competence

Work experience shall be assessed for wage increments pursuant to the wage provisions of this agreement. Length of service, with reference to work experience in the same industry, shall be assessed in accordance with confirmed information on prior jobs, and this shall apply even where there has been an interval between jobs in the industry of up to three years. If the interval between jobs is longer, an assessment of work experience and competence shall be made when deciding the ranking for work increments. Any dispute shall be resolved by a manager in consultation with a union representative. Temporary jobs shall be aggregated with reference to the number of days or hours at day rate.

When using length of service to decide wages, the age of 22 shall be considered equivalent to having one year's employment in the industry.

On rights accrued from work abroad, see article 12.6.2.

Is authorised to assess competence for wages in the competency-based pay system which among other things takes the competency-based pay system framework. When all competence requirements of the job are achieved, competence is confirmed with a competence validation certificate for the relevant job. The competence validation certificate is the result of cooperation between the Education and Training Service Centre (FA), SA and ASI. competence validation certificates are issued by FA which confirms that the proper methodology has been applied in evaluation and vocational training.

This creates a basis for remuneration policy that relates to the content and nature of the work and to competence of the worker, regardless of job titles - which are not included in the system.

Example:

#### **Job-related factors**

- Role
  - Criteria in this element are for example, the nature of the job and position in the workplace, job management, supervision of training and reception of new employees.
- Responsibility
  - Criteria in this element are for example responsibility for tasks, for people, machines, equipment etc.
- Independence
  - Criteria in this element are for example requirements for independence and work which can relate to the job as a whole or to specific elements of the job.
- Factors related to the individual
- Experience/ knowledge
  - Criteria in this element are e.g. additional knowledge, experience and training that can be used in the job.

- General competence factors
  - Criteria in this element are e.g. communication skills, initiative and flexibility.

#### 1.1.4

##### Pay systems

Instead of pay scales and related provisions of the collective bargaining agreement, such as with respect to premium payments for management functions or other considerations, it is authorised to introduce a pay system of the parties to an agreement in individual companies, see more details on the competency-based pay system in 5.12. In the pay system, there will be criteria and material issues that are combined, as appropriate, and there will be a procedure for assessment and development. Each party, that is to say, employees on the basis of majority support or the company, can request negotiations on the introduction of a new pay system.

An agreement on a new pay system within a company shall be in writing and shall be submitted for approval to all parties that the agreement is intended to cover, by secret ballot, which the appropriate employees' negotiating committee shall organise. An agreement is considered endorsed if it receives support from a majority of cast votes. The trade unions in question or trade unions if more than one union is a party to the agreement, shall make sure that the agreement complies with the provisions of the law and the provisions of collective agreements on minimum terms of employment.

#### 1.1.5

##### Workers' interviews

A worker has the right to an interview once a year with his/her superior on the subject of his/her work, including performance and objectives and possible changes to his/her terms of employment. If a worker requests an interview, it shall be granted within two months and its conclusion shall be available within one month.

#### 1.1.6

Employees in catering and accommodation services, in leisure companies etc.

For the work of employees in catering and accommodation services, service and snack bars leisure companies and similar activities, reference is made to a separate collective bargaining agreement between SA and SGS.

#### 1.1.7

##### Foremen

If an employee is appointed as a foreman, special payment shall be made for managerial responsibility. The premium shall be specified in the employment contract and shall be decided by the nature and scope of the work and of the responsibility it entails.

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## 1.2

## Changes in wages during term of agreement

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#### 1.2.1

##### **Changes in wages**

Pay will be subject to proportional increase, with a minimum increase in ISK, unless otherwise specified in the pay tables included in this agreement. Monthly pay means a fixed monthly pay for day work.

1 February 2024:	3.25% or ISK 23,750
1 January 2025:	3.50% or ISK 23,750
1 January 2026:	3.50% or ISK 23,750
1 January 2027:	3.50% or ISK 23,750

1.2.2 Pay rates

Pay rates increase according to pay tables in article 1.1.1.

1.2.3 Terms of employment items

Terms of employment related items increase as shown below, unless decided otherwise.

1 February 2024:	3.25%
1 January 2025:	3.50%
1 January 2026:	3.50%
1 January 2027	3.50%

1.2.4 Pay scale bonus

If the collective agreement remains in force, then the wages and criteria committee shall in March 2025, 2026 and 2027, prescribe a special pay scale bonus, if the Statistics Iceland wage index for the general labour market shows that wages have increased in excess of the increase in the lowest pay scales. The proportional increase in that index shall be compared to the proportional increase in Category 4 in collective agreements for SGS/Efling for the same period. The pay scale bonus is calculated as full proportion of excess increase of the above specified pay scales, where the minimum pay scales for parties to the agreement increase by that proportion, from and including 1 April each year.

- a. In March 2025, account shall be taken of increases in pay rates and development of the wage index for the period November 2023–November 2024.
- b. In March 2026, account shall be taken of increases in pay rates and development of the wage index for the period November 2024–November 2025.
- c. In March 2027, account shall be taken of increases in pay rates and development of the wage index for the period November 2025–November 2026.

If a productivity bonus and pay increase according to this agreement are to be paid at the same time then the minimum pay rate of the agreements shall be subject to whichever bonus is the higher in each instance.

**Productivity bonus**

If productivity increases more than 2% during the years 2025 and 2026, workers shall receive a share of this additional value in the form of a special productivity bonus, on the fulfilment of certain conditions.

The productivity bonus and payment for this bonus is further elaborated in a document attached to this agreement.

## 1.3 December bonus and holiday pay bonus

### 1.3.1 December bonus

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

In 2024	ISK 106,000
In 2025	ISK 110,000
In 2026	ISK 114,000
In 2027	ISK 118,000

A full year's work in this case is considered to be 45 worked weeks or more, not including holiday. The bonus is paid no later than 15 December each year, according to percentage of full-time position and length of service, to all workers who have been in continuous employment with the employer for 12 weeks during the last 12 months, or that are in work in the first week of December. With agreement with a worker, it is authorised to have the settlement period from 1 December to 30 November each year instead of the calendar year.

The December bonus includes holiday pay, is a fixed amount and does not change according to other provisions. Accrued December bonus shall be settled on termination of employment should this take place prior to the due day for the bonus.

A worker with a contractual relationship with the company who is not on the payroll because of a lack of raw material or because of illness in December does not lose his/her right to the December bonus and if he comes to work at the end of an absence due to lack of raw material, then this period of time is included in the calculation of the December bonus.

### 1.3.2 Holiday pay bonus

The holiday pay bonus for each holiday pay year (May Day to 30 April) based on full employment:

For holiday pay year commencing May Day 2024, holiday pay, bonus will be ISK 58,000.

For holiday pay year commencing May Day 2025, holiday pay, bonus will be ISK 60,000.

For holiday pay year commencing May Day 2026, holiday pay, bonus will be ISK 62,000. For holiday pay year commencing May Day 2027, holiday pay, bonus will be ISK 64,000.

A full year's work in this case is considered to be 45 worked weeks or more, not including holiday. The bonus is paid no later than 1 December each year, according to job percentage and length of service, to all workers who have been in continuous employment with the employer for 12 weeks during the last 12 months', as of 30 April or that are in work in the first week of May.

The December bonus includes holiday pay, is a fixed amount and does not change in line with other provisions. Accrued holiday pay bonus shall be settled on termination of employment should this take place prior to the due day for the bonus.

- 1.3.3 Absences for maternal/paternal leave or when a woman needs to take leave for safety reasons during pregnancy.
- After one year working for the same employer, absence for statutory maternal/paternal leave is considered working time when calculating December and holiday pay bonuses. The same applies if a woman needs to take leave during pregnancy for safety reasons, see regulation on measures to increase health and safety at the workplace for women who are pregnant, have recently given birth to a child or who are breastfeeding.

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## 1.4 Divisor for day work hourly rate

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The hourly rate for day work is found by dividing monthly pay by 173.33.

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## 1.5 Rights of minors

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Minors enjoy in other respects all of the rights prescribed by this agreement.

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## 1.6 Overtime premium

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- 1.6.1 Overtime is paid with an hourly rate equivalent to 80% premium on the hourly rate, i.e. by 1.0385% of the monthly pay for day work.
- The calculation of overtime pay is according to the employment contract or to a written confirmation of employment.
- 1.6.2 Overtime premium on public holidays
- All extra work on public holidays pursuant to article 2.3.1 is paid at an hourly rate which is 1.375% of monthly pay for day work. This does not apply to regular work where holidays in the winter months are granted in accordance with a specific agreement for work on the days in question.

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## 1.7 Call-out

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- 1.7.1 When a worker is called out to work after the overtime threshold, he shall be paid for at least four hours, unless day work commences within two hours of the time he came to work.
- 1.7.2 If a worker has worked all day and up to the time of the evening meal and is called out two hours later or before then he shall remain on pay as though there had been no break in his/her work.

1.8 Half and whole day's pay

For each commenced working day, payment shall be made for half a day and for a whole day if the duration of the work is greater than half a day, and this applies equally to working days and weekends. This applies equally to working days and weekends.

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## 1.9 Rules on payment of wages and on payslips

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It is authorised to pay wages weekly, fortnightly or monthly.

1.9.1 Weekly and fortnightly payments

When wages are paid weekly or fortnightly, they should be paid up to the weekend preceding the day of payment. Wages should be paid on Thursdays, but where the pay day falls on a holiday or public holiday, payment shall be made on the preceding weekday.

1.9.2 Monthly payments

When wages are paid on a monthly basis, they shall be paid on the first working day of the following month. Where the pay day falls on a holiday or public holiday, payment shall be made on the preceding weekday.

It is authorised to have another settlement period for overtime and for settlement of performance-related pay systems. The arrangement shall be that there is never more than one week outstanding.

1.9.3 Payslips

Pay slips shall show a breakdown of payments, among other things into day work, overtime and work on public holidays. A breakdown of all deductions shall also be shown. Holiday pay shall be recorded on the payslip according to holiday pay law, among other things, holiday pay on day work and overtime if appropriate. Accrued rights to take leave shall also be specified pursuant to article 2.4.2.

An employee shall have the right of access to time records for the preceding 12 months. All changes to records shall be accessible and visible to the employee.

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## 1.10 Fixed weekly pay<sup>3</sup>

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- 1.10.1 A worker who has worked with the same employer in the same industry continuously for one month or longer shall be paid full weekly pay in such a manner that holidays specified in a contract of employment which fall on Mondays to and including Fridays, are paid.
- 1.10.2 Continuous work for one month means that the worker has worked with the same employer or in the same industry for full day work for one month, where absences for illness, accident, holiday, strikes, or lockout are equivalent to full work. The same applies to cancelled days, e.g. in fish processing or harbour work because of lack of raw material or for analogous reasons.
- 1.10.3 Continuous work is equivalent to having been in seasonal work for a period totalling one month with the same employer over the last two years.
- 1.10.4 When a worker has acquired the right to full weekly pay according to the above, it shall be mandatory to pay him for those working days where work is cancelled, see however article 3 of Act no. 19/1979 and Chapter 18 of this agreement.

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## 1.11 Further privileges and benefits

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If workers have higher wages or further benefits than this agreement prescribes, then these benefits shall be retained.

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## 1.12 New industries

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If new industries emerge during the period of the agreement that were not allowed for in the agreement in question, or that do not have a clear parallel in the pay rates in force, then negotiations shall be initiated on wages and on terms of employment for workers in those industries.

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## 1.13 Employment contracts and letters of engagement

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- 1.13.1 If a worker is employed for a period longer than one month and on average for more than eight hours per week, a written employment contract shall be made, or the appointment confirmed in writing. If a worker ceases work before the end of the two months' notice, without a written employment contract having been made or without the hiring being confirmed in writing, such confirmation shall be provided at the end of the period of employment.

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<sup>3</sup> Protocol 21 February 1995: "Parties agree that the same will continue to apply to workers employed for single days as has applied up to this point in time. An example is the hiring of students for single days on public holidays."

- 1.13.2 Changes to terms of employment that exceed those resulting from the law or from collective bargaining agreements, shall be confirmed in the same manner, no later than one month after their implementation.
- 1.13.3 The provisions of article 1.13.1. and 1.13.2. do not apply to casual employment, except where this is based on objective criteria.
- 1.13.4 The employer's duty to provide information - In the employment contract or in written confirmation of employment, i.e. the letter of engagement, at least the following shall be included:
1. The identities of the parties, including ID numbers.
  2. Workplace and address of the employer. If there is no fixed workplace, or location where the work is generally done, it shall be stated that the worker is employed at various sites.
  3. Title, position, nature or kind of work that the worker is employed to perform, or a short list or description of the job.
  4. First working day.
  5. Duration of employment if it is for a limited period.
  6. Holiday pay rights.
  7. Termination notice for employer and employee.
  8. Monthly or weekly pay, e.g. with reference to wage categories, monthly pay on which overtime is calculated, other payments or benefits and the time of payment.
  9. The length of a normal working day and working week.
  10. Pension fund.
  11. Reference to collective bargaining agreement in force and to the relevant union.
- Information pursuant to items 6-9 may be provided with reference to the collective bargaining agreement.
- 1.13.5 Work abroad - If a worker is required to work in another country for one month or longer, he shall be given written confirmation of his/her employment before departure. In addition to the information pursuant to article 1.13.4. the following shall be shown:
1. Estimated working time abroad.
  2. The currency in which wages are paid.
  3. Allowances or benefits related to work abroad.
  4. As appropriate, conditions to be met for the employee to be able to return to his home country.
- Information pursuant to items 2 and 3 may be provided with reference to law or to the collective bargaining agreement.



1.13.6 Temporary employment

Temporary employment is according to Act no. 139/2003 on temporary employment of workers.

1.13.7 Right to damages

If the employer breaches the provisions of this article, then he can be liable for damages.

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## 1.14 Competition clause

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The provisions of the employment contract that forbid workers from working with the employer's competitors are not binding if they are more far-reaching than necessary to protect the company from competition, or if they limit the workers' freedom of employment in an unfair manner. In either case, each individual case has to be assessed, taking all factors into consideration. Provisions on competition may therefore not be too general in their wording.

When assessing how broad competition provisions in an employment contract may be, particularly with regards to scope of applicability and to time limitations, the following aspects must be taken into consideration:

- a. The kind of work the employee in question does, e.g. whether he is a key employee or is in direct contact with customers or bears significant responsibilities. There is also the question of the knowledge or information the employee may have about company operations or about its customers.
- b. How quickly the employee's knowledge becomes obsolete and whether reasonable parity is maintained between employees.
- c. The kind of operations in question, and whether there are competitors on the market where the company operates and which the employee's knowledge covers.
- d. That the employee's freedom of employment is not impaired in an unfair manner.
- e. That the competition provision is defined and precise for the purpose of protecting specific competition interests.
- f. The rewards the employee receives also have an impact, e.g. his/her wages.

The competition provisions of the employment contract do not apply if the employee's employment is terminated without him having himself given sufficient reason for this.

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## 1.15 Wages in foreign currency

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It is authorised to pay part of fixed monthly wages in foreign currency or to tie part of monthly wages to the exchange rate of foreign currency with an agreement between the employee and employer. The exchange rate used will be the selling rate of the currency for the day (agreement day) when the agreement between the employee and employer is made.

A fixed monthly wage shall be calculated and entered on the payslip in the following manner:

1. Fixed monthly wages in ISK on agreement day.
2. The amount in ISK on which agreement was reached to pay in foreign currency or to tie to the exchange rate of a foreign currency on the agreement day, is deducted.
3. The part of the fixed monthly wages which is paid or tied to a foreign currency, (see item 2), calculated in ISK at the selling rate of the foreign currency three business days prior to pay day.

The sum of 1-3 can however never be less than the minimum pay rate of the collective agreement which applies for the industry in question.

The sum of 1-3 forms the base for payment of taxes and contributions pursuant to the collective agreement, such as pension, illness, rehabilitation, holiday dwellings and re-education funds.

An employee and employer are authorised to come to agreement to the effect that overtime, shift premium, bonuses and other payments will be settled in part or wholly in a foreign currency.

Wage increases shall only be calculated on item 1, i.e. fixed monthly wages in ISK.

An employee can at any time request cancellation of the agreement. If an employee makes such a wish, the employer shall accede to the wish from and including the next end of the month but one from the day when it was made. The employee shall receive pay, according to item 1 as amended from the day when the initial agreement was made.

The employee and employer shall make a written agreement on payment of wages in foreign currency or on linking wages to a foreign currency.

See accompanying document 2998 with agreement on wages in foreign currency - agreement form on page.

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## 1.16 Certificates and payment for them

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If an employer requests that an employee provide a certificate, e.g. criminal record certificate or health certificate, the employee is obliged to provide such certificates and the employee is obliged to pay for them. Payment for doctor's certificates is according to article 8.4.3.

The provisions of paragraph 1 do not cover certificates that applicants for jobs need to provide in connection with the job application.

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## Protocol on certificates with job applications

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The parties to the agreement recommend that when jobs are advertised as available for application in the media that applicants are not required to provide certificates immediately with the preliminary application, for which they have to pay public bodies. Only applicants that are short-listed need to provide such certificates.

## Chapter 2: On working hours

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### 2.1. Day work

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2.1.1 Active working time in day work shall be 37 hours and 5 minutes and the working hours shall be scheduled as follows:

- a. 07:55-17:00 Mondays to Fridays
- b. 07:30-16:35 Mondays to Fridays

2.1.2 It is authorised to schedule day work in another manner, if the employer and employees reach an agreement on this. Nevertheless, day work of each employee shall always be scheduled as continuous hours on each day and shall never commence before 07:00. The start of day work for each employee shall be decided in his/her employment contract and shall not be changed unless his/her employment has been terminated or with agreement.

2.1.3 It is authorised with a written agreement between an employee and the company to move day work between days in such a manner that the weekly work obligation will be fulfilled in a period shorter than five whole working days and then the provisions of article 2.2.1 do not apply. This provision for authorisation also applies in the same manner to the working hours provisions in Chapters 15 to and including 23.

### 2.2 Overtime

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2.2.1 Contractual overtime commences when the agreed day work has ended, 7 hours and 25 minutes active working hours, during the period 07:00 to 17:00 Mondays-Fridays.

2.2.2 Overtime is paid for work on Saturdays, Sundays and on other contractual holidays.

2.2.3 If an employee works in lunch and coffee breaks during day work, then this is paid at overtime rate.

### 2.3 Holidays

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2.3.1 Public holidays are considered to be:

- New Year's Day
- Good Friday
- Easter Sunday
- Whitsun Sunday
- 17 June
- Christmas Eve after 12:00
- Christmas Day
- New Year's Day after 12:00

- 2.3.2 Other holidays:  
Holidays apart from public holidays are:  
Maundy Thursday  
Easter Monday  
Ascension Day  
First day of summer  
May Day  
Whitsun Monday  
Boxing Day  
First Monday in August
- 2.3.3 Work on holidays is considered work in the day work period on contractual holidays, see article 2.3.2.

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## 2.4 Minimum rest

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- 2.4.1 Daily resting time  
Working hours should be scheduled in such a manner that during each 24 hour period calculated from the beginning of the working day, an employee shall have at least 11 hours continuous rest. If it is possible to arrange it, daily rest shall cover the period between 23:00 till 06:00.  
It is unauthorised to organise work such that working hours exceed 13 hours.
- 2.4.2 Exceptions and time off in lieu  
In special circumstances, when things of value must be protected, the working session can be lengthened to up to 16 hours, subsequent to which a period of 11 hours rest must be given immediately after work without impairment of rights to fixed daily pay.  
In instances where special circumstances make it unavoidable to deviate from the daily resting time, the following applies: If employees are specifically requested to turn up for work before 11 hours rest has been reached, it is authorised to postpone the rest and provide it later, in such a manner that time off in lieu, 1½ hours (day work) is accumulated for each hour that the rest period has been curtailed. It is authorised to pay out ½ hour (day work) time off in lieu, if the employee so wishes. In all instances, it is unauthorised to shorten an eight hour period of continuous rest.  
If an employee works for a long time before a holiday or weekend and does not get 11 hours' rest on the basis of a normal start of the working day, then this should be treated in the same way. If an employee comes to work on holiday or weekend, overtime is paid for worked hours, without further additional payments for this reason.  
The above provisions do however not apply to scheduled shift changes where it is authorised to shorten resting time to eight hours.

Accrued time off in lieu according to the above shall be shown on the payslip and shall be given in half or whole days outside high season in company operations, in consultation with employees where the accrued time off in lieu is at least four hours.

It is unauthorised, without the agreement of the employee, to schedule work in such a way that accrued time off in lieu is taken at a time when the employee is travelling for his/her employer, or is working at some distance from his/her home or base, except as normal continuation of the earning of holiday rights.

#### 2.4.3 Weekly day off

In every seven day period, the employee shall have at least one weekly day off which is linked directly to daily resting time and the week shall be considered to commence on Monday.

#### 2.4.4 Postponement of weekly day off

To the extent possible, the weekly day off shall be on Sunday and to the extent possible, those working at the same company or at the same fixed place of work shall have their day off on that day. A company may nevertheless postpone the weekly day off with an agreement with employees, where special circumstances make such an exception necessary. If there is a special need to schedule work in such a way that the weekly day off is postponed, a collective agreement shall be made on this. It is then allowed to take the day off in such a manner that two days off are taken together every other weekend (Saturday and Sunday). If days off on the other hand, fall on weekdays for unforeseen reasons, this does not impair the rights of employees to fixed wages and shift premium.

If an employee needs to travel abroad on unpaid holiday days at the request of the company, then on his/her return home he shall receive time off equivalent to 8 day work hours for each day off that he missed if this has not been taken into account when deciding wages. The taking of these days off is handled in the same manner as decided in the chapter on minimum rest and days off.

#### 2.4.5 Breaks

An employee has a right to at least a 15 minute break if his/her daily working hours exceed six hours, and meal breaks are considered to be breaks in this connection.

With respect to scope of applicability, rest time, work breaks etc., reference is made to the agreement between ASÍ and VSI from 30 December 1996 on specific issues that relate to the scheduling of working time, and that is attached to this agreement as an accompanying document and is considered to be an integral part of this agreement and which is identical to the agreement between ASÍ and VMS, see page. The above specified provisions augment article 13 of this agreement.

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## 2.5 Recording of working hours

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- 2.5.1 An employee's working hours are considered to be from the time he arrives at work at the request of his/her foreman or employer and until he stops work, less his/her lunch break.
- 2.5.2 The decision on the location where employees are collected for transport to the place of work, and the location where they are dropped off at the end of the work day shall be made, in each instance, in consultation with the employees in question. If employees cannot leave the workplace when the work is finished because of a lack of transport or for other reasons which are not the fault of the employees, they shall remain on full pay during the waiting time and until they have been moved to their destination.
- 2.5.3 It is not authorised to clock people out of work at coffee or meal breaks in overtime (with the exception of evening meal break); these coffee and meal breaks shall be paid in addition to the worked hours.
- 2.5.4 Employees shall be registered as being in working hours and they shall receive pay for the quarter of an hour during which they are clocked out.
- 2.5.5 If an employee turns up late for work, then he has no claim to that quarter of an hour in which he arrives, nor for the time that has passed.

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## 2.6 Rights of those who work part of a day

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- 2.6.1 Employees who regularly work part-time (for an agreed job/percentage job), whether part of a day or part time work in another manner, shall enjoy the same right to payment of contractual and statutory accrued rights, such as days off, sickness and accident days, notice of termination, length of service pay rises, etc., as those who work a full working day and payments shall be on the basis of percentage position and on a normal working day of the employee in question.
- 2.6.2 If work with an employer should be cancelled, for example due to lack of raw material at a fish processing plant etc., then employees shall lose nothing with respect to the above specified rights, as a result of this.
- 2.6.3 There is further information on part-time employees in the agreement between ASÍ and SA on part-time work and as appropriate in legislation on part-time employees.

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## 2.7 Changed percentage job and/or working hours

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An employee who changes his/her working hours at the request of the employer or with his/her acceptance, from part-time day work to full-time day work, or from full-time day work to part-time day work shall enjoy all contractual and statutory rights in instances of sickness or accident and payments of extra holidays from the time that he commenced work, on the basis of his/her length of service and in accordance with the changed working hours.

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## 2.8 Time off in lieu of overtime

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It is authorised, with an agreement between an employee and employer, to accumulate days off in lieu of overtime in such a manner that overtime hours are accumulated for days off during day work periods while the difference between pay for day work and overtime is paid at the next regular payment or is accumulated in total for days off during day work periods. The value of worked overtime hours shall be used as a basis for calculation. Agreement should be reached on taking the days off. The right to take days off, according to the above, which have not been used before May Day each year, or at the end of an employee's employment shall be paid out on the basis of the value of day work hours on the date of payment. There shall be agreement on taking days off, which shall be scheduled to cause as little disruption of operations as possible.

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## 2.9 Courses

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Employees can spend up to 4 day work hours per annum attending courses that qualify for grants from Starfsafl, without impairment of day work pay, given that at least half of the total course hours are attended in the employees' own time. Times for attending courses shall be chosen with company operations in mind.

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## 2.10 On-call shifts<sup>4</sup>

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It is authorised to introduce on-call shifts where an employee is obliged to be available on the telephone and to carry out work when called out. If the employment contract does not prescribe otherwise, then the following applies:

For each hour of an on-call shift where the employee on call is obliged to stay at home, he will receive the equivalent of 33% of the day hour rate. On general holidays and public holidays pursuant to articles 2.3.1 and 2.3.2, the above specified proportion will be 50%.

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<sup>4</sup> Provisions on on-call shifts have been in the collective agreements between SA and Hlíf, VSKF and SV and apply from and including 1 April 2020 to all unions affiliated to SGS.



For on-call shifts where immediate reaction by the employee is not demanded, but where he is available for work immediately on being contacted, 16.5% of the day hour rate is paid for each hour of the on-call shift. On general holidays and public holidays pursuant to articles 2.3.1 and 2.3.2, the above specified proportion will be 25%.

For being called out on an on-call shift, the employee is paid for worked hours, though for a minimum of 4 hours, unless the work commences within two hours of him being called to work. Payments for on-call shifts and overtime payments never apply together.

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## Protocol on impairment of minimum rest time

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In the collective agreement there is a provision for right to time off if the rest period is shorter than 11 hours. The parties to the agreement agree that this rule also applies if the period of rest becomes less than 8 hours in exceptional instances. [2004]

## Chapter 3: On meal and coffee breaks, food and transportation costs

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### 3.1 Meal and coffee breaks during day working hours

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- 3.1.1 Employees have a right to a meal break, one hour during the period from 11:30 hours to 13:30 hours and this is not considered to be working time. If employees have access to a cafeteria or coffee room, it is authorised to shorten the lunchtime break by up to 30 minutes.
- 3.1.2 Coffee breaks in the working time shall be two, 20 minutes each, and they shall be taken before and after midday.

### 3.2 Meal and coffee breaks during overtime

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- 3.2.1 If overtime is worked, mealtimes shall be 19:00-20:00 and 03:00-04:00.
- 3.2.2 If overtime is worked, coffee breaks shall be 23:00-23:15 and 05:00-05:15. If an employee starts work one hour or more before day work commences, the last 15 minutes shall be a coffee break, see article 2.1.
- 3.2.3 The length of refreshment breaks at weekends is treated in the same manner as those on working days.

### 3.3 Work during meal and coffee breaks.

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- 3.3.1 Work should only be done in meal and coffee breaks if employees are willing to do so.
- 3.3.2 Coffee and meal breaks in overtime, which are within the period of work, are calculated as working hours (but not lunchtime) and if work is done in those periods, it shall be paid in addition to the working time and at the same rate-15 minutes for each coffee break and one hour for each meal break and this shall be also done if the work is for a shorter period.

### 3.4 Food allowance

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- 3.4.1 When employees are sent out of town to work and are not driven home at mealtimes or in the evening, they shall receive free meals and other accommodation and travel costs.

- 3.4.2 If employees who work outside travel routes are not driven home at mealtimes and are not provided with food at the workplace, they should be paid per diem for food costs, which vary depending on whether they are driven home before or after evening mealtime. This amount shall be ISK 3,000 per day in the case of a single meal and ISK 6,000 per day for two meals (i.e. lunch and evening meal). If an employee is sent to work outside his/her home district, is accommodated far from his/her home and pays for his/her food himself from morning to evening, then he is entitled to per diem from the employer to the amount of ISK 9,000 for each 24 hour period (including breakfast). This payment is based on the catering item (111 in the consumer price index 231.5 in February 2024) and changes annually, according to that index at the same time that the pay rate change comes into force.

3.4.3 Car allowance for use of all car on behalf of the employer

If an employee uses his/her own car at the request of the employer, he has a right to payment. The payment is based on driven kilometres and the amount per kilometre should be the same as is decided by the State Travel Cost Committee in each instance (see allowance rates).

It is authorised to agree on a fixed amount in ISK for each journey, based on defined areas and on the above specified rates per kilometre.

If the employer so requests, the employee is obliged to keep a travel log which specifies the number of journeys and/or driven kilometres for the purpose of calculating the charge.

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## 3.5 Wages on journeys

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- 3.5.1 All time spent en route to the destination shall be paid according to this agreement, whether the journey is by land or air. If on the other hand, the journey is by sea, pay shall be according to the day rate for each day of the journey. The same applies to the journey home.
- 3.5.2 Employees shall have free travel in working hours to and from the place of work each weekend, if the place of work is not more than 250 km from the jurisdiction of the town or county council in which the relevant union has its abode.
- 3.5.3 If the place of work is at a distance of more than 250 km, the provisions of the first item of this article apply, with the exception that it is only obliged to transport the employees to town every other weekend. The provisions of this article on free transport between the places of employment and work locations, and on payment of wages during the journey, therefore only apply if the employee terminates his/her employment for reasons agreed by the employer.

3.5.4 All transport of people on land shall be made in recognised passenger vehicles. If for some unavoidable reason, the road is not passable for normal vehicles, there is no penalty for the employer if a weekend journey is cancelled.

3.5.5 Per diem payments on journeys abroad

Per diem payments to employees for journeys abroad are according to the decisions of the State Travel Cost Committee, if the company does not have specific rules on payment of travel costs.

## Chapter 4: On holiday pay

### 4.1 Holidays

- 4.1.1 The minimum holiday shall be 24 working days. Holiday pay shall be 10.17% of all pay, whether it is for day work or overtime.

Applies from and including May Day 2024 (holiday pay, i.e. holiday rights to be used in the holiday year that commences May Day 2025). An employee who has reached 22 years of age and has worked for 6 months in same company shall have a right to holiday for 25 days and to holiday pay of 10.64%.

- 4.1.2 An employee who has worked for 5 years in the same company or 10 years in the same sector shall have a right to holiday for 25 days and to holiday pay of 10.64%.

Applies from and including May Day 2024 (holiday rights to be used in the holiday year that commences May Day 2025). An employee who has worked for 5 years in the same company has a right to holiday for 26 working days and to holiday pay of 11.11%.

Applies from and including May Day 2025 (holiday rights to be used in the holiday year that commences May Day 2026). An employee who has worked for 5 years in the same company has a right to holiday for 28 days and to holiday pay of 12.07%.

In the same manner, an employee has worked 10 years with the same company is entitled to 30 days holiday rights and 13.04% holiday pay.

An employee who has received increased holiday rights because of his/her work in the same company will regain these rights after 3 years with a new employer, given that the rights have been verified.

- 4.1.3 Summer holiday is four weeks, 20 working days, which should be granted during the period 2 May-30 September.

It is authorised to provide holidays in excess of 20 days outside the specified summer holiday period 2 May-30 September, unless an agreement has been made otherwise. If an employee requests to take a holiday outside the above specified period this shall be respected, to the extent that company operations allow.

Those employees who, at the request of the employee, do not receive 20 holiday days during the summer holiday period, have the right to a 25% premium on the number of days, fewer than 20.

- 4.1.4 Unions are authorised to come to an agreement on how this is organised with individual employers, that holiday pay is paid continuously into a special employee holiday pay account in a bank or savings bank. In such an agreement, it shall be ensured that the party that undertakes custody of the holiday pay, pays the employee accrued holiday pay, i.e. the principal plus interest, at the beginning of the period when the holiday is taken. It is mandatory to provide the Ministry of Social Affairs immediately with a copy of such an agreement and to notify its termination.<sup>4</sup>
- 4.1.5 Holidays are in other respects covered by the provisions of holidays legislation at any given time.
- On the decease of an employee, accrued holiday rights will be paid to his/her estate with a deposit in his/her wages account or in another manner.

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## 4.2 Illness and accident during holiday

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If an employee falls ill on holiday in this country, in a country within the EEA, in Switzerland, United States or Canada, so seriously that he cannot use the holiday, he shall on the first day notify the employer of this situation, e.g. with a telegram, email or in another verifiable manner unless prevented to do so by a force majeure and in this event, he should do so as soon as the obstacle is no longer in place.

If the employee meets the obligation to notify and if the illness lasts for more than 3 days and if he informs the employer within this period of notice about which doctor is treating him or will issue a doctor's certificate, he has a right to additional holiday for an equal length of time as the illness verifiably lasted. In the above circumstances the employee shall always prove his/her illness with a doctor's certificate. The employer has the right to have a doctor visit an employee who has become ill on holiday. Additional holiday days shall, as far as possible, be provided on dates requested by the employee, during the period 2 May-15 September except in special circumstances. The same rules as above apply to accidents on holiday.

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<sup>4</sup> See also protocol on holiday issues for fish processing workers from 1997, page 180.

## CHAPTER 5: Company-specific part of collective bargaining agreement (fyrirtækjapáttur)

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### 5.1 Definition

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A company agreement (workplace agreement), in the understanding of this chapter, is an agreement between a company and employees, all or specific part, on the adaptation of a collective agreement to the needs of the workplace.

A company agreement made on the basis of this chapter is not a collective bargaining agreement, as SA and the trade unions are not parties to the agreement. With respect to the involvement of these parties in the making of the agreement, reference is made to article 5.5.

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### 5.2 Objective

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The objective of the company-specific part of the collective agreement is to strengthen cooperation between employees and managers in the workplace in order to create grounds for better terms of employment for employees through increased production.

The objective is to develop a collective agreement which serves the interests of both parties. Among other things, the goal is for shorter working hours with the same or greater production. In doing this, the aim shall always be to divide the defined benefits between employees and the company on the basis of clear parameters.

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### 5.3 Authorisation for negotiations

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The company-specific part normally applies to all employees covered by the collective agreements of the unions in question. It is however authorised to make special agreements at individual specific workplaces, if there is agreement to do this.

Negotiations on the company-specific part take place under an embargo on industrial action of the general collective bargaining agreement and shall be initiated with the agreement of both parties. It should then be clearly stated in writing which parties will be covered by the agreement.

When negotiations have been decided, the relevant unions and employers' associations are notified.

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## 5.4 Advisers

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It is proper for both parties, employees and representatives of the company, to seek advice from the parties to the negotiation. The parties can either singly or jointly decide to call in representatives of the parties to the agreement for advice on making the agreement, immediately after negotiations have been decided.

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## 5.5 Representatives of employees - spokesmen in negotiations

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Union delegates shall be spokesmen for employees in negotiations with company managers. The representative of the union in question has full authority to sit on the negotiation committee. The union representative shall be authorised to have elections for two to five additional members of the negotiating committee, depending on the number of employees, and they jointly form the negotiating committee.

The union representative and elected representatives shall be allowed a reasonable amount of time in working hours for preparation and negotiation. They shall furthermore enjoy specific protection in their jobs and it is unauthorised to let them pay a price for their work in the negotiating committee. It is thus unauthorised to dismiss them because of their work in the negotiating committee.

At workplaces where representatives are in two or more unions, they shall jointly represent employees in those instances where the company agreement has an impact on their positions. Under these circumstances, care should be taken to ensure that a representative for all relevant industries takes part in the discussions, regardless of whether this means that the negotiating committee is expanded for this reason.

Where representatives have not been appointed, the relevant employees' association can be instrumental in the election of a negotiating committee.

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## 5.6 Dissemination of information

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Before embarking on the task of making a company agreement, company management shall inform representatives and others in the negotiating committee on the company's current status, future prospects and personnel policy.

A union representative has a right to information on wage payments at those workplaces where he is a representative, to the extent necessary to implement provisions of the company agreement.

While the company agreement is in force, union representatives shall be informed twice a year about the above specified issues and about emphases in company operations. They shall respect confidentiality on this information where it is not in the public domain.



It is only obliged to provide information to the extent necessary pursuant to provisions of the company agreement.

An agreement made on the basis of this chapter shall be accessible to employees of the company in question. It is unauthorised to provide unrelated parties with information about its substance.

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## 5.7 Authorised exceptions

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It is authorised with an agreement within a company, between employees and the company, to adapt the provisions of the agreement to the needs of the workplace with exceptions, with respect to the following items, given that agreement is reached on remuneration to employees.

- a. Flexible day work. It is authorised to agree on a 07:00-19:00 day work period.
- b. Four day working week. It is authorised to complete the full weekly hours in day work in four days when the law or other agreements do not prevent this.
- c. Shift work. It is authorised to adopt shift work with a minimum of two weeks' notice. The shift work shall not last for a shorter duration than one month at a time.
- d. Overtime premium on daily basic rate. It is authorised to move part of the overtime premium to the daily basic rate.
- e. Leave in lieu of overtime. It is authorised to agree to aggregate overtime hours and to take leave in lieu for an equal number of hours on working days outside company high season. Overtime hours are aggregated and then paid at daily rate, but the overtime premium is paid out.
- f. Refreshment breaks. It is authorised to agree on an arrangement for refreshment breaks, which is other than that in the main collective bargaining agreement.
- g. Holidays. It is authorised to use part of holidays to decrease operations, or to close on specific days outside company high season.
- h. Piecework pay system. It is authorised to develop a piecework pay system without formal workplace research where this is considered by both parties to be beneficial.
- i. Moving of Thursday holidays. It is authorised to agree at a workplace that contractually bound holidays for Ascension Day and for the first day of summer, which both always fall on a Thursday, are moved to another working day, e.g. Friday or Monday, or are joined to other holidays taken by employees.

Exceptions from general rules of the collective agreement in excess of the above specified limits is therefore only authorised where endorsements of the union in question and of SA are in place.

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## 5.8 Recompense for employees

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If agreement is reached on adapting provisions of the collective bargaining agreement to the needs of a company or on exceptions from work practices on which an agreement has been made, an agreement should also be made on a share for employees of the gains made by the company from the changes.

The employees' share can be in the form of fewer working hours without a commensurate reduction in income, payment of a fixed amount per month or per quarter, competence premium, percentage premium on wages or a fixed ISK amount on hourly rate or in another manner, all depending on the agreement reached. Agreements shall however clearly specify what constitutes the gains made by the company and the recompense for employees. Both are exceptions from the collective agreement and can become void in the event of termination pursuant to article 5.9.

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## 5.9 Coming into force, scope and period of validity

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The agreement on the company part shall be in writing and shall be submitted for approval to all parties that the agreement is intended to cover for secret ballot, which the appropriate employees' negotiating committee shall organise. An agreement is considered endorsed if it receives support from a majority of cast votes. The union in question shall ascertain that the agreed exceptions and recompense for these exceptions, assessed as a whole, comply with the provisions of law and of the collective agreement on minimum terms of employment. If a notification to the contrary has not been received within four weeks, the agreement is considered to be endorsed by both parties.

It is authorised to allow a company agreement to be in force temporarily for up to six months and then to finalise its content in the light of experience. Otherwise the period of validity shall be indefinite. After one year, either party can require a review. No later than two months after the collective bargaining agreement comes into force, the parties shall commence negotiations on review and renewal of the agreement on the company part. If an agreement is not reached on changes within two months, either party can terminate the company agreement with six months' notice, ending as of the end of a month. At the end of that period they both become void, the agreed changes and the share of employees in the company gain. For a termination to be binding, it must receive the support of a majority of the employees in question in the same kind of vote as was used for the coming into force of the agreement. If an employer terminates the company-specific part of the agreement, the wage increases related to the agreement will only be reversed to the extent equivalent to the increase in costs resulting from the adoption of the former agreement provisions.

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## 5.10 Impact of company agreement on terms of employment

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Changes to terms of employment that may result from a company agreement are binding for all employees in question, if they have not formally objected to the making of the agreement to company management and to the employee's negotiating committee before the vote has taken place.

The provisions of a company agreement apply equally to the employees that are employed when the agreement is agreed pursuant to the provisions of this chapter, and also those employed later, given that they have been acquainted with the substance of the agreement when appointed.

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## 5.11 Reduction of working hours

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Since the Standard of Living Agreement came into force in April 2019, there have been provisions in collective agreements on shortening of working hours to 36 hours per week on average, along with the consolation of coffee breaks in day work according to collective agreement. The view of parties to the agreement has been that with discussions between employees and management at the workplace, a conclusion can be reached on improved use of working hours that can increase productivity. The gains will be divided between employees and employers, where the employees' share is reflected in shortening working hours to an average of 36 hours per week. By shortening the working week, a more family friendly work market will be created with a greater balance between work and private life.

It is also taking into consideration that with the collective agreement between SA and trade and technical employees, weekly working hours have been shortened from 37 hours and 5 minutes to 36 hours per week. Active working hours are considered to be the time when an employee is actively working, where daily presence at the workplace is active working time with the addition of breaks from work. There are examples where trade and technical employees and workers operate together, that the working time has been coordinated with an agreement between employers and the employees in question.

The aim of parties to the agreement is to support this development, and that more workplaces employing workers will by the end of the term of the agreement, have come to an agreement on 36 working hours per week on average, or at least that negotiations have taken place on whether changes to the provisions on working hours or to other provisions of a collective agreement can lead to reciprocal advantages.

Trade unions are authorised, having consulted workers, to take the initiative on discussions with employers on shortening of working hours. Participation in trade union representatives in a negotiating committee is according to article 5.5.

Parties to the collective agreement agree that in an agreement on shortening of working hours, other changes can be considered than solely the cancellation of coffee breaks. In this respect one can mention elements itemised in article 5.7, and it shall also be authorised to take into account other items related to working hours and wages, such as premium periods in shift work, and working hours and premium payments shall be better adapted to the economic sector in question and to the permanent staff working in that environment. An agreement shall always be submitted to the relevant union, which shall assess whether the exceptions on which agreement has been reached, as a whole, meet the provisions of collective agreements on minimum terms of employment, see paragraph 1 of article 5.9. If a notification to the contrary has not been received within four weeks, the agreement is considered to be endorsed by both parties.

### **Shortening of active working hours:**

If an agreement on cancellation of formal coffee breaks or other changes that benefit employers, then active working hours will be 36 hours per week without impairment of monthly wages. The arrangement for reduction of active working time can be implemented in a variety of ways, e.g.:

1. Flexible rest periods are taken, one or more.
2. Lengthening of lunch break.
3. Each working day reduced, agreed number of working days reduced or one weekday shortened.
4. The reduction is aggregated into time off in whole or half days.
5. Mixed method.

Representatives of the parties to the agreement shall have full access to agreement negotiations according to this article.

### **Model agreements**

Party to the agreement undertake to jointly elaborate models of agreements according to this chapter. The models shall vary, taking into account suitability for each type of economic activity. These models shall be available no later than 1.10.2024.

### **Assessment during the term of the agreement**

Parties shall make a joint assessment of shortening of working hours according to this agreement by 31 January 2027. For this purpose, the parties shall keep a record of the number of agreements made according to this chapter during the term of the agreement.

## 5.12 New competency-based pay system

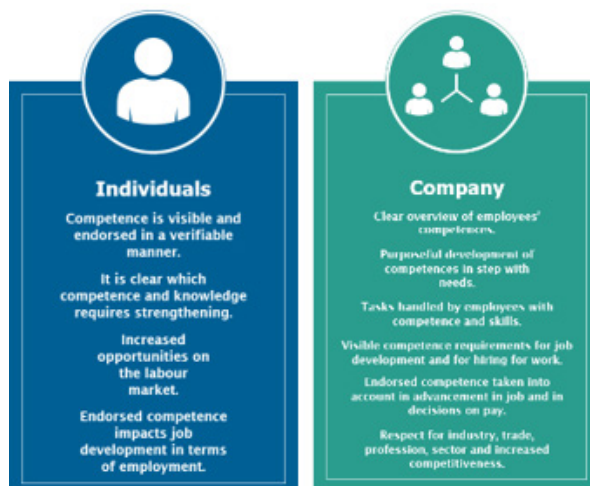
### Basis

In an employment market which changes rapidly, it is important that competence in work is visible and endorsed. This brings advantages for companies and employees. Continuous improvements that contribute to increased productivity and efficiency ensure the operations and competitiveness of companies. One factor in competitiveness is that the company remuneration policy is linked to measurable results in a pay system developed in purposeful cooperation with parties to the collective agreement.

### Goals and advantage

The objective of a competency-based pay system is to assess jobs in an objective manner, to increase factors that are taken into consideration when deciding remuneration for jobs and to elaborate clear criteria for remuneration and for the development in wages for employees. With a competency-based pay system the employees and employers have a powerful tool at their disposal, which supports increased education, development in work, transparency, job satisfaction and better working environment. At the same time there will be clearer incentives for employees to develop in their jobs.

Successful development and introduction of a competency-based pay system can support increased vocational education, professional development and transparency in the wage structure. This entails a need to define in a structured manner how evaluation of competence, skills, responsibility and performance of employees create a basis for more efficient decisions on remuneration and for increased gains for employees and companies.



In the Act on Equal Opportunities for the Genders no. 150/2020, requirements are made for companies with 25 employees or more for a pay system and decisions on remuneration based on objective and transparent criteria. Companies are obliged by law to fulfil the requirements of the equal pay standards, where the new competency-based pay system is intended to support equal pay systems for companies. It is desirable that smaller companies base their pay systems on analogous criteria.

### **Project description**

The employment sector has called for a simple and accessible competency-based pay system based on few but clear elements that can be adopted by companies of all sizes and types. Companies have varying needs that the competency-based pay system reflects. The competency-based pay system does not constitute a final definition of criteria or of the weighting of individual factors but rather is a framework that can be jointly developed by employees and managers and adapted to the needs of each workplace, in line with the authority vested in the collective agreement.

In the development of the competency-based pay system and of definitions and criteria, the Icelandic qualifications framework is among other things taken into consideration. When all competence requirements of the job are achieved, competence is confirmed with a competence validation certificate for the relevant job. The competence validation certificate is the result of cooperation between the Education and Training Service Centre, SA and ASI. Competence validation certificates are issued by FA which confirms that the proper methodology has been applied in evaluation and vocational training. The product of definition of competence is called a job profile which includes:

- Short definition of the job.
- A list of the main tasks of the job.
- Other important elements.
- A list of those competence elements that are most important for performing a job in an effective manner, along with a list of competence at the appropriate level.

The system is based on clear main elements and within each of them there are more specific criteria. The elements are both job related and related to individuals. The elements and their criteria create the basis for a decision on remuneration. The point of departure is to create a basis for remuneration policy that relates to the nature of the job and the competence of the employee, regardless of job titles, which are not part of the system.

Example:

#### **Job-related factors**

- **Role**  
Criteria in this element are for example, the nature of the job and position in the workplace, job management, supervision of training and reception of new employees.

- **Responsibility**  
Criteria in this element are for example responsibility for tasks, for people, machines, equipment etc.
- **Independence**  
Criteria in this element are for example requirements for independence in work which can relate to the job as a whole or to specific elements of the job.

Factors related to the individual

- **Experience/ knowledge** Criteria in this element are e.g. additional knowledge, experience and training that can be used in the job.
- **General competence factors**  
Criteria in this element are e.g. communication skills, initiative, flexibility.

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## 5.13 Treatment of disputes

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If agreement is not reached at the workplace on reduction of working hours pursuant to article 5.11, both employees and the employer are authorised to appeal the dispute to parties to the collective bargaining agreement, i.e. the trade union in question and SA Confederation of Icelandic Enterprise.

Should a dispute arise within the company on the understanding or implementation of a company agreement and should it not be possible to resolve it with discussions between the parties at the workplace, employees have the right to seek assistance from the appropriate union or to refer the matter to the union for resolution.

If an agreement is not reached on assessment of the impact of termination pursuant to the final item in paragraph 2 of article 5.9, either party can appeal the matter for resolution by an objective party on whom the parties agree. 65% of costs are paid by the company and 35% by employees.

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## 5.14 Example of company part

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**Company agreement  
between  
NN ehf. and employees of the company**

This company part is made on the basis of Chapter 5 of the collective bargaining agreement between SA Confederation of Icelandic Enterprise and the trade union/s in question and applies to operations of the company.

**Article 1**

**Working hours and refreshment breaks**

**Article 2**

Other ....

Place, date

p.p. employees

p.p. NN ehf.



## Chapter 6: On priority rights for work

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### 6.1 Priority rights

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- 6.1.1 Employers shall undertake to allow workers that are full members of the relevant union to have priority for general labouring work, when this is demanded and where members are available and are fully competent for the work in question.
- 6.1.2 Employees always have a free choice as to which members of the union in question they employ. If an employee wishes to employ a person for work who is not a full member, then the union shall be obliged to grant this person membership if he applies for it and if it is not contrary to the union's articles of association.

## Chapter 7: On facilities and health

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### 7.1 Facilities

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Employers shall ensure that there is a first aid kit available at the workplace, containing necessary pharmaceuticals and dressings. Also toilet and wash basin. Employees shall have access to acceptable facilities for coffee breaks and for storage of protective clothing.

Facilities shall, in other respects, be in accordance with the rules of the health and safety authorities, with Act no. 46/1980 on health and safety, with regulation no. 941/2002 on health and safety and with regulation no. 547/1996 on the working environment, health and safety measures at construction sites and at other temporary structures, as amended and according to appendices.

### 7.2 Food facilities

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7.2.1 When employees are working at the same location in suburbs of towns for the same employers, the employers shall then have premises for employees to drink coffee and eat their food. In the shelters there shall be tables and chairs and great care should be taken that they are always clean and tidy. Furthermore, there shall be heaters in the shelters.

7.2.2 When food is normally consumed at the workplace, both the employers and workers shall follow instructions from the health authorities on facilities, sanitation facilities and tidiness at the facility for consuming food.

### 7.3 Safety equipment

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7.3.1 The personal safety equipment considered necessary by the Administration of Occupational Safety and Health, or specified in the collective agreement, shall be available for use by employees.

7.3.2 Breach of safety rules

7.3.2.1 Employees are obliged to use the safety equipment specified in the collective agreement and in regulations, and foremen and union representatives shall ensure that it is used. If employees do not use the safety equipment provided for them at the workplace, it is authorised to dismiss them without notice from their work after having cautioned them in writing.

- 7.3.2.2 The workers' union representative shall ascertain without delay that there was a reason for the dismissal and he should be given the option of acquainting himself with all circumstances of the case. If he does not agree with the reason for the dismissal, he shall object to the dismissal in writing and then the dismissal without notice shall not be implemented.
- 7.3.3 A breach of safety rules, which results in a threat to employees' physical safety or life shall be subject to dismissal without notice, if the union representative and the representative of the company agree on the matter.
- 7.3.4 If the safety equipment specified in the collective agreement and which the Administration of Occupational Safety and Health has required to be used, is not available at the workplace, then each employee who does not receive such equipment is authorised to refuse to work on the tasks where such equipment is a requirement. If no other job is available for the employee in question, he shall retain unimpaired wages.
- 7.3.5 Should a dispute arise on this provision of the agreement, it is authorised to refer the case to ASÍ and SA.

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## 7.4 Work by young people

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Limitations imposed on work by young people are according to Chapter X of the Act on working environment, health and safety in workplaces no. 46/1980, and according to the Regulation on the work of children and teenagers no. 426/1999

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## 7.5 Dissemination of information

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When important information needs to be disseminated to employees, such as on security, work arrangements, alterations at the workplace or about matters that relate to individual employees, the employee shall endeavour to provide interpretation for those employees who need it.

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## 7.6 Observations on equipment and safety at the workplace

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- 7.6.1 Employees shall normally be authorised to report observations and complaints about infringements of the law or other reprehensible conduct related to equipment and safety in the workplace, that can impact the health and safety of employees.
- 7.6.2 At workplaces where a health and safety representative or union representative has been elected, that person acts as an intermediary in reporting employees' observations and complaints regarding safety and equipment at the workplace, to the employer. Where there is neither a health and safety or union representative at the workplace, then an employee may report his observations to his immediate superior.

- 7.6.3 Subsequent to observations being made by an employee, the superior shall verify as soon as possible whether the observation is justified or not. Should there be no reaction, the employee can report his observations to the manager or human resources manager (where one has been appointed).
- 7.6.4 Should it come to light that the employee's observations are justified and have been reported in good faith, the superior shall react as quickly as possible and implement necessary remedies, in the light of good working practices and those obligations that rest on employers pursuant to occupational safety legislation. An employee may request information on progress in a case.
- 7.6.5 An employer shall ensure that an employee does not suffer in his work as a result of having reported a justified observation on a breach of occupational safety legislation, or on reprehensible conduct related to equipment and safety at the workplace that can impact health and safety of employees.

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## Protocol on reported observations on safety and equipment.

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SA will present guidelines on procedure for employees' reporting of observations regarding safety or facilities in the workplace. This concerns breaches of health and safety legislation or other reprehensible conduct related to working practices or facilities at the workplace that could impact health and safety of employees. The guidelines aim to encourage a good workplace and to diminish employees' worries about reporting such observations.

The guidelines are written and prescribe procedure for receiving, handling and deciding on such observations. Companies are advised to comply with these guidelines and that they are accessible to all employees.

These guidelines will be completed and presented no later than 1 June 2024.

## Chapter 8: On payment of salaries in instances of sickness and accident and on accident insurance

### 8.1 Salary during sickness

Employees shall, during each 12 month period, retain salaries during incidences of accident and sickness leave as specified here:

- 8.1.1 In the first working year with the same employer two days are paid at the rate he would have been paid, for each worked month.
- 8.1.2 After one year continuous work with the same employer, one month is paid, at the rate he would have been paid.
- 8.1.3 After two years continuous work with the same employer, one month is paid, at the rate he would have been paid and one month at day rate wages.
- 8.1.4 After three years continuous work with the same employer, one month is paid at the rate he would have been paid and two months at day rate wages.
- 8.1.5 After five years' continuous work with the same employer, one month is paid at the rate he would have been paid, one month at full day rate wages (i.e. day rate wages, bonus and shift premium, see article 8.3.2.) and two months at day rate wages.
- 8.1.6 An employee who has accrued 4 months' sickness rights after five years' continuous work with the same employer and who accepts a job within 12 months with another employer, retains two months' sickness rights (one month at the rate he would have been paid and one on day rate wages) given that his/her employment ended with the previous employer in a normal manner and that his/her rights are verified. The employee acquires improved rights after three years' continuous work with the new employer, see article 8.1.4.
- 8.1.7 Sickness rights are total rights for each 12 month period, regardless of the type of illness.

#### **Explanation:**

Sickness rights are based on paid sick leave days during a 12 month period. At the beginning of an illness when an employee becomes unfit for work, the number of days that have been paid in the last 12 payment months is taken into account and is deducted from accrued sickness rights. If an employee has received no wages for a period of time, then that period is not included in the calculation.

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## 8.2 Accidents at work and occupational diseases

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- 8.2.1 If an employee does not turn up for work as a result of an accident at work or on his/her way directly to or from work, and equally if an employee becomes ill with an occupational disease, then in addition to his/her right to wages during sickness, he shall retain his/her day work wages for three months.

The above specified right is an independent right and does not impair the employee's sickness rights.

**Explanation:**

Being unfit for work as a result of an accident can either become evident immediately after the accident or later. Proof and causal relationship are pursuant to general principles.

- 8.2.2 Per diem from the Social Insurance Administration (TR) for these days is paid to the party paying the wages.

- 8.2.3 In the case of a work accident, the employer pays for transporting the injured person to his/her home or to the hospital and also pays normal medical costs while he is on wages, other than that which TR pays. The injured party provides receipts for outlay costs to the employer and payment shall be made at the same time as wages payments, see article 8.4.

An accident on a direct route to or from work is considered to be a work accident for the purposes of transport or ambulance costs.

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## 8.3 Salary concepts

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- 8.3.1 Substitute wages are based on the wages that the employee would verifiably have received if he had not missed work because of illness or accident, not counting premium payments for specific risk, difficulty or dirty conditions when performing specified jobs, or attendance bonus.

- 8.3.2 Full daytime wage is a fixed wage for day work with the addition of shift premium or similar premium payments for work based on 8 hours per day or 40 hours a week for full-time work.

- 8.3.3 Day work wages are fixed wages based on day work (without bonus and any kind of premium payments) for 8 hours per day or 40 hours per week for full-time work.

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## 8.4 Pay-out of sickness pay

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- 8.4.1 Payment of wages in instances of sickness or accident shall be made in the same manner and at the same time as other payments for work, given that a doctor's certificate has been received in a timely manner for wages calculations.
- 8.4.2 If there is a dispute on the employer's liability for compensation, pursuant to article 8.2, then this should be decided on the basis of whether the state accident Insurance considers there to be a duty to pay compensation for the accident.
- 8.4.3 Doctor's certificate  
An employer can demand a doctor's certificate for an employee's illness. The employer pays for the doctor's certificate given that the illness is immediately notified to the employer on the first day of illness and that employees are always obliged to submit a doctor's certificate.

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## 8.5 Child illness and time off for unavoidable circumstances

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- 8.5.1 During the first six months in work with an employer, a parent is authorised to spend two days for each worked month in tending his/her sick children under 13 years of age, given that no other care is available. The same applies to children younger than 16 years of age when illness is so serious that it leads to hospitalisation for at least one day. After 6 months' work the rights will be 12 days for each 12 month period. A parent retains day work wages and shift premium where appropriate.  
With reference to the rules on payments relating to sick children, it is the common understanding of the parties that the word parent also means foster parent or guardian, i.e. the child's ward and who is in loco parentis.
- 8.5.2 An employee has the right to time off from work in the event of unavoidable circumstances (force majeure) and family emergencies resulting from illness or accident which require the immediate presence of the employee.  
An employee has no right to wages from the employer in the above specified instances, see however the provisions of article 8.5.1.

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## 8.6 Maternal/paternal leave

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Act no. 144/2020 covers maternal/paternal leave and parental leave on the same issue.

Pregnant women have the right to necessary absence from work for prenatal check-ups without deductions from their fixed salaries if such check-ups need to take place in working hours.

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## 8.7 Death, accident and disability insurance

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### 8.7.1 Scope

Employers are obliged to guarantee employees that which is covered by this agreement with respect to death, permanent medical disability and/or temporary disability from an accident at work or on a normal route between the workplace and home and also between the workplace and home during meal breaks. If an employee dwells away from his/her home in the course of his/her work, such a dwelling-place is the equivalent of his/her home, and the insurance also covers normal journeys between the home and the dwelling place. Accident insurance also applies on journeys at home and abroad, where the travel is for the employer.

The insurance shall cover accidents that occur in sports activities, competitions and games, if this has been on behalf of the employer or employee association where participation is expected in such activities as part of an employees' work. In this respect it makes no difference whether the accident happens in or outside normal working hours. Exceptions to this are accidents that happen in boxing, any kind of wrestling, driving sports, hang-gliding, gliding, bungee-jumping, mountain climbing that requires special equipment, abseiling, snorkelling and parachuting.

The insurance does not pay compensation for accidents resulting from the use of motor vehicles that require licensing in this country and that are liable for damages pursuant to statutory motor vehicle insurance, whether liability insurance or accident insurance for the driver and owner pursuant to traffic laws.

### 8.7.2 Coming into force and termination of insurance

The insurance comes into force with respect to the employee when he commences work for the employer (is registered on the payroll) and terminates when his/her employment ends.

### 8.7.3 Index and indexed compensation

Insurance amounts are according to the consumer price index for indexation, which is in force from 1 February 2024 (608.3 points) and which changes on the first day of each month in direct proportion to changes in the index.

Compensation amounts are calculated on the basis of insurance amounts on the day of the accident, but they change with the consumer price index for indexation as follows:

Compensation amounts change in direct proportion to changes in the index from the day of the accident until the day of settlement.

### 8.7.4 Compensation for death

If an accident causes death of an insured party within three years from the date of the accident, the right holder is paid compensation for death, less the amount of disbursed compensation for permanent medical disability resulting from the same accident.



**Compensation for death will be from 1 February 2024:**

1. Compensation to the surviving partner shall be ISK 10,762,562.
2. Partner means an individual in marriage, in a registered partnership or civil partnership with the deceased.
3. For each minor child that was in the custody of the deceased for which the deceased paid child support pursuant to the Act in respect of children no. 76/2003, compensation shall be the amount equal to the total amount of child maintenance support up to the age of 18, pursuant to legislation on public insurance in each instance, that the child would have had the right to because of the death. This is a lump sum compensation. When calculating compensation, the child maintenance rate on the day of death shall be used. Compensation to each child shall go never be less than ISK 4,305,025 Compensation to children shall be paid out to the party who has custody after the death of the insured person. Young people in the age range 18 to 22, who had the same legal abode as the deceased, and who were verifiably dependent on the deceased shall have compensation of ISK 1,076,256. If the deceased was the only person supporting a child or young person, the compensation increases by 100%.
4. If the deceased person had verifiably supported a parent or parents, 67 years or older, the surviving parent or parents will jointly receive compensation to the amount of ISK 1,076,256.
5. If the deceased did not have a partner pursuant to item 1, compensation for death of ISK 1,076,256 will be paid to the estate of the deceased.

**8.7.5**

**Compensation for permanent disability**

Compensation for permanent disability is paid in proportion to the medical consequences of the accident. Permanent disability should be assessed on a points scale, according to a table on level of suffering, which is published by the committee on disability and the assessment shall be based on the health of the injured party as it is when stable.

The total value of disability compensation is ISK 24,538,641. Compensation for permanent disability shall be calculated such that for each disability point 1-25 a payment of ISK 245,386 is made; for each disability point from 26-50 ISK 490,773 is paid; for each disability point 50-100, ISK 981,546 is paid. Compensation for 100% permanent disability is therefore ISK 67,481,263.

Disability compensation shall furthermore take into account the age of the injured party on the date of the accident such that compensation decreases by 2% for each year of age after 50. After 70 years of age, compensation decreases by 5% of the base amount for each year of age. Age-related disability compensation shall however never lead to greater impairment than 90%.

#### 8.7.6 Compensation for temporary disability

If an accident causes temporary disability, the insurance shall pay per diem in proportion to the loss of ability to work, four weeks from the time that the accident happened and until the employee is able to work after the accident, or until disability assessment has taken place, but no longer than for 37 weeks.

Per diem for temporary disability is ISK 53,813 per week. If an employee is partly able to work, per diem is paid proportionately.

Per diem from the insurance is paid to the employer while the employee is paid wages pursuant to the collective bargaining agreement or employment contract and then subsequently to the employee.

#### 8.7.7 Insurance obligation

All employers are obliged to purchase insurance from an insurance company with an operating licence in this country which fulfils the above specified conditions of the collective bargaining agreement on accident insurance.

In other respects than specified in this chapter of the agreement, the provisions of the Act on Insurance Contracts no. 30/2004 apply.

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## Protocol on unfitness to work due to illness

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The parties agree that, in addition to incidences of illness and accident, sickness rights pursuant to this agreement are activated if an employee needs an urgent and necessary medical procedure to mitigate or remove the consequences of an illness which is foreseeably leading to unfitness to work.

The above definition does not however constitute a change in the sickness concept of labour law as it has been interpreted by the courts. The parties agree that medical procedures that an employee must have to remedy consequences of an accident at work also lead to sickness rights pursuant to this agreement being activated.

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## Protocol On doctor's certificate

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The parties to the agreement will direct a request to the Minister of Health that he support changes to the rules on doctors' certificates. A demand will be made for a special doctor's certificate in the case of long-term absence. If an employee has been unfit for work because of illness or accident for four continuous weeks, a position should be taken in the doctor's certificate as to whether work rehabilitation is necessary to achieve or accelerate recovery. [2008]

## Chapter 9: On tools and workwear

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### 9.1 Tools

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Tools and other work equipment shall be provided for employees free of charge. Employees shall ensure that all equipment and tools are in good condition so that they do not cause risk of accident or in any other way threaten employees' safety.

### 9.2 Protective clothing

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#### 9.2.1 General workwear

Employees shall receive one overall or equivalent once a year if an agreement has not been made on another arrangement.

#### 9.2.2 Special workwear

In instances of particularly dirty environments where the job or the workplace is polluted by soot, tar, oil and other substances that in the opinion of the foreman or union representative can destroy clothing, the employees shall receive special protective clothing.

Employees shall be provided with protective gloves (skin) and protective aprons for welding and other rough work.

When employees work with acid or thinner for cleaning and when they work with solvents, they should be provided with aprons and protective gloves (rubber gloves).

Where the employer requires special workwear, he provides such clothing, which is the property of the employer and then money for clothes pursuant to other provisions is not paid.

At workplaces where a requirement is made for special workwear, it is unauthorised to discriminate between employees on the basis of gender, sexual orientation or gender identity in this connection.

#### 9.2.3 Fish processing

Where the employer in fish processing requires special workwear, he provides such clothing, which is the property of the employer and then money for clothes pursuant to other provisions, is not paid.

Employers in fish processing, who offer workwear, shall provide fish processing workers with aprons and gloves pursuant to the following rules:

On each pay day, the company shall deposit the equivalent of ISK 17.60 for each worked hour (with reference to 1.2.2024) (paid refreshment breaks included) in a special protective clothing invoice account for each employee. Employees in salt fish and stock fish processing will however receive ISK 20.54 per hour (reference 1.2.2024). The above specified amount follows general changes in pay during the term of the agreement.

The employee's allowance for these products is based on the balance of his/her protective clothing account. If an employee does not fully use his/her allowance, pursuant to the above, the difference will be paid out in cash at the end of the year or when his/her employment ends.

Employers in fish processing who do not provide their employees with protective clothing, shall pay employees in processing the amount of ISK 20.54 per worked hour (with reference to 1.2.2024) (paid refreshment breaks included), as participation in costs for protective clothing (aprons, mittens). Employees in salt fish and stock fish processing will however receive ISK 26.40 per hour (reference 1.2.2024). The above specified amount follows general changes in pay during the term of the agreement.

#### 9.2.4 Work in refrigerated space

Work by employees in refrigerated space is covered by Regulation no. 941/2002 on health and safety, see also Regulation no. 384/2005 on work in refrigerated space in food production and also guidance rules from Administration of Occupational Safety and Health. The employer provides jackets and trousers or other suitable clothing made of insulated material and cotton gloves to use under work gloves, for employees in these environments. The safety representative and safety officer evaluate when and whether such protective clothing is necessary. The Administration of Occupational Safety and Health decides in any dispute after a workplace inspection.

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## 9.3 Damage to clothing and items

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- 9.3.1 If an employee verifiably suffers damage to normal and necessary clothing and items when performing his/her work, such as to watches and glasses etc., then this shall be recompensed according to an evaluation.
- 9.3.2 The same applies if an employee suffers damage to clothes from chemical substances, including dust stabilising substances (calcium chloride).
- 9.3.3 If employees suffer damage (loss of protective clothing etc.) as a result of a fire at the workplace, then this shall be recompensed according to an evaluation.

## Chapter 10: On contributions for sickness, holiday, vocational education, pension and work rehabilitation funds.

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### 10.1 Sickness fund

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- 10.1.1 Employers shall pay into a sickness fund of the union in question to the amount of 1% of paid salaries to the workers, to cover sickness and hospital costs.
- 10.1.2 The Confederation of Icelandic Employers is authorised to nominate one auditor to the fund.
- 10.1.3 The fund board is responsible for custody of the fund and for investing. It is authorised to invest the funds by purchasing securities with safe collateral in real estate pledges. It is also authorised to use the fund's money to purchase or build facilities, given that the fund is the owner of the facilities.
- Care shall be always taken to ensure that use of the fund's money does not conflict with its purpose and tasks, as specified above.
- 10.1.4 Further provisions about the fund are made with regulations.
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### 10.2 Holiday fund

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- 10.2.1 The employee makes a separate payment into the holiday fund of the union in question which amounts to 0.25% of paid wages calculated in the same manner as for payments to the sickness fund. Employees pay this contribution at the same time as the sickness fund contribution.
- 10.2.2 The holiday fund was initiated for the purpose of supporting the building of holiday homes and to make it easier for employees to enjoy holiday stays.
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### 10.3 Vocational education fund

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Employees pay 0.3% to Landsmennt, which organises vocational education for SA confederation of Icelandic enterprise and workers in the countryside.

In other respects, reference is made to the agreement on issues relating to vocational education.

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## 10.4 On pension funds

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- 10.4.1 The agreement between the negotiating committees of ASÍ and SA on pension funds, dated 19 May 1969, as amended, shall apply between the parties, as appropriate, as is also the case with the agreement between ASÍ and SA on pension fund issues from 12 December 1995.
- 10.4.2 An employee pays 4% contribution to a pension fund on all wages and the employee in the same manner pays 11.5%.
- 10.4.3 Additional voluntary contributions to pension fund savings  
If an employee pays at least 2% additional contribution to a special pension fund (shared or personal), the employer's contribution shall be 2%.

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## 10.5 Work rehabilitation fund

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- 10.5.1 Employees pay a contribution to Virk - Work rehabilitation fund, pursuant to Act no. 60/2012.

## Chapter 11: On union dues

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### 11.1 Collection of union fees

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- 11.1.1 Employees undertake to collect union fees for the appropriate main and subsidiary unions in accordance with the rules of the union, whether this is a percentage of wages or a fixed charge. These fees are delivered on a monthly basis to the unions and the final payment day is the last working day of the subsequent month. It is authorised to deliver union fees at the same time as pension fund contributions. Parties to the agreement will exert their influence to bring about a change in payment days for pension fund contributions to harmonise with this.
- 11.1.2 Unions are authorised to come to an agreement with boards of pension funds on the collection of holiday home fund fees concurrently with pension fund contributions.

## Chapter 12: On notice of termination and reappointment

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### 12.1 Call to work

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It is considered a call to work if employers are not informed at the end of the working day that it is not intended that they turn up for work the next morning, where the foreman believes that weather or other force majeure circumstances do not prevent work the next day, from the morning. Employees should nevertheless in such circumstances be paid four working hours.

### 12.2 Notice of termination

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During the first two weeks in work there is no notice of termination.

After two weeks continuous work with the same employer:      1      2  
calendar days

After 3 months' continuous work with the same employer:  
1 month from the end of the current month.

After 2 years' continuous work with the same employer:  
2 months as of the end of the month

After 3 years' continuous work with the same employer:  
3 months as of the end of the month

The provisions of article 12.2 fully replace the provisions of article 1 of Act no. 19/1979 on notice of termination.

### 12.3 The process of termination

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#### 12.3.1 General on termination

Notice of termination is reciprocal. All terminations shall be in writing and made in the same language as the employment contract of the employee.<sup>5</sup>

#### 12.3.2 Interview on reasons for layoff

An employee has a right to an interview about the ending of his/her employment and the reasons for layoff. A request for such an interview shall be made within four working days of receipt of announcement of layoff and the interview shall take place within four days from that point in time.

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<sup>5</sup> See further the agreement on mass layoff on page 171.



An employee can request at the end of an interview or within four days that the reasons for his/her layoff are explained in writing. If the employer accepts this request of the employee, it shall be met within four days from that point in time.

If the employer does not accept the employee's request for written explanations, then the employee has the right within four days to another meeting with the employer on the reasons for the layoff in the presence of his/her union representative or other representative of his/her union if the employee so requests.

#### 12.3.3 Limitation of authority to terminate employment pursuant to the law

When terminating employment, the provisions of the law that limit an employer's freedom to terminate must be respected, among other things provisions on union representatives and workers' safety representatives, on pregnant women and on parents in maternal/paternal leave, on employees who have notified maternal/paternal leave or parental leave and on employees who bear family responsibilities.

The provisions of article 4 of Act no. 80/1938 on unions and industrial disputes must also be respected, as is also the case with legislation on the equal position and equal rights of men and women, on employees in part-time work, on the legal status of employees in change of ownership of companies and on the consultation obligation of the law on mass layoff.

When an employee enjoys protection from layoff pursuant to the law, the employer must provide arguments in writing that support the reasons behind the layoff.

#### 12.3.4 Penalties

Breaches of the provisions of this chapter can bring liability for compensation pursuant to the general principles of tort.

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## 12.4 Moving between jobs

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If an employee has been employed for a specific job or who has been in that job for at least one continuous year, is moved to a new job, where a lower rate is paid than the one for which he was employed, he shall retain his/her prior pay rate for the period prescribed in his/her notice of layoff, unless he was notified of the move with that same length of notice. This does not apply to jobs paid with varying hourly rates and where men are moved between jobs according to customs at the workplace and to the nature of the work.

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## 12.5 End of employment

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If an employee is dismissed, after at least 10 years continuous work with the same company, the dismissal notice is four months if the employee has reached the age of 55, 5 months if he has reached the age of 60 and 6 months when he has reached the age of 63. An employee can, on the other hand resign from his/her job with three months' notice.

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## 12.6 Accrued rights

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'Accrued rights' pursuant to article 12.6 refers to all rights related to length of service with the same employer pursuant to this collective agreement, among other things for holiday pay, sickness rights and notice of termination.

12.6.1 Accrued rights of employees shall be retained on reappointment within one year. In the same manner, accrued rights will come into force again after one month's work if the reappointment is after more than one year, but within three years.

An employee who has worked continuously for one year or longer, with the same employer shall, in the same manner enjoy accrued rights again after three months' work if the reappointment takes place after a three year break from the work but within five years.

Accrued rights are also retained in change of ownership of companies pursuant to the law on the legal position of employees on change of ownership of companies.

12.6.2 Accrued rights for work abroad

Foreign workers in this country and Icelanders that have worked abroad bring their accrued working experience for the purpose of rights according to the collective bargaining agreement that are related to the time worked in an industry, given that the job abroad is considered comparable.

When appointed, employees shall provide proof of their work experience with a statement from a prior employer or in another equally verifiable manner. If an employee, when appointed, cannot provide a statement that fulfils the conditions pursuant to paragraphs 3 and 4, he is authorised to submit a new statement within three months from his/her appointment. Accrued rights then come into force from and including the following end of month. The employer shall confirm receipt of the statement.

The statement from the former employer shall among other things specify:

- Name and personal identity of the employee in question.
- Name and identity of the company issuing the confirmation, along with telephone, email address and the name of the party responsible for issuing the statement.
  - Description of the work done by the person in question.
  - When the person in question started work at the company in question, when his/her employment ended, and whether there was any break, and if so when, in the work of the person in question.

The statement should be in English or translated to Icelandic by an accredited translator.

### 12.6.3 Maternal/paternal leave

According to laws on maternal/paternal and parental leave no. 95/2000, maternal/paternal leave shall be calculated as working time when assessing job-related rights, such as for the taking of holidays and lengthening of holidays pursuant to the collective bargaining agreement, length of service-related pay rises, sickness rights and layoff notice. The same applies if for safety reasons a woman needs to stop work during pregnancy, see the regulation on measures to increase safety and health at the workplace for women who are pregnant, have recently given birth, or are breastfeeding.

## Chapter 13: On union representatives

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### 13.1 Election of union representatives

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13.1.1 Workers are authorised to elect one union representative at each work location where 5-50 workers are employed and two union representatives if the workers are more than 50. Workplace in this connection is deemed to be any company where a group of people work together. On completion of the election, the union in question nominates the union representatives. Where it is not possible to have an election, the union representatives shall be nominated by the union in question.

It is authorised to elect three representatives within a company if the number of members is greater than 120 at the same workplace.

When company places of work are more than one, or where employees generally report for work at other places of work than the headquarters of the employer in question, a union representative shall be afforded flexibility to perform his union representative duties at all places of work, or more union representatives shall be elected to perform these duties.

13.1.2 Representatives will not be elected or nominated for more than two years in each instance.

### 13.2 Work of union representatives

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In consultation with the foreman, union representatives at the workplace are authorised to spend the time necessary to complete tasks assigned to them by workers at the workplace in question and/or by the union in question, in connection with their work as union representatives and their wages shall not be impaired for this reason.

If the work of a representative is such that he is unable to conduct his duties as a representative during regular working hours, then at the request of a representative, an agreement shall be made between him and the employer on the minimum time that the representative has available to conduct these duties. In the agreement, account shall be taken of the number of employees that the representative represents, the general scope of his duties, distribution of workplaces, shift schedules and other relevant elements.

### 13.3 Documentation to which union representatives have access

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A union representative shall be authorised to scrutinise relevant documents and worksheets in connection with the dispute in question. Such information shall be treated as confidential.

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## 13.4 Facilities for union representatives

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Representatives at the workplace shall have access to lockable storage or equivalent and access to a telephone in consultation with the foreman.

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## 13.5 Meetings at the workplace

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The union representative at each company shall be authorised to call a meeting with workers twice a year at the workplace during working hours. The meeting commences one hour before the end of day work to the extent that this is possible. The meeting shall be called in consultation with the union in question and with the company management with three days' notice, unless the subject of the meeting is very urgent and in direct connection with the problem at the workplace. Then one day's notice is sufficient.

Workers' salaries are not impaired in connection with this, for the first hour of the meeting.

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## 13.6 Representatives' complaints

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The union representative shall pass on workers' complaints to the foreman or to other company managers before referring to other parties.

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## 13.7 Courses for union representatives

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Representatives at workplace shall be given the opportunity to attend courses that aim to increase their competence in work. Each union representative has the right to attend one or more courses organised by unions and that is intended to enable union representatives to deal more effectively with their work, a total of one week per annum. Those who attend a course shall retain day work income and shift premium for up to one week per annum. In companies with more than 15 employees, union representatives shall retain their day work income and shift premium for up to two weeks in the first year. This applies for one union representative per annum in each company where there are 5-50 employees and two union representatives where there are more than 50 employees.

If union representative course is organised such that a representative's absence from work is no more than one day per week, then the representatives shall retain daywork income and shift premium for up to ten working days per year.

If a representative attends a course for a whole day, he will not be required to do conduct working duties on that day.

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## 13.8 Rights of union representatives to attend meetings

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When collective bargaining negotiations are in progress, members of unions affiliated to SGS, that have been elected to negotiation committees, are authorised to attend the meetings during working hours. The same applies to union representatives at annual meetings of ASÍ/SGS and union representatives at joint committees of ASÍ/SGS and SA. Care should be taken that absences of employees cause minimum disturbance to the operations of the companies they work for and such an employee shall consult with his/her superior on absences with as much notice as possible. The general principle shall be that there should not be more than 1-2 employees from each company. It is not obligatory to pay wages for the hours when the employee is absent.

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## 13.9 Rights of trades unions

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This agreement on union representatives at workplaces does not impair the rights of those unions that already have rights in their agreements that are greater than those decided here with respect to union representatives of workplaces.

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## 13.10 Consultation in companies

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In Act no.151/2006 on information and consultation in companies, the employer's obligation for informing and consulting with employee representatives is prescribed. The duty for consultation applies where more than 50 employees on average are working, see more detailed agreement between SA and ASÍ on information and consultation in companies. The Act assumes that the union representative is the representative of the employees.

## Chapter 14: On piecework

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### 14.1 Definitions of concepts

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The common name for bonus and premium is piecework. Piecework is paid with a bonus.

Piecework is where payment only takes into account the amount produced and is not paid at an hourly rate.

This chapter covers any kind of piecework in this agreement pursuant to a more detailed definition in article 14.3

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### 14.2 Adopting piecework and consultation with unions

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The employer shall consult with union representatives and the appropriate union when adopting piecework and on the minimum duration for such an arrangement to be in place. The same applies to maintenance and amendments to the agreement in force. As there are agreements in force on this issue, those provisions shall remain.

The parties agree that new ideas be explored on bonus systems with the objective of increasing production value, salaries and job satisfaction.

If an agreement is made with employees about piecework, see paragraph 2 of article 14.1, the collective agreement of unions affiliated to SGS for such work shall apply, or a contract of employment that has been submitted to the trade union for endorsement, see article 7 of Act no. 80/1938.

When designing, implementing and changing piecework it is desirable to rely on recognised labour research and to have workers' health in mind.

(See further the framework agreement on group pay systems in freezing plants on page and the framework agreement on group premium work in processing salt fish, stock fish, etc. on page and the framework agreement on cleaning on page ).

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### 14.3 Bonus

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Bonus covers both bonus and premium.

Bonus is a performance-related pay system and is in addition to the agreed hourly rate and it increases in proportion to the performance in excess of a minimum reference amount.

Premium is the agreed amount per produced unit in addition to agreed hourly rate.



# Chapter 15: On general and specially trained construction workers.

## 15.1 Scope

- 15.1.1 Work of construction workers includes among other things the following work:
  - a. Labourers for masons, carpenters and for other construction tradesmen.
  - b. Concrete work, concrete cutting and concrete breaking at the construction site.
  - c. Dismantling formwork and cleaning, oiling timber and other material used for erecting formwork, filling holes, repairs, etc.
  - d. Rebar work.
  - e. Earthwork, making sewers, surfacing with tarmac, road construction, laying earth conduits, laying paving and garden work.
- 15.1.2 Specially trained construction worker is deemed to be a worker whose main work has been directly involved in production for at least 2 years.
- 15.1.3 A specialised assistant to tradesmen with considerable professional experience is deemed to be an employee who is main job has been to work with tradesmen for at least 2 years and who can work independently and who may be assigned task supervision on a temporary basis.
- 15.1.4 An employee has the right to written confirmation of his work experience with the company in question at the end of his period of employment.
- 15.1.5 Crane operator work is according to Chapter 16 on machine operators.

## 15.2 Wages

Wage categories for construction workers:

Wage Category

	Wage Category
General construction workers	6
Specially trained construction workers	8
Specially trained assistants to tradesmen with considerable trade knowledge	9

While courses for construction workers are not held, experienced construction workers with three years' continuous work experience have the right to salaries according to the table for specially trained construction workers.

When a specially trained construction worker or specialised assistant to tradesmen with considerable professional experience is directly involved in production where tradesmen working on the same production are working according to a performance-related pay system which affords a separate premium, then he also has the right to work according to a performance-related pay system, or that the premium in question is taken into account in another manner when deciding his wages.

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## 15.3 Working hours

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- 15.3.1 Working hours for construction workers shall be 40 hours per week or 8 hours a day, Monday to Friday. (Active working hours are 37 hours and 5 minutes.).
- The time window for day work shall be 07:00 to 17:00
- 15.3.2 Within this time limit it is authorised to coordinate work hours of employees at the same working site.

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## 15.4 Shift work

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It is authorised to introduce shifts that cover some or all of the employees. Shifts shall not be shorter than 8 hours and no longer than 12 hours.

Refreshment break in each eight hour shift shall be 35 minutes which shall be divided by agreement between employees and employer. If shifts are longer or shorter, then the refreshment break changes in proportion.

The shift premium for regular shift work shall be:

35% premium for the period 16:00- 24:00 Monday to Friday.

55% premium during the period 00:00-08:00 all days and weekends.

If shift work is introduced for a shorter period than 15 weeks, the premium on night shifts shall be 60%. If it was planned to introduce shifts for a longer period of time and they were discontinued before the 15 week period is reached, night shifts shall be recalculated using 60% premium.

For each hour in excess of 40 hours average per week (37.05 active working hours) overtime shall be paid.

Shift shall be introduced and discontinued with one week's notice. Shifts should not be for a shorter period than 10 days.

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## 15.5 Meal and coffee breaks

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- 15.5.1 The meal break in day work shall be taken during the period 11:30-13:30. It is authorised to shorten this time, down to 30 minutes and then overtime commences correspondingly earlier.
- 15.5.2 Coffee breaks in the working time shall be two, 40 minutes total, and they shall be taken before and after midday. Coffee breaks should be taken during the periods 09:00-10:00 and 15:00-16:00. Employees and employers at each place of work shall make an agreement on more specific timing of coffee breaks. On the basis of an agreement at the place of work, it is authorised to cancel one or both coffee breaks and to shorten the working day correspondingly, if the work is only worked daytime work.
- 15.5.3 In the case of overtime, the evening meal break shall be every day between 19:00-20:00 and where the refreshment break has been shortened or cancelled and attendance at the workplace reduced for that reason, the evening meal break can be brought forward as far as 18:00, given that a meal break is taken at that time and that work continues after the break. It is also authorised to move the evening meal break forward to 18:00 when day work commences at 07:00 in the morning. The night meal break shall be 02:00-03:00.
- 15.5.4 For overtime work, there shall be 20 minute coffee breaks at 22:30, 04:30 and 06:30.<sup>6</sup>
- 15.5.5 All meal and coffee breaks in overtime and weekend work shall be paid as working time.
- 15.5.6 If work is done during meal or coffee breaks in overtime, a correspondingly longer time shall be calculated for worked hours.
- 15.5.7 If an employee is signed out of work when a coffee or meal breaks are to commence while working overtime, during the period 22:30-07:00, they are paid in addition to worked hours.<sup>6</sup>

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## 15.6 Lunch

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- 15.6.1 Employees shall, to the extent that circumstances permit, be provided with lunch in the workplace cafeteria or in a work shed, on the same terms as other employees.
- 15.6.2 If employees are sent to work outside the municipality limits and or works later than 20:00 without taking a meal break, then he shall receive free food or a food allowance, pursuant to article 3.4.2.

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<sup>6</sup> Articles 15.5.4.-15.5.7. do not apply to Hlíf, VSFK and SV. General provisions for Chapter 3 apply.

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## 15.7 Travel to and from work

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Construction workers shall come to work in their own time and under their own volition within a 10 km radius from the place of employment, but nevertheless within municipality limits.<sup>7</sup>

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## 15.8 Courses

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15.8.1 Construction workers have the right to attend courses in first-aid, fall protection and health and safety in the workplace, for up to 8 hours during the first year of work.

15.8.2 If construction workers attend a course in cooperation with employers, they shall retain their day work wages during the course. If an employee is required to attend a course, his/her fixed wages shall not be impaired. The employer also pays the course fees, but it is authorised to make the condition for payment of these fees that the employee make part repayment if he terminates his/her employment within a further specified period of time (e.g. 6 months) from the date the course ended. The payment is proportional to the amount of time remaining of the period in question.

Such conditions for repayment are only deemed valid if the employee has verifiably been informed of the condition before registering for the course. Repayment can only cover that part of the cost borne by the employer for payment of the course fee after grants that he has received from educational funds of parties to the labour market for the course have been taken into account.

15.8.3 The employer organises employees' attendance at courses in accordance with company operations.

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## 15.9 Workwear and safety equipment

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15.9.1 General workwear

Employees shall receive two overalls/workwear per annum and shall exchange unusable workwear for new workwear. Workwear shall be recorded under the name of the employee. Workwear is the property of the employer who is responsible for cleaning it at its own cost. At the end of his/her employment, the employee shall return all workwear or otherwise pay for it at cost price. The employer supplies work gloves as required and unusable gloves shall be exchange for new gloves. In cement work, waterproof clothing and rubber gloves shall be available for use by employees.

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<sup>7</sup> Hlíf special provisions: The travel route is defined by the jurisdiction of the Hlíf Trade Union within the boundaries of the municipality and within the cover of public transport buses in the Capital City Area.

The type of overalls is decided by the kind of work being done by the employees.

Employees shall use undamaged workwear in order to diminish risk of accident at the workplace.

15.9.2 Instead of working clothes, see article 15.9.1, the employer is authorised to pay a special clothing allowance of ISK 28.46 (reference 1.2.2024) for each which worked hour, which increases with general wage increases.

15.9.3 Special workwear, see article 9.2.2

15.9.4 Employees in cement work shall be provided with rubber boots. Rubber boots shall be recorded under the name of the employee. Where needed, employees shall be provided with safety shoes, one pair per annum, and they shall exchange unusable shoes for new shoes. Rubber boots/safety shoes are the property of the employer and the employee shall return them when his/her employment ends or pay cost price for them.

15.9.5 In other respects, employees are provided with free use of protective and safety equipment considered necessary by the Administration of Occupational Safety and Health. Such equipment is deemed to be the property of the employer.

15.9.6 If overalls are soiled by formwork oil or another such substance, the employer shall have them cleaned at no cost to the employee.

15.9.7 Protective clothing

In the circumstances where it is necessary for an employee to wear special protective clothing (e.g. insulated overalls in addition to normal workwear) in his/her work to protect himself from cold, which could affect his/her health and safety, the employer shall provide such clothing. Protective clothing is the property of the employer and the employee shall return it when his/her employment ends or otherwise pay for it at cost price.

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## Protocol on courses

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An employee who has completed courses in first-aid, health and safety at the workplace and/or fall prevention during his first year of work pursuant to article 15.8.1, shall have the opportunity to attend courses related to the tasks he normally performs, according to an educational programme of a recognised trainer. Examples of such courses are laying of concrete, erecting scaffolding, rebar work and finishing of plots of land, as such courses make the employee more effective in his work and the company gains a more competent employee.

# Chapter 16: On drivers and machine operators

## 16.1 Scope

The provisions of this chapter apply to machine operators and drivers working on machinery that requires industrial machinery rights or advanced driving rights, see however Chapter 17 on PCV drivers.

The chapter also applies to drillers and explosive workers in tunnels (earth drilling category).

## 16.2 Wages

Wage Categories for machine operators:

	Wage Category
Machine operator 1	10
Machine operator 2	13

Machine operator 1: Machine operators on machines that require basic courses, according to the rules on rights to control industrial machines.

Machine operator 2: Machine operators on machines that require a basic course or further course pursuant to the rules on rights to control industrial machines, and drivers on vehicles that require advanced driving licences. Drillers and explosives workers (Earth drilling category)

## 16.3 Working hours

- 16.3.1
- Daywork is 40 hours or 8 hours per day during the period 07:00-17:00, from Monday to Friday. (Active working hours are 37 hours and 5 minutes.). Within the above specified time limits it is authorised to coordinate working hours of employees at the same workplace.
- 16.3.2
- Drivers and machine operators shall themselves record their working time, if this is requested, and in the manner the foreman decides.

- 16.3.3 If a driver needs to dwell away from his home because of bad road conditions or breakdown, on journeys that take 24 hours or more, he shall be paid at least 8 hours per day at day work rate, or overtime pay, as appropriate. This does not apply for such overnight stays that are decided according to normal working practice or in a contract of employment.
- 16.3.4 If an employee does not get rest days specified in a contract after 12 days continuous work away from his/her home/or place of employment, then one hour at overtime rate shall be paid for each working day in excess of 12 until the day off has been given.

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## 16.4 Shift work

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It is authorised to introduce shifts that cover some or all of the employees. Shifts shall not be shorter than 8 hours and no longer than 12 hours.

Refreshment break in each eight hour shift shall be 35 minutes which shall be divided by agreement between employees and employer. If shifts are longer or shorter, then the refreshment break changes in proportion.

The shift premium for regular shift work shall be:

35% premium for the period 16:00- 24:00 Monday to Friday.

55% premium during the period 00:00-08:00 all days and weekends.

If shift work is introduced for a shorter period than 15 weeks, the premium on night shifts shall be 60%. If it was planned to introduce shifts for a longer period of time and they were discontinued before the 15 week period is reached, night shifts shall be recalculated using 60% premium.

For each hour in excess of 40 hours average per week (37.05 active working hours) overtime shall be paid.

Shift shall be introduced and discontinued with one week's notice. Shifts should not be for a shorter period than 10 days.

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## 16.5 Refreshment breaks

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- 16.5.1 It is authorised, with an agreement between the parties to shorten the lunch break to 30 minutes, but this means that overtime will begin correspondingly earlier.
- 16.5.2 Is authorised to give a lunch break during the period 11:30-13:30. If it is not possible to give the lunch break within the agreed limits, the work in the lunch break is paid at overtime rate.

- 16.5.3 A coffee break is taken at the workplace, as is most convenient for the work being done in each instance within the following limits: 09:00-10:00 and 15:00-16:00. Payment for coffee breaks that are not taken within these limits is made in a similar way as in article 16.5.1.
- 16.5.4 If there is an agreement between the parties to cancel one or both coffee breaks, day work is shortened correspondingly.
- 16.5.5 If employees work past 20:00 without taking a meal break, then they shall have free food or food allowance pursuant to article 3.4.2.
- 16.5.6 Separate coffee facilities at the workplace are not obligatory when one worker is working in a closed and heated machine and not in a working team. If it is predictable that a task will last longer than one month at the same location, the employee shall have access to coffee facilities from the first day. Facilities shall be arranged at the workplace or the employee shall be provided with transport to another place which has coffee facilities.

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## 16.6 Lunch

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- 16.6.1 Drivers and machine operators shall, to the extent that circumstances permit, be provided with lunch cafeteria at the workplace, or in a work shed and at the same terms as other employees.

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## 16.7 Transport for employees

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- 16.7.1 Cab drivers and machine operators shall come to work in their own time and under their own volition within a 10 km radius from the place of employment, but nevertheless at a maximum of three km outside built-up area limits.<sup>8</sup>
- 16.7.2 If employees are sent from the place of employment/work location within the above specified limits, to work outside them, the employer shall organise transport where journeys outside built-up area limits, though to a maximum of three km, are made in working hours. This applies if working in the union jurisdiction.
- 16.7.3 If employees are sent to work outside travel routes, they shall receive free food or food allowance pursuant to article 3.4.2.
- 16.7.4 All drivers that do not reach home in their journeys shall receive free food and other accommodation and travel costs.
- If a journey is organised so that there is an overnight stay, then accommodation will be provided for the driver in a single room with made up bed and adequate equipment. Anything else is not deemed adequate facilities.

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<sup>8</sup> Hlíf special provisions: The travel route is defined by the jurisdiction of the Hlíf Trade Union within the boundaries of the municipality and within the cover of public transport buses in the Capital City Area.



- 16.7.5 If a company has operational locations in more than one jurisdiction/ operating area, the place of employment shall be specified in the employment agreement.

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## 16.8 Courses

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- 16.8.1 If a machine operator or driver attends a course for increased driving/ operating rights with the agreement of the employer, then there shall be no impairment of day work wages, given that the courses held during day working hours, that it is useful to the employee in his work with the employer in question and that costs related to the course are established. The employer furthermore pays the course fees.
- 16.8.2 The employer is authorised to make payment of course fees conditional on the employee repaying part of the fees if he resigns his position or stops working within a more specific claim specified period of time (e.g. 6 months) from the time that the course ended. The payment is proportional to the amount of time remaining of the period in question.
- Such conditions for repayment are only deemed valid if the employee has verifiably been informed of the condition before registering for the course. Repayment can only cover that part of the cost borne by the employer for payment of the course fee after grants that he has received from educational funds of parties to the labour market for the course have been taken into account.

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## 16.9 Workwear and safety equipment

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- 16.9.1 Drivers and machine operators shall receive two overalls each year or two sets of workwear without charge, and one pair of boots or safety shoes, as appropriate. Such workwear shall be recorded under the employee's name. The type of overalls is decided on the basis of the kind of work employees are doing. In the circumstances where it is necessary for an employee to wear special protective clothing (e.g. insulated overalls in addition to normal workwear) in his/her work to protect himself from cold, which could affect his/her health and safety, the employer shall provide such clothing. Unusable overalls and rubber boots/safety shoes shall be exchanged for new ones. Overalls and rubber boots/safety shoes are the property of the employer and the employee shall return all workwear and rubber boots/safety shoes when his/her employment ends or pay cost price for them.
- 16.9.2 The employer is authorised to pay a clothing allowance of ISK 24.31 on each working hour (with reference to 1.2.2024) instead of paying for general workwear. In other respects, employees will be provided without charge with the safety equipment that the Administration of Occupational Safety and Health deems necessary. Such equipment is deemed to be the property of the employer.

- 16.9.3 Operators of machines and drivers shall be offered work gloves for use in maintenance of machines/vehicles, loading and unloading vehicles, and they will exchange the old ones for new.
- 16.9.4 If overalls are soiled by oil or another such substance, the employer shall have them cleaned at no cost to the employee.

**Explanation:**

When loading and unloading trucks is important to pay attention to occupational safety, see Rules no. 499/1994 on health and safety when loads are handled. If one has to move a load, e.g. lift it, push or drag, the employer is obliged to "organise measures or use appropriate support equipment, particularly mechanical, to avoid employees having to handle loads." This means among other things that appropriate equipment should be used or that employees should be provided with support equipment to mitigate risks.

## 16.10 Number of employees – rest

- 16.10.1 The number of employees for each task is based on the needs in the opinion of the employer in each instance, as long as safety requirements are fully complied with. If there is dispute about safety requirements the opinion of the Administration of Occupational Safety and Health shall be sought.
- 16.10.2 When a machine operator on a crane, on a bulldozer in continuous rock work and on a wheel-loader transferring material, has worked continuously for longer than four hours without a break, he has a right to a 15 minute break or to be replaced. Meal and coffee breaks are considered to be breaks in this connection. A machine operator does however also have the right to necessary personal time, even where the work is in other respects continuous.
- 16.10.3 The same machine operator shall however not work longer than 8 hours continuously (engine time) on bulldozers that weigh 27 tons or less (operating weight) on ripping in difficult rock (e.g. D7, TD15, KOM65).
- 16.10.4 In continuous jack hammer work with heavy hammers or with pile drivers, the operator shall be given regular breaks or replacement.
- 16.10.5 If particularly difficult rock work on heavy duty machines that lasts more than two weeks continuously, the operator of a machine can request to be moved temporarily to another machine or to another task.
- 16.10.6 The rest period for drivers and machine operators according to laws and regulations in force on rest and driving hours for drivers. See also rest period for drivers, article 17.9 on PCV drivers.

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## 16.11 Scope of work

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16.11.1 Employers are obliged, in return for contractual monthly pay, to do the jobs assigned to them by the employer and that are compatible with their work obligations. In addition to normal work in operating machines/vehicles, this applies to work related to maintenance in and outside the workshop. They shall clean the machines/vehicles, replace small faulty parts, tyres and do greasing and oil change and other tasks necessary to ensure the operating safety of the machine/vehicle/. When there are no pending tasks that relate directly to the standard scope of work of machine operators/drivers, the employee is authorised to assign other tasks to them that are compatible with their job, competence and experience.

16.11.2 Rental of machine/vehicle with driver

When renting industrial machines or vehicles with an operator, the operator is not obliged to perform other tasks than operation and maintenance of machines/vehicles, and other comparable tasks, unless an agreement is specifically made otherwise in each instance, and he retains unimpaired wages.

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## 16.12 Lack of driver

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An employee who is employed on a temporary basis, and has worked for three months for a company has the right to repayment of costs for statutory renewal of a driving licence in this country, pursuant to the regulation on tachographs and their use. If an employee terminates his/her employment within six months of the renewal of a licence, it is authorised to claim recovery for outlay costs in proportion to the length of service.

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## 16.13 On-call shifts

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It is authorised to introduce on-call shifts where an employee is obliged to be available on the telephone and to carry out work when called out. If the employment contract does not prescribe otherwise, then the following applies:

For each hour of an on-call shift where the employee on call is obliged to stay at home, he will receive the equivalent of 33% of the day hour rate. On general holidays and public holidays pursuant to articles 2.3.1 and 2.3.2, the above specified proportion will be 50%.

For on-call shifts where immediate reaction by the employee is not demanded, but where he is available for work immediately on being contacted, 16.5% of the day hour rate is paid for each hour of the on-call shift. On general holidays and public holidays pursuant to articles 2.3.1 and 2.3.2, the above specified proportion will be 25%.

For being called out on an on-call shift, the employee is paid for worked hours, though for a minimum of 4 hours, unless the work commences within two hours of him being called to work. Payments for on-call shifts and overtime payments never apply together.

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## Lorries with sleeping facilities

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Lorries with sleeping facilities which are used in regular long distance journeys shall be fitted with an oil heater, as one can assume that the driver will need to use the facility for longer periods of rest.

Protocol on issues regarding machine operators and drivers

Parties to the agreement shall form a discussion group to discuss machine operators' and drivers' liabilities for damages resulting from damage they cause and their insurance coverage in general shall be examined.

# Chapter 17: On PCV (passenger carrying vehicle) drivers

## 17.1 On scope of applicability

The provisions of this agreement apply to drivers of PCVs that carry 9 passengers or more, see Act no. 73/2001 on the transport of passengers, and that need advanced driving rights for their work.

## 17.2 Wage categories and courses

### Wage Category

PCV drivers 17

In addition, a monthly ISK 6,126 course premium is paid for employee re-education. This amount (reference 1 February 2024) increases with general wage increases.

Course premium will be paid as a fixed payment per month and is on the assumption that where an employee has attended a course for which he has not paid, he will attend a revision course annually.

Introductory course 8 hours first aid, fire extinguishers and interpersonal relations

Revision course 4 hours shorter version of the introductory course

The course will be held at least twice a year and possibly in the name of SAF (Icelandic Travel Industry Association), but the cost will be paid by the employer of those attending.

### Additional rights:

The employer pays at least 50% of course fees for employee language courses, given that they are useful to the employee in his/her work.

## 17.3 Hourly pay and length of service-related increases

Hourly pay in day work, overtime, public holiday and shift premium are calculated from monthly salaries.

Length of service wage increases take into account all driving of PCVs in excess of 10 tons gross weight. Driving of an HGV over 10 tons gross weight shall be recognised at 50% for length of service increases. A driver shall submit confirmation of work experience regarding the above. In the same manner, similar work which is confirmed to have been done abroad shall be fully recognised for length of service.

When evaluating length of service increases for drivers employed by the same company for PCV driving solely over the summer months, each work month is multiplied by 1.5.

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## 17.4 Overtime on public holidays.

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All overtime on public holidays is paid with an hourly rate which is 1.375% of the monthly wages without shift premium. This does not apply to regular work hours, as winter holiday is provided pursuant to a separate agreement for work on the days in question.

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## 17.5 Work arrangement

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Work arrangements shall be decided when the employee is hired. Driver working hours shall be 40 hours per week, 8 hours per day and the period of work shall be scheduled as stated in article 17.6. – 17.8.

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## 17.6 Day work

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The start of day work can vary from 8:00-10:00 on work days and overtime starts when eight hours day work is completed. Drivers are obliged to work overtime at least every third weekend if requested. During the period 1 October-31 March it is authorised to give time off on work days in lieu of weekend overtime for worked hours, though only for two weekends per month and for a maximum of 8 hours per day. It generally not authorised to move these days-off between months. All work in excess of the above shall be unconditionally settled every month with overtime pay.

Coffee breaks in day work total 35 minutes per day and shall be taken when most convenient.

See clarification example:

- A driver works 8 hours overtime on Saturday. He receives time off at day work rate for one day within four weeks, and an overtime premium for 8 hours.
- Driver works 10 hours overtime Saturday and Sunday. Total 20 overtime hours. He receives time off for two days at day work rate within four weeks and overtime premium of 16 hours and 4 hours overtime.
- The driver works four hours on Saturday and Sunday. Total 8 hours. He is paid the same as in example 1, but it is authorised to give him two half days (4 hours) of time off.

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## 17.7 Shift work

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Shift work is authorised 24/7. Shifts are scheduled in such a manner that each shift period is followed by two continuous days off. Shifts in this chapter means a pre-defined work arrangement. Shifts shall be adopted with as good notice as possible, though not with less than one week's notice. Shift shall be decided for one month at the time and the shift register shall be displayed in a location easily accessible to drivers.

Shift shall be no longer than 12 hours and no shorter than 4 hours. Each shift shall be worked as continuous hours. Those who work on regular shifts or who work part of their weekly work obligation outside the day work period, shall receive shift premium for the hours outside normal day work.

Shift premium is calculated on the basis of monthly pay rates.

Shift premium for regular shift work is calculated from this base:

33.3% premium for the period 17:00-00:00 Monday to Friday.

45% premium for the period 00:00-08:00 and for Saturdays and Sundays

Those drivers that do not have specified coffee breaks shall, to fulfil their weekly work obligation, received 35 minutes in excess of real presence for each 8 hour shift.

**Explanation:**

Active working time for shift workers is 37 hours and 5 minutes on average per week and overtime is paid for work in excess of that.

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## 17.8 Recording of working hours

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Working time of drivers is counted from the time he arrives at work after being called in by the foreman or employer, until he stops work, with the deduction of a meal break during the period 12:00-14:00. If it is not possible to give the lunch break within the agreed limits, the work in the lunch break is paid at overtime rate. Working hours of a driver while travelling are not considered to be completed before he has arrived at the dwelling decided by the employer.

Drivers shall themselves record their working time, if this is requested, and in the manner the foreman decides. If a driver needs to spend the night away from home during a trip which takes two days or more, he shall be paid for at least 10 hours per day, except on Saturdays and Sundays where a minimum of 8 hours are paid.

Waiting time between trips counts as working time.

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## 17.9 Driver rest time

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This provision covers those working in transport on roads and is covered by the Regulation on drivers' driving time and rest periods (now no. 605/2010) or comparable rules that may be applied later.

### *Daily minimum rest time*

The working period shall be scheduled such that in a 24 hour period, calculated from the beginning of the working day, the employee receives at least 11 hours continuous rest.

It is authorised to shorten the continuous rest down to 8 hours, three times a week, and provide additional right to time off later.

If possible, the employee shall receive 11 hours rest immediately subsequent to a period of work without impairment of the right to fixed daily payment. When an employee does not receive 11 hours rest immediately subsequent to a period of work of up to 16 hours, the additional rest shall be as follows:

If an employee is specifically requested to start work before the 11 hour rest is completed, he is entitled to additional right to time off of 1 1/2 hours (day work) for each hour that the rest is shortened. It is authorised to pay half an hour (day work) from the right to take leave, should the employee request this.

If an employee works for a long time before a holiday or weekend and does not get 11 hours' rest on the basis of a normal start of the working day, then this should be treated in the same way. If an employee starts work on a holiday or weekend, overtime is paid for worked hours, without further extra payments for this reason.

Accrued time off in lieu according to the above shall be shown on the payslip and shall be given in half or whole days outside high season in company operations, in consultation with employees where the accrued time off in lieu is at least four hours.

### *Weekly rest time*

For each seven day period, an employee shall receive at least one weekly day off, which is directly related to daily rest time and this should be on the assumption that the week commences on Monday.

With an agreement with an employee, it is authorised to postpone a weekly day off and instead of the weekly day off there will be two consecutive days off over a period of two weeks. The taking of days off may be scheduled in such a way that they are taken every other weekend (Saturday and Sunday). In specific instances the weekly rest time can be postponed for a longer time in such a way that the employee receives corresponding rest within 14 days.



If days off fall on working days for unforeseen reasons, this does not impair the employee's right to fixed wages and shift premium.

If weekly rest is taken at another location than the base of the vehicle or driver, the weekly rest may be shortened from 35 hours to 24 hours as long as the amount of shortened rest is provided later and continuous by the end of the third week after the week in question.

If an employee does not get rest days specified in a contract after 12 days continuous work away from his/her home/or place of employment, then one hour at overtime rate shall be paid for each working day in excess of 12 until the day off has been given.

#### *Other*

Reference is made to the regulation on drivers' driving time and rest periods for drivers' driving time and rest periods.

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## 17.10 Food and accommodation costs

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All drivers that do not reach their home in trips shall receive free food and other accommodation and travel costs.

Drivers on trips shall be provided with facilities for rest in rest periods. In the case of a trip where there is overnight accommodation, the driver shall be provided with accommodation in a single room with made up bed adequate equipment. Anything else is not deemed adequate facilities. In the case of other or inferior facilities, such as sleeping bag accommodation, in a vehicle or in a building which is generally not intended for accommodation, 50% of per diem shall be paid according to the evaluation of the State Travel Cost Committee for accommodation.

Per diem payments to employees for journeys abroad are according to the decisions of the State Travel Cost Committee, if the company does not have specific rules on payment of travel costs.

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## 17.11 Drivers' workwear protective clothing

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When drivers are hired on a permanent basis, the employer provides them with a uniform. This consists of a jacket, two trousers, two shirts and a tie, annually, also a wind breaker every three years, free of charge, but not for the first three months. Drivers are obliged to wear the clothes when working.

Drivers shall furthermore, other than those who normally drive within city limits, be provided with insulated overalls when hired permanently. The protective clothing is the property of the employer and drivers shall ensure that it is located in the vehicle when needed. Overalls shall be renewed as required.

The employer is obliged to pay for washing and cleaning of uniforms and protective clothing in those instances where a mishap has occurred at work (breakdown, accident, oil mishap, etc.) If a uniform or protective clothing is damaged because of a mishap or accident during work, the employer shall repair it or provide new clothing.

The clothes are the property of the employer and it is unauthorised to use them except when working in his/her employment.

Drivers must return used clothes.

If a driver has not received the prescribed clothes when he has worked for three months with the employer, or regularly at 12 monthly intervals, he shall receive monthly payment of ISK 3,885 (reference 1 February 2024) from the day of his/her appointment until he receives the clothes. This payment is based on the clothes item in the consumer price index (182.3 in December 2013) and changes annually, according to that index.

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## 17.12 Lack of driver

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An employee who is employed on a temporary basis, and has worked for three months for a company has the right to repayment of costs for statutory renewal of a driving licence in this country, pursuant to the regulation on tachographs and their use. If an employee terminates his/her employment within six months of the renewal of a licence, it is authorised to claim recovery for outlay costs in proportion to the length of service.

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## 17.13 Courses

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If a driver attends a course for qualifications, with the agreement of the employer, there will be no impairment of his/her this day work pay given that the course is useful for the employee in his/her work with the employer in question and that the cost related to the course is established. The employer furthermore pays the course fees. This provision does not cover courses pursuant to article 17.2.

The employer is authorised to make payment of course fees conditional on the employee repaying part of the fees if he resigns his position or stops working within a more specific claim specified period of time (e.g. 6 months) from the time that the course ended. The payment is proportional to the amount of time remaining of the period in question.

Such conditions for repayment are only deemed valid if the employee has verifiably been informed of the condition before registering for the course. Repayment can only cover that part of the cost borne by the employer for payment of the course fee after grants that he has received from educational funds of parties to the labour market for the course have been taken into account.

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## Protocol On food costs

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The parties agree that if it is foreseeable that food will not be available for a driver in journeys, then it is authorised to agree on direct payments instead of food. When deciding the amount, the State Travel Cost Committee decision on food costs will be used.

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## Protocol On evaluation of real skills for wages

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The parties to the agreement agree that when defining job skills, for evaluation of education/real skills for wages, one must among other things take into account increased demands for continuous education and good command of foreign language(s) for communications with tourists and foreign group leaders. If it is requested that the driver has special knowledge to communicate to passengers, then this must be taken into account in defining skills.

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## Protocol On review of Chapter on PCV drivers

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Parties to the agreement agree to review the chapter on PCV drivers in the light of very significant changes in their work environment, increased demands for continuous education, pressure of work in winter driving with passengers, flexible refreshment breaks, increased demands for good command of foreign languages for communications with passengers, and foreign group leaders, providing services for passengers when loading and unloading, etc. A committee comprising two representatives from SA and two from SGS is to start working on 1 October 2015 with the aim of returning conclusions by the end of March 2016.

## Chapter 18: Fisheries workers

### 18.1 Wages

Fish processing worker which categories:

	Wage Category
General fish processing workers	5
Specialised workers in fisheries	
Specialised fish processing course workers who have attended additional courses	9
Specialised fisheries workers who have attended additional courses fish processing course and have 7 years length of service with the same company.	11
Fisheries technicians that have completed studies at the Icelandic College of Fisheries in Grindavík	13
Employees who are 16 or 17 years old working in bonus systems in fish processing, or in fish processing where fixed bonus payments cut been introduced because production is machine controlled, shall not receive lower salaries than according 95% of starting wages the for 18 year olds.	

### 18.2 Index in group pay systems and piecework

Indices in fish processing are as follows:

	1.2.2024	1.1.2025	1.1.2026	1.1.2027
<b>Piecework</b>	229.34	237.37	245.67	254.27
<b>Group payroll systems</b>	309.53	320.37	331.58	343.18
<b>Minimum bonus</b>	328.95	340.47	352.38	364.72

When working on production and related jobs in fish processing companies, pursuant to article 18.4.1 and in canning liver, where performance-related premium payments have not been introduced such as group bonus or individual bonus then a bonus equivalent of the minimum bonus shall be paid for each paid hour. This does not apply when working according to performance-related pay systems or fixed bonus and/or premium payments are higher per paid hour. If a bonus system of a fish processing company is not based on a framework agreement on group payroll system in fish freezing plants, then a bonus shall be paid on each wage period which is never lower than the bonus equivalent of minimum bonus.

These special premium payments, minimum bonus, are cancelled when there is a lack of raw material and when fish processing workers receive guaranteed wages in the same manner as fish processing workers who are working according to bonus systems. If a company already pays a premium on pay rates for fish processing workers, which is instead of bonus payments, this should be taken into account and assessed as part of a minimum bonus.

## 18.3 Shiftwork

- 18.3.1 It is authorised to introduce shifts in fish processing, including shrimp and shellfish processing, which apply either to individual departments in the company or to all employees, given that there is agreement among employees and with the union in question.

This should be according to regular two-shift 8 hour shifts, 5 days a week, Monday to Friday. It is authorised to introduce shifts with another shift arrangement, given agreement between employees, the union and the employer.

### 18.3.2 Shift premium

The shift premium for regular shift work according to this framework agreement shall be:

35% premium for the period 16:00-24:00: Monday to Friday.

53% premium for the period 00:00-08:00 Monday to Friday.

If there is an agreement on taking a lunch break, then this is authorised, and the day work period is lengthened accordingly.

Overtime shall be paid for work in excess of 40 hours per week. (This is based on an 8 hour day).

### 18.3.3 Shift period and refreshment breaks

It is authorised to introduce shifts with 7 days' notice given that they will be in place for no shorter a period than one month in each instance. The ending of the shift period shall be announced with the same notice. If the shift arrangement has been in place for a full four month period, then the ending of the shift period shall be announced with two weeks' notice.

Refreshment breaks in each eight hour shift shall total 35 minutes, divided according to an agreement between employees and management. If shifts are longer or shorter, then the refreshment break changes in proportion.

If work is done regularly on shifts, it is authorised to agree on payment of a fixed shift premium.

18.3.4

Payment period

When shift work has been introduced, the employer ensures payment of shift pay for up to two shifts at a time, even though external circumstances such as lack of raw material or comparable events mean that there is no work to do. In other respects, the daily rate is paid.

This agreement does not replace or impair the validity of the agreements on shift work that are now in force between individual unions and employers on shift work.

18.3.5

Introduction of shifts

Agreement on the introduction of shifts is according to article 5.7 in Chapter V, on the company-specific part of the agreements.

An employee who is hired for day work is not obliged to participate in shift work, except with his/her agreement, even though the introduction of shift work has been agreed in the company in question.

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## 18.4

## Guaranteed pay for this fish processing workers

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18.4.1

The provisions of 18.4 cover employees in primary and secondary processing of seafood, i.e. gutting, freshwater fish processing, freezing, salting, drying and shrimp and shellfish processing.

Employees of fish farming companies are covered by Chapter 19 of the collective agreement, among other things when working on harvesting and packing of farmed fish. If on the other hand, there is processing in a fish farming company, similar to processing in fish processing companies, then Chapter 18 of the collective agreement applies to terms of remuneration in such processing.

18.4.2

Work training

An employee shall be provided with teaching and training for the work he is expected to do. Work training takes place in the companies. Beginners who are hired to work in fish processing shall receive the appropriate training during their first weeks under the guidance of a foreman and/or trainer.

18.4.3

Guaranteed pay and employment contract

18.4.3.1

After one month continuous work at the company, though after a minimum of 130 worked hours on the basis of full-time employment, and proportionately in regular part-time employment, a written employment contract and guaranteed pay agreement shall be made with the employee

which comes into force when signed. The company and employee shall each keep a copy of the guaranteed pay and employment agreements. The company sends the union in question a copy of the guaranteed pay section of the agreement and retains one copy as confirmation of the guaranteed pay.

18.4.3.2 After two months' work in the same company, an employee's rights and duties are according to this agreement, even if a written employment contract and guaranteed pay agreement has not been completed, given that the employee did not reject the making of a guaranteed pay agreement, see article 18.4.3.1.

18.4.3.3 The guaranteed pay part of the agreement has the same term as the employment contract and does not become void until termination of the employment, see however article 18.4.9.1.

18.4.3.4 In the guaranteed pay part of the employment contract, the start date, percentage of full-time work and working hours of the employee shall be specified and also the term if the employment contract is a temporary one. The second part of the agreement deals with wages and other issues related to the employee's appointment.

#### 18.4.4 Courses for fish processing workers

18.4.4.1 During the 11 months subsequent to the coming into force of guaranteed pay, employees who have made guaranteed pay agreements and employment contracts will attend a fish processing course for fish processing workers, which is according to the curriculum of the Education and Training Service Centre (FA/ETSC) which the Ministry of Education, Science and Culture has accredited and has accepted as equivalent to up to 5 study credits towards shortening of studies in a further education college.

With the passing of the Adult Education Act no. 27/2010 the training was moved from the Ministry of Fisheries and Agriculture to the Ministry of Education, Science and Culture.

The Education and Training Service Centre (FA/ETSC) houses and education fund, which state budget funding and has the role, among other things, of meeting costs related to continuing adult education, which covers fish processing course courses for fish processing workers.

18.4.4.2 The objective is to increase employee knowledge of processing of seafood, to increase confidence, to strengthen professional competence and to increase worker competence in all general fish processing work.

18.4.4.3 The fish processing courses total 48 hours and cover all main aspects of the job and of the industry, according to a decision of the Fish Processing Education Committee, whose members are representatives of the parties to the agreement. The courses specified below will generally be held when processing has stopped and/or there is limited raw material to process. The classroom-based teaching material is divided into 12 learning topics which total 48 hours and will be based on lectures by teachers/instructors, visual presentation and some participant project work.

- 01 Fish processing - fishing, types of processing and marketing issues
- 02 Working facilities and ergonomics
- 03 Safety in the workplace
- 04 Hygiene and bacterial growth
- 05 Internal monitoring in fish processing companies
- 06 The industry, employees and pay systems
- 07 Cooperation and communications in the workplace
- 08 Multiculturalism
- 09 First aid
- 10 Confidence building
- 11 The environment and responsible fishing
- 12 Quality and handling of food from fishing to processing.

The above specified courses replace 40 hour basic courses and 14 hours of additional courses where there was a degree of overlapping between the courses, but with the merging of the course topics, the new fish processing courses will have 12 course topics totalling 48 hours of classroom teaching.

Fish processing workers and new employees who are paid according to Wage Category 5 and who have not completed basic or additional courses shall take the full 48 hour fish processing courses and will then be moved to Wage Category 9. Employees who have completed basic courses are paid according to Wage Category 7 and those who have also completed additional courses are paid according to Wage Category 9. The objective is that the complete merging of the courses will be implemented by 1 December 2015. Up to that point in time it shall be authorised to hold a 40 hour basic courses and 8 hours of additional courses in parallel. The educational funds Landsmennt and Starfsafl support the running of the additional courses, as appropriate according to article 18.4.4.1. The education committee and the educators that run the courses are authorised to assess comparable courses that fish processing workers have taken recently with recognised educators, for a reduction of classroom hours in fish processing courses.

#### 18.4.4.4

The parties to the agreement appoint a vocational education committee, which will comprise two representatives from each party and the same number of deputies. The role of the vocational education committee is to monitor the implementation of the courses for fish processing workers that are tied to the collective agreement. These will be held by recognised educators, by those cooperating with the Education and Training Service Centre (FA/ETSC) in cooperation with the company in question and at those times that are convenient for the processing operations. The vocational education committee will work in close cooperation with the fish processing companies and with the fish processing workers' unions on organisation and implementation of fish processing courses.



- 18.4.4.5 The courses shall be held when there is a sufficient number of participants (at least 12) but nevertheless no less frequently than once a year, but given that there are never fewer than 8 participants in each fish processing course. It is authorised to use online teaching through distance learning equipment. The general rule is that the 40 hour fish processing courses taught in the classroom should be completed in four weeks.
- 18.4.4.6 The course material will be aimed at the needs of the relevant branches of fish processing, according to a more specific decision made by the vocational education committee, in cooperation with stakeholders.
- 18.4.4.7 Fish processing workers that are unemployed and that have not had the opportunity to attend fish processing course courses for fish processing workers shall be allowed to attend the courses when they are held, given that they have applied for a fish processing job through the appropriate employment agency.
- 18.4.5 Wages on completion of the courses
- 18.4.5.1 Fish processing workers that have completed a fish processing courses move to pay scale 9. If a worker is not offered the course within 11 months after the coming into force of the guaranteed pay rights, workers shall nevertheless be entitled to the increase. If a worker subsequently attends a fish processing course, who was already received the increase, he does not receive further increases for the fish processing course. If a worker refuses to attend the course, the increase is cancelled.
- 18.4.5.2 Specialised fish processing workers that are hired by another fish processing company within twelve months shall, at the end of two weeks' work gain guaranteed pay rights, otherwise after one month's work, given that the layoff from the prior job occurred in a normal manner, see however, article 18.4.9.1.
- 18.4.6 Annual educational courses
- Specialised fish processing workers shall have the option once a year of a 4 hour educational course where among other things, there could be a presentation of an optional summary of the course material taught in the fish processing courses and/or other useful educational material. Educational courses shall be organised by the education committee of the company in question.
- 18.4.6.1 Education committee
- There shall be an active education committee in fish processing companies, which comprises representatives of employees and management of the company in question. The function of the education committee is to support increased vocational education among employees and to provide advice about holding courses.
- 18.4.7 Scope of work
- Employees are hired to do all general work in fish processing.
- When there is a break in regular processing, employees shall do other company work. Safety shall, however always be a top priority and employees' capabilities shall be kept in mind.

18.4.8 Day work guarantee

18.4.8.1 The employer undertakes to pay the employee who enjoys guaranteed pay rights, fixed pay for day work pursuant to this agreement, even if a lack of raw material stops processing and during fish processing courses for processing workers recognised by the Training Service Centre (FA) and endorsed by the Ministry of Education, Science and Culture, as this is according to the rules on payment of unemployment benefit in fish processing, see Act no. 51/1995 as amended, and the regulation set according to this Act.

If an employee starts work elsewhere during a period of processing downtime, the wages payments are discontinued from that same time, but the employment contract does not become void and the employee is obliged to return to work immediately when processing starts again.

If these rules do not apply, payment of unemployment benefit is according to general rules, see Act no. 54/2006, as amended, and Act no. 19/1979.

18.4.8.2 If there is a prolonged stoppage of operations because of lack of raw material which is expected to last for at least two weeks, and for a maximum of six months, the company is however generally authorised, by notifying employees, employment agencies and unions, to announce stoppage of processing with four weeks' notice. If there is processing in the company it is sufficient to put up a general notice and at the same time take measures to get the notification to employees who are not working at that time. If there is no processing, then every employee that the processing plant can reach shall be notified of the processing stoppage. Salary payments are discontinued from that point in time, see article 3 of Act, 19/1979.

18.4.8.3 If the company has paid wages during a period of processing stoppage and if the stoppage last longer than expected, the four weeks' notice pursuant to article 18.4.8.2, shortens by one week for each week for which wages has been paid when there was no processing. Notice pursuant to this provision shall however be a minimum of two weeks.

18.4.8.4 If processing stoppage has been notified with four weeks' notice, but it comes to light that the raw material lasted longer than was allowed for it is then authorised to lengthen the period of notice by up to one week (5 working days) without a new waiting period starting, given that the notification to this effect was communicated to employees in the manner prescribed in article 18.4.8.2, with at least 7 days' notice. Such an extension will not be made more than once in each instance.

If an employee has started work with another employer on the basis of the prior processing stoppage, the extension pursuant to the above does not change that hiring.

18.4.8.5 If a fish processing company receives raw material during and ongoing processing stoppage that has been announced with four weeks' notice, then those employees who have guaranteed pay rights who are not working have priority for work and the company is not authorised to call in other workers for these jobs while this situation lasts.

- 18.4.8.6 If an employee has been removed from the payroll pursuant to article 18.4.8.2 and processing stoppage has lasted more than 5 weeks continuously, the employee is authorised to terminate the employment contract with the company and he does not have to comply with provisions on notice to quit, given that he has already informed the company formally about his/her decision, with at least a week's notice.
- If a processing stoppage pursuant to the above has lasted more than 8 weeks continuously, the employer is obliged to formally inform employees that have a contractual relationship at that point in time, of company future plans.
- If it is foreseeable that processing stoppage will last more than three months including holiday time, an employee, who has been removed from the payroll is authorised to terminate his/her contractual relationship with two weeks' notice and for longer than five months stoppage with 1 week's notice at any time during the period, see however the provision on six month maximum period in article 18.4.8.2.
- 18.4.8.7 If processing stoppage is the result of unforeseen mishaps, such as malfunction of processing plant machinery or equipment or of a fishing vessel, fire or loss of ship or of other events that are deemed to be covered by paragraph 1 of article 3 of Act no. 19/1979<sup>9</sup>, the company is authorised to stop paying wages, see provisions of the same article.
- 18.4.9 Termination of guaranteed pay rights
- 18.4.9.1 If an employee refuses work or repeatedly does not turn up for work without lawful reason for absence, the employer can revoke the guaranteed pay rights without any specific notice in accordance with general rules on the termination of work contracts. If guaranteed pay rights have been terminated for this reason, the employee has a claim to guaranteed pay rights in the first instance after a period of three months.
- 18.4.9.2 An employee's guaranteed pay rights will not be specifically terminated unless the employee has been given notice of termination with his/her accrued period of notice pursuant to the collective agreement, see however the provisions of article 18.4.9.1.

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<sup>9</sup> paragraph 1 of article 3 of Act no. 19/1979 is as follows: If work is suspended with an employer, such as due to the fact that raw material is not available with a fish processing plant, loading and unloading work is not available with a shipping line agency, a firm sustains an unforeseen calamity, such as on account of fire or the loss of a vessel, the employer will not be required to pay indemnity to his/her employees, though their work does not amount to 130 hours per month, provided that employees shall not forfeit their right to advance notice of layoff while such a condition prevails.

18.4.10 Joint committee on dispute

The parties to the agreement each nominate two members of the joint committee. Each party can refer disputes that may arise about fish processing worker guaranteed pay rise, to the committee. The committee shall endeavour to settle the dispute between the parties.

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## Declaration on time off without pay for fish processing workers at Christmas and the New Year

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Employees in fish processing who request time off without pay at Christmas and New Year, and who have had this endorsed by the manager in question, shall receive day work pay in proportion to their percentage position for the contractual holidays that fall on working days during the period in question. The employer's duty to pay is dependent on the employee having gained the right to payment, see provision 1.11, and that the time off in question is shorter than three weeks and that the employee comes to work for the company again at the end of the period of time off. [2008]

See also protocols and agreements on pages -.

# Chapter 19: On general work in fish farming

## 19.1 On scope of applicability

This agreement covers all jobs in fish farming, including work in hatcheries, rearing of smolt and fish for harvest, work on making feed, harvesting, packing and in freezer storage where this is part of local work related to the primary product.

## 19.2 Wages

### 19.2.1 Which categories

	Wage Category
General workers	5
Specialised workers	7
Aquaculture specialists	17

### 19.2.2 Assessment of length of service

When evaluating length of service, experience of similar jobs with others, such as in fish processing, fishing and net making shall be taken into account, though to a maximum general Wage Category after three years.

### 19.2.3 Sea cage premium

For those days when going to sea cages, a 15% sea cage premium is paid on the hourly rate.

## 19.3 On working hours

### 19.3.1 General working hours

General working hours shall be as stated in Chapter II in this agreement.

### 19.3.2 Shift work

Is authorised to introduce shifts that cover some or all employees, given that there is agreement on this among employees and the union in question. The implementation and discontinuing of such shifts shall be notified with 10 days' notice. This working arrangement shall not last for a shorter period than two weeks.

Refreshment breaks in each eight hour shift shall total 35 minutes divided according to an agreement between employees and management. If shifts are longer or shorter, then the refreshment break changes in proportion.

The shift premium for regular shift work shall be:

35% premium for the period 16:00-00:00 Monday to Friday.

45% premium for the period 00:00-08: 00 all days and weekends.

For each hour in excess of 40 hours average per week, overtime shall be paid.

### 19.3.3

#### On-call shifts

It is authorised to introduce on-call shifts for some or all employees, given that there is agreement on this among employees and with the union in question

During on-call shifts, the person on-call shall be prepared to answer call-outs.

For being called out on an on-call shift, the employee is paid for worked hours, though for a minimum of three hours, unless the work commences within two hours of him being called to work.

For each hour of an on-call shift, the person on-call is paid the equivalent of 33% of the day hour rate.

Prior to the start of an on-call shift, equipment shall be prepared in such a way that there is a minimum likelihood of there being a call-out on the subsequent on-call shift.

### 19.3.4

#### Night security

Security staff are treated as stated in Chapter 23 of this agreement.

No one shall however be obliged to take night shifts if they are not hired to do so.

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## 19.4 Other issues

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### 19.4.1

#### Work stoppages

In strikes, employee associations undertake to allow minimum surveillance, including minimum feeding, to prevent damage to farmed fish and equipment that relates to the security of the site and to ensure animal welfare.

Should the situation arise at an aquaculture site which requires increased manning, such as initial feeding and peak periods in ocean ranching, the managers of aquaculture sites are authorised in cooperation with the representative of the union in question, to apply for an exemption in order to increase the number of workers.

19.4.2 Protective clothing

The employer ensures that employees have the use of protective clothing, rubber overalls, rubber gloves, flotation suits, footwear and other appropriate protective clothing, where the clothing is owned by the employer and shall not be used outside the aquaculture site.

19.4.3 Facilities

Facilities shall meet the requirements of the Administration of Occupational Safety and Health, of the veterinary surveillance and of the State health protection.

19.4.4 Security

Personal safety equipment considered necessary by the Administration of Occupational Safety and Health because of the nature of the work, or specified in the collective agreement, shall be available for use by employees at the workplace.

No fewer than two employees shall go out to the sea cages in each instance. Staffing for other risky work, such as with sea cages/land tanks is according to the company's risk assessment and health and safety plan.

There shall never be fewer flotation suits than the number of employees working at sea cages and at outdoor land-based sea-water tanks, indicates in each instance.

Flotation suits shall be available for night security workers at aquaculture and ocean ranching sites.

Where the aquaculture tanks are deeper than two metres, there shall be ladders.

Employee shall have access to adequate telecommunications equipment, both on-board boats and barges when working at sea cages and land-based outdoor seawater tanks. Employees who work alone at fish farming stations in risky/demanding work shall be provided with an emergency button or automatic emergency alarm or comparable tetra electronic communications equipment in accordance with the company's risk assessment.

19.4.5 Other issues

Issues other than those mentioned in this agreement shall be treated according to other chapters of this agreement.

19.4.6 Vocational education

The parties to the agreement agree to review existing vocational courses for employees in fish farming. The objective will, among other things be to reconcile them in terms of number of hours with vocational courses

for employees in fish processing, see Chapter 18. The Fish processing education committee will be instructed to implement this matter.

#### Vocational education courses for general workers in fish farming.

Courses will generally be for a duration of four hours and will cover the following subjects, according to a more detailed decision by the Fish processing education committee in consultation with Fisheries Iceland (SFS).

FE 1	Introduction to fish farming
FE 2	Daily management in fish farming I
FE 3	Daily management in fish farming II
FE 4	Harvesting, processing and marketing issues
FE 5	Safety at fish farming sites
FE 6	Quality management in fish farming
SF 2	Work facilities and ergonomics
SF 6	Economic activity, employees and pay systems
SF 7	Cooperation and communications at the workplace

Vocational education courses shall be held when there is a sufficient number of participants (at least 6 participants) but nevertheless, no less frequently than once a year. If there are fewer participants then course groups can be merged.

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## Declaration

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Prior to 31.12.2025, Fisheries Iceland, on behalf of fish farming companies, and SA in cooperation with SGS/VerkVest will work on elaborating job descriptions in fish farming companies, i.e. will collect information on jobs from fish farming companies, job descriptions and scope of responsibility of all jobs in marine departments in fish farming. VerkVest and SGS will receive this data for the purpose of making a list of all jobs belonging to marine departments in fish farming. The objective of this work is to evaluate these jobs and as appropriate, rank them according to pay categories or into a new payroll system on which an agreement will be reached in Chapter 19 of the collective agreement or in the company part of the collective agreement.

The parties will work towards a common calculation model for wage packages in shift work, as such a calculation model is necessary for accurate recalculation of pay in regular pay rises specified in collective agreements, for wage packages/shift wages in fish farming.



# Chapter 20: Factory workers

## 20.1 Scope

This chapter applies to industrial and factory workers who work in industries such as manufacturing of chemical products, plastics, printing products, food, clothing, skins, hygiene products, pharmaceuticals, metals and drinks industry.

Employees whose work is covered by Chapter 18 on guaranteed pay rates and agreements in force on abattoirs are however exempt from the provisions of this chapter.

See also separate protocol and reservation attached to this chapter and which is considered to be an integral part of the Chapter.

Agreements made between an employer and individual employees that contain less favourable terms for employees than this agreement, are not valid.

## 20.2 Wage categories for industrial workers

20.2.1	Definition of wage categories for industrial workers	
	Industrial workers I: General industrial workers	
	Industrial workers II: Specialised industrial workers who can work independently and who can be assigned temporary project management.	
	Employees who have completed basic courses in treatment of food, 60 hours study equivalent to up to 5 study credits or comparable basic courses, according to a curriculum for other branches of industry, such as plastics, chemicals, or metal industry.	
20.2.2	<u>Wage categories for industrial workers - general categorisation:</u>	
	Industrial workers I	4
	Industrial workers II:	6
20.2.3	<u>Wages in meat processing</u>	
	Employees in poultry abattoir	4
	Employees in cattle abattoir	4
	Specialised employees who have completed basic education in food handling.	6
20.2.4	<u>Wages in machine shops and in iron and metal industry</u>	
	General workers	6
	Specialised assistants to tradesmen with considerable trade knowledge	9

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## 20.3 Rules on payment of wages

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If the first day of a month falls on a Friday, then payment of wages is made on the last working day prior to the end of the month.

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## 20.4 Working hours

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### 20.4.1 Day work

Working hours shall be during the period from 07:00-17:00. Day working hours for each employee are on average 8 hours per day within those time limits, which is 40 hours per week and day work shall be on working days other than Saturdays.

### 20.4.2 Overtime

Employees are obliged to work the agreed day work hours, which means that overtime is not paid until a full 40 hours have been provided each week. Lawful absence, including time off without pay, is considered working hours in this connection.

### 20.4.3 Recording of working hours

Beside the time clock in workplaces, there shall be written rules that specify precisely when work shall begin and end and the times of meal and coffee breaks; all consumption of food and drinks at other times is forbidden. Employees are obliged to respect precisely the specified working hours and to complete all the tasks well and diligently and, in all respects, according to the instructions of the employer. If a change of clothing is required, the employee shall do this before work begins and not again until work has ended.

If employees are absent from work, they are obliged to notify the employer at the very first opportunity.

If industrial workers turn up late for work, working hours at day work rate shall be calculated according to the time clock, without punitive deduction.

### 20.4.4 Shift work

It is authorised to have 2-split shift pattern 5 days a week during the period 07:00-24:00 and a 3-split shift pattern for 5 days for the whole 24 hours if necessary and working hours may begin at times other than specified in article 2.1. The introduction and ending of such shifts shall be notified with 7 days' notice. Such a work schedule shall not last for a shorter period than four weeks in the case of a 2-split shift pattern and for a minimum of 6 weeks in the case of a 3-split shift pattern. All shifts shall be 8 hours and they contain 35 minutes refreshment breaks. A 17% fixed premium shall be paid on both shifts in 2-split shift patterns and a fixed premium on all three shifts in a 3-split shift pattern. Shift rotation shall be on a weekly basis. Work after the day shift and before the evening shift is paid at overtime rate. If work is only done on the second (evening shift) the shift premium shall be 30% and 45% in the third shift (night shift).

The start and end of working time shall be decided in consultation with the employees. If work is done regularly on shifts, it is authorised to recommend payment of a fixed shift premium.

It is authorised to organise work with a 3-split shift pattern all days of the year, 8 hours per shift, given that there is a fixed premium of 45% on all three shifts.

20.4.5

Transportation to and from the workplace

The employer is obliged to provide transportation for employees to and from his/her workplace at times when there is no regular bus service.

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20.5

## Meal and coffee breaks, food and transport costs

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20.5.1

Meal and coffee breaks during day working hours

20.5.1.1

Employees that start work at 11:00 have a right to take a meal break which shall not be shorter than 30 minutes during the period 11:30-13:30 and this is not considered to be working hours.

20.5.1.2

Paid refreshment breaks total 35 minutes per day for a full working day.

20.5.2

Meal and coffee breaks during overtime

If an employee, at the beginning of his/her overtime, has not received a refreshment break since 13:00, then he has a right to take a 10 minute coffee break in his/her own time. The employer is authorised to have flexibility in providing the above specified coffee break in order to prevent production stoppage.

If overtime is worked into the contractual evening meal break, then a meal break of one hour shall be paid and it shall be, unless agreed otherwise, during the period 18:30-20:30. If work ends after 19:00 without a meal break having been given, then the mealtime will nevertheless be paid. If overtime is worked after the evening meal break for 2 1/2 hours or more then a 20 minute coffee break shall be provided during that period; a 30 minute meal break shall be provided during the period 02:00-03:00 and a 20 minute coffee break during the period 05:30- 06:30.

If an employee starts work more than one hour before the beginning of day work, the last 10 minutes shall be a refreshment break.

20.5.3 Other rules on meal and coffee breaks

20.5.3.1 Shift work

In each 8 hour shift there is 35 minutes for refreshments. Overtime at the end of a shift commences with a 15 minute refreshment break. In other respects, refreshment breaks will be according to the practices at the workplace in question to the extent possible.

20.5.3.2 Other

It is authorised to come to an agreement on another arrangement for working and refreshment times, given the agreement of the union in question and of SA.

20.5.4 Work outside union jurisdiction

When employees are sent from a fixed place of work/place of employment to work outside the jurisdiction of the union in question or outside the municipality where the company operates, travel, food and other upkeep costs are paid by the employer.

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## 20.6 Leisure time accident insurance

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20.6.1 Employers are obliged to insure the employees covered by this chapter against death, permanent disability or temporary disability resulting from an accident. It is assumed that the accident insurance will always be in force.

Accidents covered by article 8.7.1 in this agreement are treated according to article 8.7.

For accidents that are not covered by article 8.7.1, i.e. accidents on the basis of leisure time accident insurance, the following applies: Compensation for accidental death, compensation for permanent disability and per diem for temporary disability are not specifically increased with this agreement<sup>10</sup>, i.e. the above specified amounts are only subject to indexation increases. Per diem rules for temporary disability will also be unchanged from what they were, i.e. due for payment eight weeks from the time of the accident and are paid until the injured party is fit for work after the accident, though no longer than 44 weeks.

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<sup>10</sup> See protocol to agreement dated 17/02/2008.

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## 20.7 Tools and workwear

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### 20.7.1 Workwear and protective clothing

The employer shall provide employees with up to two sets of appropriate protective clothing per annum and with cleaning of these clothes. The protective clothing is the property of the employer and employees are obliged to treat it well.

### 20.7.2 On safety boots or safety shoes

Industrial workers doing dangerous jobs in the opinion of the safety committee or in the opinion of the Administration of Occupational Safety and Health have the right to work shoes (safety shoes with steel toe caps and/or stiff soles or safety boots) one pair per annum. The shoes are the property of the company.

If it is considered to be clear that shoes are only used at the workplace because of requirements for cleanliness, dirty conditions or the use of chemicals that damage shoes in excess of normal wear and tear, the company shall provide employees with shoes.

If the company provides industrial workers with work shoes in other instances, the cost is split such that the employer pays 70% and the employee 30%. The shoes are the them property of the industrial worker. When choosing shoes, the industrial worker shall consult the employer.

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## 20.8 Incentive and bonus work

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### 20.8.1 Agreement on piecework

Piecework is only authorised if the employer has reached an agreement on this with its employees and if the union in question and SA are informed of the agreement.

Those who do piecework may however never receive less than employees who are paid monthly, pursuant to the provisions of the first provisions

### 20.8.2 Piecework and labour research

The parties agree that where piecework is done, it is desirable that it is based on labour research. If piecework is not based on labour research, an agreement shall be made on the minimum bonus or the minimum proportion over and above day work pay that the employee shall receive.

### 20.8.3 Work that is directly related to time measured piecework

Industrial workers who are not in a piecework group but whose work is directly related to time measured piecework which controls working speed, shall have the right to a bonus on their wages which takes into account the bonus revenue from the production line in question and also the pressure of work in the job in question.

#### 20.8.4

##### Other

Employees in piecework shall keep equipment clean without any additional payment. If employees in piecework do work other than that which is agreed in a specific piecework agreement, they shall receive payment for this in proportion to article 1.1.

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## 20.9 Continuous education - specialised industrial workers

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#### 20.9.1

##### Membership of joint committee

The parties to the agreement appoint two representatives for each party, i.e. SGS and SA/SI for the purpose of organising and implementing a special course of studies for industrial workers.

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## Protocol for the chapter on industrial workers

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A number of provisions in the SGS collective agreement do not apply to industrial workers: Articles 2.1 and 2.5 on recording working hours, article 3.4 on food allowance and special travel routes, articles 3.5.1-3.5.4 on wages during travel, article 9.1 on tools and articles 9.2.1-9.2.4 on protective clothing. [2011]

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## Statement on piecework and bonus work in meat processing

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The parties to the agreement agree to launch an initiative to increase knowledge of industrial workers in meat processing of the calculations on which performance linked group pay systems in meat processing are based. Union representatives will furthermore be given specific teaching on the structure of piecework-based pay systems.

The parties to the agreement agree to conduct a detailed survey of the structure of all kinds of bonus and premium payments that are common in meat processing. The survey will be conducted by the parties in good cooperation with the companies in question across the whole country which will be in the total sample, and with those umbrella associations and unions that are parties to collective agreements with industrial workers, see article 20.11.

All kinds of premium payments shall be analysed, such as piecework bonus and group bonus, fixed bonus and proportional premium on hourly rate and other payments on top of pay scales.

Collection of information and processing according to the above will take place in October 2011. Information should be sought from companies in all regions of the country. The parties to the agreement will subsequently discuss the conclusions and present to the meat processing companies the advantages of piecework-based pay systems and of good practice in implementing and using such systems. Emphasis will be placed on good cooperation with employees and union representatives in the development, implementation and changing of bonus systems. It is proper for both employees and representatives of the company to seek advice from the parties to the agreement.

A survey on the implementation of piecework-related pay systems will be repeated in October 2013. [2011]

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## Agreement on work controlled by machinery

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Where work and work methods are controlled by machinery, the employee shall have the opportunity for necessary breaks through replacement or in another manner.

The employer shall notify employees about the organisation of these breaks from machine work in a clear manner, such as in work rules.

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## Protocol for agreement between VMS and Einingar-löja

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Sickness rights in the collective agreement with Einingar-löja on industrial workers, see Collective agreement between löja industrial workers union in Akureyri and surrounding district and the labour union VMS from 9 March 1997, remains unchanged, with the exception of amendments to the rights of parents when caring for sick children that are changed in the same way as prescribed in the collective bargaining agreement between the parties. The above specified VMS agreement will continue to apply to those VMS companies in Akureyri that have used it.

# Chapter 21: On staff in cafeterias

## 21.1 Scope

This chapter covers cooks and general workers in cafeterias.

A cook is a person that works independently without being managed by a chef and is the person who manages general workers in cafeterias. A cook handles the purchase of food for the cafeteria and is responsible for receiving and preparing the food.

General workers in cafeterias are those who work under the management of the chef or cook, and they are also the workers who receive prepared food from another location and serve the food.

## 21.2 Remuneration

21.2.1	Wage categories for employees in cafeterias	
		<b>Wage Category</b>
	General workers	4
	Cooks	6
	Cooks who supervise one or more employees	10
21.2.2	Length of service, on the basis of work experience in the same industry/ work, shall be recognised even where the break from work has been anything up to three years.	
21.2.3	When assessing length of service for wages, the age of 22 shall be considered equivalent to having one year's employment in the industry. A 27 year old employee can have house work recognised as up to three years length of service.	
21.2.4	These pay provisions do not apply unless the person is over 18 years of age.	
21.2.5	If an employee is hired to work part of the day, he shall receive pay in proportion and coffee breaks according to working hours. Such permanent hiring shall be based on a minimum of four hours per day.	



- 21.2.6 If an employee in the cafeteria is asked to deputise for a cook who is on holiday or off sick, this shall be taken into account when his wages are decided or a special payment should be made.
- 21.2.7 A cook who is generally required to cook and serve full meals for twenty five persons or more shall be provided with assistance. When estimating the need for assistance, the variation in meals and special requirements such as for allergies shall be taken into account. There may thus be a need for assistance even where meals are being served for fewer than twenty five if meals need to be prepared for special requirements or allergies. Should this not be possible, the employer shall make an agreement with the cook on additional payments for the increased pressure of work that this causes.
- 21.2.8 The cook shall purchase the food for the cafeteria and responsible for receiving and handling the food. If this is done outside regular working hours, it shall be paid at the daily or overtime rate as appropriate.
- 21.2.9 In other respects, the employer assesses the staffing of the cafeteria on the basis of circumstances in each instance, see protocol on assessment of staffing.

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## 21.3 Working hours

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- 21.3.1 Day work
- Day work is considered to be from 07:00 until 17:00 Monday to Friday. In other respects, this is according to Chapter 2 of the main collective agreement.
- 21.3.2 Shift work
- 21.3.2.1 It is authorised to introduce shifts which cover some or all employees. Shifts according to the shift schedule will not be longer than 12 hours and not shorter than 4 hours. Refreshment breaks shall be 5 minutes for each worked hour and are divided according to an arrangement between employees and managers. The shift premium on those working hours that fall outside the day work shall be 33% for the period between 17:00-24:00 Mondays to Fridays and 45% for the period 00:00-08:00 on all days and weekends and on other holidays. The premium on public holidays, New Year's Day, Good Friday, Easter Sunday, Whitsun, 17th of June, New Year's Eve after 12:00, Christmas Day and New Year's Day after 12:00 is paid with 90% premium on day work rate.
- 21.3.2.2 If shifts are generally organised on holidays or public holidays pursuant to article 2.3, the employee earns 12 winter days off on the basis of a full year's work (96 working hours with reference to full-time work) for holidays and public holidays pursuant to article 2.3 that fall on Mondays to Fridays. If the workplace is closed on the above specified days or if time off is given, the corresponding number of days is deducted from the extra days off, except in the case of an employee who has accrued shift days off.

- 21.3.2.3 This winter days off shall be given during the period 1 October until May Day. Winter days off are earned during the period October to October.
- 21.3.2.3 With an agreement between the restaurateur and an employee it is authorised that payment may be made in lieu of the days off in question, 8 hours at the day rate for each day off, based on full-time employment. Accrued winter days off are settled for temporary workers when their employment ends.
- 21.3.2.5 At those workplaces where employees work according to a schedule other than the provisions of this chapter allow for, cafeteria employees shall receive the same shift premium and payments for refreshment breaks, based on their working hours, as other employees in the area.
- 21.3.3 On meal and coffee breaks
- Employees have the right to take a 30 minute meal break which is not considered to be working time.
- If the mealtime is not decided in a regular manner, it is calculated as working time.
- If an employee in full-time employment does not receive a meal break, then either his/her working time will be shortened by 30 minutes or he will be paid 30 minutes overtime.
- Coffee breaks for full-time work shall total 35 minutes per day and are considered to be working time.

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## 21.4 Work training

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- 21.4.1 Cafeteria employees are specialised workers. Effort should be made to train employees in most spheres related to the job. This shall be done among other things, by allowing movement between tasks on a temporary basis, thus training them in most tasks conducted in the company.
- 21.4.2 After three months' work with the same employer, employees shall be given the option of attending courses held by the parties to the agreement for employees in cafeterias. The courses shall aim at increasing competence of employees in their jobs.
- 21.4.3 The assumption is that the courses will take place in working time.
- 21.5 Workwear
- Employees shall always be clean and neatly dressed and shall use special clothing for their jobs, which is not used for another purpose. The employer provides clothing which is his/her property. Workwear shall fulfil requirements of health and safety and other monitoring parties and the provisions of laws and regulations relating to work in cafeterias.
- If a requirement is made for special footwear, the employer shall provide this footwear, which will be the property of the employer.

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## 21.6 Manner of hiring

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- 21.6.1 Reference is made to article 1.13 for making employment contracts. An employment contract shall contain a job description where the tasks and scope of work are defined.
- 21.6.2 Employees who are hired according to this agreement are required, should the employer so request, to provide proof with a doctor's certificate that they fulfil the requirements of the health and safety authorities and the provisions of the law and regulations on work in cafeterias, and the employer pays for the certificate and appointment with the doctor.
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## Protocol on assessment of staffing

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The parties to the agreement agree that the tasks related to the position of cook can vary greatly between workplaces. They can include purchasing and the preparation of light meals for a few individuals, and up to full meals for many, including clearing up, washing and cleaning at the workplace. The collective bargaining agreement allows for assistance if the cook is normally required to cook and serve full meals for 25 persons or more. Should this not be possible, an agreement shall be made on additional payments for the increased pressure of work that this causes.

A cook's tasks can in other instances be such that the pressure and the tasks are beyond what one could generally allow for in the work of cooks. In such instances it is desirable that the employer, in cooperation with the cook, assess staffing in the cafeteria on the basis of pressure, tasks, number of assistants and/or paid wages. The employer should complete such an assessment as quickly as possible. [2011]

## Chapter 22: Cleaning work

### 22.1 Scope and definitions

#### 22.1.1 Scope

This chapter covers all those who work in cleaning in measured piecework, who are paid by the hour, by shift or by square metre, see:

Article 22.2: time measured piece work in cleaning,

Article 22.3: cleaning by the hour,

Article 22.4: cleaning in shift work and

Article 22.5: cleaning by square metre measurement

If a dispute arises about issues related to the execution of cleaning work or time measurement, it shall be resolved on the basis of the framework agreement on cleaning (page 125) and on the agreement on resolution of disputes, see accompanying document on page ).

#### 22.1.2 Definitions

##### 22.1.2.1 Delineation of cleaning area (level of easy reach)

A cleaning area is delineated by floor area and possibly by the working height of a person standing on the floor using appropriate equipment.

##### 22.1.2.2 Regular cleaning

Regular cleaning is work done to remove dirt from surfaces according to a job description (a task description in the case of piecework), below the level of easy reach. For this purpose, water, tools, equipment and cleaning substances may be used.

##### 22.1.2.3 Additional tasks

This refers to incidental work not defined in the job description for regular cleaning and that are within easy reach. An employee shall have adequate time to complete the task with the appropriate tools and substances.

##### 22.1.2.4 Deep cleaning

This means that the surface is cleaned of dirt which does not disappear with regular cleaning, see article and 22.1.2.2 and 22.1.2.3.

22.1.2.5 Cleaning at hourly rate/shift work is when work is conducted according to a job or task description in an agreed period of time and where no demand is made for increased performance such as in time measured piecework, see article 22.2. If it is not possible to complete a task according to a job or task description in the agreed period of time, at a normal work rate, the employee is not obliged to complete the task. If on the other hand, the employer demands that the task be completed within

the agreed period of time, and it is clear that this cannot be done without increased piece of work as is the case in time measured piecework, this work must be paid according to the provisions of article 22.2.3.

22.1.3

Cleaning bonus - applies from 1 August 2024.

While competence analysis is being conducted, and until an agreement is reached otherwise, parties agree that cleaners will be paid a cleaning bonus in the form of a separate payment for special working conditions based on the nature of the working environment of cleaners. The agreed separate payment will be ISK 19,500 per month on the basis of full employment, and proportionately in the case of part-time. The separate payment is a premium in ISK on the cleaner's pay rate according to the collective agreement and this does not create a basis for overtime or other premium payments. The separate payment is not subject to increase during the period of the agreement.<sup>11</sup>

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## 22.2 Time measured piecework for cleaning, worked hours

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22.2.1

It is authorised to pay piecework for an estimated number of hours where the work pace is decided at 130 points (maximum), as performance is decided according to recognised basic rules on time and motion research, see framework agreement on cleaning on page. 124

22.2.2

Employees shall be given a written job description with a cleaning frequency drawing which clearly delineates what should be cleaned and what are the emphases. The time of day the area should be cleaned shall be specified; also how often and the duration.

22.2.3

Wages

For a worked hour in piecework, the hourly rate is paid according to Wage Category 8 with a piecework premium. The piecework premium is 20%, of which 12% at work rate 130 (maximum) and 8% for refreshment break, where the employee does not take a refreshment break during working hours.

Worked hours refers to hourly pay on the basis of an employee's productive working hours and he therefore does not take any refreshment break during working time. If a refreshment break is given pursuant to article 2.4.5, it shall be without pay. Worked hours are based on work having been done until the end of the agreed working time.

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<sup>11</sup> This applies to all cleaning covered in this chapter.

22.2.4 Premium after 17:00 on work days and weekends

Premium is paid on work outside the day work period:

33% premium for the period 17:00-24:00: Monday to Friday.

45% premium during the period 00:00-08:00 all days and on Saturdays and Sundays.

22.2.5 Overtime premium

overtime premium shall be paid for work in excess of 40 hours per week, see article 1.6.1.

22.2.6 Premium on holidays

Work on Maundy Thursday, Easter Monday, May Day, Ascension Day, Whitsun Monday, first Monday in August, and Boxing Day are paid with 80% overtime premium, see article 1.6.1.

22.2.7 Premium on public holidays

Work on New Year's Day, Good Friday, Easter Sunday, Whitsun, 17th of June, New Year's Eve after 12:00, Christmas Day and New Year's Day after 12:00 are paid with the public holiday premium, see article 1.6.2.

22.2.8 Deep cleaning

The hourly rate for deep cleaning is paid with 45% premium on the day work rate according to article 22.2.3.

22.2.9 Minimum payments

Cleaners in time measured piecework shall have the option of two hours' work by combining scope of work areas.

If time measured piecework is a combination of two or more cleaning areas, each journey shall be paid for with 15 minutes travel time between areas at time measured piecework rate, if the employer has required that the jobs are completed together. Combining jobs means when the latter job is done within 1.5 hours of the prior job.

If an employee uses his/her own car at the request of the employer, he has a right to payment based on driven kilometres or a fixed ISK amount, see article 3.4.3 in the case of combined jobs.

22.2.10 Work descriptions

22.2.10.1 Work description

A written description of work shall clearly delineate on a drawing, the cleaning areas that must be cleaned and the emphases to be applied. The description of work shall specify the time of day and area should be cleaned and how often.

22.2.10.2 Access to work descriptions

A work description shall be in place at the workplace and accessible to employees. A description shall be reviewed immediately if there is a permanent change to a cleaning area or cleaning requirements. The union shall have access to the job description if it so requests. Before work commences, employees shall be given a detailed introduction to the working area and facilities, and the job description explained.

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## 22.3 Cleaning at hourly rate

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22.3.1 Wages

Cleaning at hourly rate is paid according to Wage Category 8.

22.3.2 Minimum payments

Minimum payment at hourly rate is three hours.

22.3.3 Hourly rate for deep cleaning

Work on deep cleaning is paid at overtime rates.

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## 22.4 Cleaning in shift work

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22.4.1 Cleaning in shift work is paid according to Wage Category 8.

If an employee is hired for shift work, this shall be stated in his/her employment contract.

22.4.2 Scheduling of shift work

It is authorised to introduce shifts for all days of the week. If shifts are only worked 5 days a week within the time frame 17:00-08:00, the working week shall only be 38 hours.

Shifts should never be longer than 12 hours and no shorter than three hours. Each shift shall be worked as continuous hours.

Shifts in this agreement means a pre-defined work arrangement for employees. The length of shifts shall be specified in a shift schedule, among other things taking into account the start and end times of shifts.

An employee in part-time work is paid by the hour for work in excess of his/her percentage position, day work during the day work period, overtime, outside the day work period and on contractual holidays and public holiday pay for work on public holidays.

An employee in full-time work will receive overtime for work in excess of the shift schedule.

#### Shift schedule

The commencement of shift work shall, according to article 22.4.2, be announced with a week's notice. Shifts shall be decided generally for four weeks at a time and the end of the shifts shall be announced with at least a week's notice. The shift schedule shall be displayed where employees have easy access to it, a week before work is commenced according to the schedule. Care should be taken when making a shift schedule, to the extent possible, that work at peak times is divided evenly between employees.

Where operations are based to a large degree on short-term hiring of staff, it is however authorised to decide shifts for a shorter period, though no shorter than two weeks at a time, given that the majority of the employees agree with such an arrangement.

#### 22.4.3

##### Shift premium

In shift work, a premium is paid on that part of 40 hours work on average per week which falls outside the day work period:

33% premium for the period 17:00-24:00: Monday to Friday.

45% premium during the period 00:00-08:00 all days and on Saturdays and Sundays.

55% premium during the period 00:00-08:00 all days and Saturdays and Sundays shall nevertheless be at state and municipality institutions and private foundations.

#### 22.4.4

##### Premium on holidays

Work on Maundy Thursday, Easter Monday, first day of summer, May Day, Ascension Day, Whitsun Monday, first Monday in August and Boxing Day are paid with 80% premium or 55% overtime premium, see article 22.4.1.

#### 22.4.5

##### Premium on public holidays

Work on New Year's Day, Good Friday, Easter Sunday, Whitsun, 17th of June, New Year's Eve after 12:00, Christmas Day and New Year's Day after 12:00 are paid with the 90% premium.



#### 22.4.6 Overtime pay

For work in excess of 40 hours (38 hours is the day work during the period 17:00-08:00) on average in shift work per week, overtime shall be paid.

#### 22.4.7 Winter time off for work on holidays

Employees who work shifts accrue 12 winter days off for one year's work, for public and special days according to articles 2.3.1 and 2.3.2, which fall on Mondays to Fridays.

If the workplace is closed on the above specified days or if time off is given, the corresponding number of days is deducted from the extra days off, except in the case of an employee who has accrued shift days off. The employer shall announce the provision of winter days off with at least a month's notice.

This winter days off shall be given during the period 1 October until May Day. Winter days off are earned during the period October to October.

With an agreement between the company and an employee it is authorised that payment could be made in lieu of the days off in question, 8 hours at the day rate for each day off, based on full-time employment. An employee's accrued winter days off are settled when his/her employment ends.

#### 22.4.8 Refreshment breaks

Refreshment breaks shall be 5 minutes for each worked hour and are divided according to an arrangement between employees and managers.

#### 22.4.9 Hourly rate for deep cleaning

Work on deep cleaning is paid at overtime rates.

## 22.5 Square metre measuring 5 days a week

#### 22.5.1 Wages

**1.2. 2024 1.1. 2025 1.1. 2026 1.1. 2027**

Floor cleaning by m <sup>2</sup> per month.	ISK 563	ISK 582	ISK 603	ISK 624
Gymnasia and equipment room by m <sup>2</sup> per month.	ISK 488	ISK 505	ISK 523	ISK 541
Toilets by m <sup>2</sup> per month.	ISK 632	ISK 654	ISK 677	ISK 701

22.5.2 Pay rates by square metre measuring for cleaning work shall be based on a five day working week. Cleaning work by square metre, measuring, which is done on Saturdays, Sundays, extra days off and holidays, shall be paid at overtime rates.

### 22.5.3 December bonus and holiday bonus

The December bonus and holiday bonus for cleaners who are paid according to square metre measuring, is decided by converting income from day work hours in the following manner:

$$\text{Day work hours} = \frac{\text{annual income} \times 0.8372 \text{ lower piecework rate}}{\text{lower piecework rate}}$$

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## Protocol on sunset phase m2 measurement

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m2 measurement remains in force for those who work according to this today. From the date of signing of the agreement, new employees will not be hired according to the system. From 31 January 2028, m2 measurement will be deleted from the collective agreement.

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## 22.6 General provisions

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### 22.6.1 Divisor

The measuring unit in cleaning work assumes 21.67 active days per month and 4.33 weeks per month.

### 22.6.2 Call-out

If there is a specific call-out for cleaning work, a minimum of four hours shall be paid using the general rate and the length of service level of the employee in question.

### 22.6.3 Protective clothing

The employer provides cleaning employees with protective clothing that they are required to wear, including shoes and gloves, but they are the property of the employer. If there is a failure to do so, a special clothing fee shall be paid of ISK 17.16 per hour (reference 1.2.2024).

### 22.6.4 Rights of replacement workers in cleaning

- A. After one month's continuous work, two days' sickness rights
- B. After accumulated work (days months year) though the work was not continuous, replacement workers paid by the hour receive length of service increases.

### 22.6.5 Waiting time

If it is not possible to start cleaning in premises at regular times because of circumstances at the workplace or because of the time specified in the job description and the employee was not informed before he turned up at the workplace, he shall be paid according to the appropriate pay scale, while he waits at the workplace. The employee is responsible for giving information on the length of and reasons for his/her waiting time to his/her superior as soon as possible.

#### 22.6.6

#### Laundry items

Employees who offer to do laundry outside the workplace, e.g. towels or other comparable items, shall be paid for this.

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## Accompanying document to Chapter 22.2 on time measured piecework

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Time measured piecework in cleaning - case procedure in disputes.

Should a dispute arise about time measurements in cleaning pursuant to Chapter 22 of the collective agreement, the employee is responsible for the following case procedure being followed:

- 1 The employer and employee examine the cleaning area together and check the following issues where the work pace 130 is used as a reference:
  - a. is there a written job description in place and does it fulfil the provisions of the collective agreement? Is the job description in accordance with the tasks assigned to the employee?
  - b. are the estimated working hours in the job description in accordance with the agreed working time of the employee contract of employment?
  - c. does the employee follow the job description?
  - d. does the employee do other tasks that are not specified in the job description?
  - e. is the quality of the work in accordance with the job description?
  - f. does the employee have all the tools and substances most appropriate for cleaning at the area in question?
  - g. has the employee received instructions on the use of tools and substances?
  - h. has the employee gained command of the work method most appropriate in the relative cleaning area?
  - i. are circumstances at the workplace abnormal, e.g. because of construction or other temporary circumstances that could impact on the working hours?
  - j. are the grounds for the time measuring appropriate to the type of premises and access to them?
  - k. anything else that may be of importance, such as whether complaints had come from the work purchaser, whether there is a seasonal difference in the level of dirtiness, absences of colleagues which leads to increased pressure on an employee, etc.

The employer prepares a memo which shows his/her position and that of the employee on the above specified points and he gives the employee a copy. If the employer and the employee come to a joint decision on unchanged time measuring or on changes to time measuring, then this conclusion is recorded on the memo.

If the employer does not accede to the employee's request for discussion or does not give him the memo within two weeks from the request for discussion having been made, the employee can refer the dispute to his/her union.

- 2 If case procedure according to point 1 does not lead to a resolution of the dispute, then the employee can request that his/her union participate in resolution of the dispute. Case procedure pursuant to point 1 is then repeated with the participation of a union rep. If a union decides to do time measuring, the employer provides a drawing of the cleaning area which shows the area of the space in square metres, a job description and anything else of significance with regards to time measuring. The union shall show the employer his/her time measuring with the grounds on which it is based.
- 3 If a settlement is not achieved with the mediation of the union, the union can refer the dispute to the SA and SGS/Flóa joint committee. The committee shall comprise one representative from SA, one from the employer in question and two representatives of SGS/Flóa. The role of the committee is to decide on the dispute between the parties, and it can for this purpose request information from the employer in question and from the union.

The joint conclusion of the joint committee is binding for the parties. If the committee is not unanimous in its conclusion, it refers the matter to an impartial professional who has knowledge and experience of time measuring and cleaning, to perform time measuring. The case procedure which constitutes a final solution of a case is therefore as follows:

- a) Both parties shall endorse the professional in question;
- b) The professional person in question shall have recognised time standards that are regularly updated and can also perform time measuring at the workplace if requested;
- c) The professional person in question time measures the job by recording it in a time standard in accordance with available data and he gives an estimated time accordingly;
- d) The cost of time measuring by the professional is shared equally by the employer in question and the union that referred the matter to the committee;
- e) If the conclusion according to item c) is considered unacceptable by one of the parties to the case (deviation limits 5%), then that party can demand that time measuring of the job be carried out at the workplace by the same professional;
- f) The cost of time measuring by the professional according to item e) is covered entirely by the person who requested such measurement.

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## Protocol on competence analysis in cleaning

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In an employment market which changes rapidly, it is important that competence in work is visible and endorsed. Cleaners' work has changed very significantly and parties to the agreement agree on the importance of conducting competence analysis in jobs in cleaning.

Competence analyses are useful for employees and support competitiveness of companies, which benefits both employees and companies. competence analysis involves elaborating job profiles for cleaning work in consultation with Training Service Centre, where competence requirements of the jobs are identified with competence analysis, assessment checklists are developed for jobs and competence is subsequently endorsed with the issue of competence validation certificates.

While competence analysis is being conducted and until an agreement is reached otherwise, cleaning will be ranked in wage category 8 in SGS pay table.

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## Protocol on auction issues in cleaning

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SA, on behalf of companies providing cleaning services, and Efling and SGS make the following declaration:

Options for cleaning services are a large and growing element in operations of companies and employees in cleaning service. Most auctions from public bodies and larger companies are based on the lowest bid being taken. It is also a fact that most auctions do not have a cost estimate. This approach to auctions for such an important service as cleaning, is contrary to joint objectives on purchase of service for a fair price. The above-mentioned parties agree that this auction method is unfair with respect to terms of employment for cleaning employees and works against the interests of companies in this sector.

The parties have agreed to form a working group whose task is to analyse the situation in auctions for cleaning, to elaborate desirable auction methods, and to meet with main parties involved in auctions of cleaning service, in order to ensure that auctions increasingly take into account competence and quality.

The working group shall comprise two members from each party and shall have completed its work on appropriate auction methods no later than 1 October 2024. Meetings with main parties involved in auctions shall be completed no later than 1 December 2024. On completion of this work, the parties shall make a decision on how the conclusions of the working group shall be presented and published.

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## Summary from framework agreement between VMSÍ on the one hand and VSÍ, VMS, Minister of Finance for the State, and the City of Reykjavík on the other hand, on cleaning work

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### 1. Performance

#### 1.1 Work pace

Work pace is measured speed at work, pursuant to the definition of the International Labour Organisation.

Standard performance is the performance that competent employees produce on average in a working day or shift without making an excessive effort, given that they know and follow a specific work method and are inclined to make an effort in their work.

Such performance is considered to give 100 points according to standardised assessment and performance scales.

For other working paces, reference is made to the definition of the International Labour Organisation, see accompanying document I.

#### 1.2 Calculation of time in cleaning

When calculating time in cleaning work, time units (worked hours) can be used as a basis. When time units are used for each task execution according to work prescription, they shall be consistent with a specific working pace that the parties to the agreement decide jointly to use, see article 4.1 and Chapter 6. Guidelines on preparation and execution of labour research, see accompanying document I.

#### 1.3 Calculation of performance

The base unit for calculating performance in cleaning is cleaned floor square metres per time unit (m<sup>2</sup>/hour). Included is all cleaning of the cleaning area as per work description.

EXAMPLE:

- a. The area is 600 m<sup>2</sup> floorspace. It is all cleaned 3 days a week and the time for the job on each of these 3 days is Y hours.  
Performance for this area is  $600/Y = X$  m<sup>2</sup> per hour.
- b. The area is 655 m<sup>2</sup> floor space, 450 m<sup>2</sup> are cleaned 5 days a week and 205 m<sup>2</sup> are cleaned 3 days a week. The total time for the area is Y hours.  
Performance for this area is  $((450 \times 5) + (205 \times 3))/Y = X$  m<sup>2</sup> per hour.

## Accompanying document 1

Table 17. Example of varying work speeds, according to the main scales.

Scales				Description Comparable	Walking speed. <sup>12</sup>
60-80	75-100	100-133 standard	0-100		(km/hour)
0	0	0	0	No action.	
40	50	6	50	Employee very slow and clumsy, and has fumbling movements; seems half asleep and indifferent about the job.	3.2
60	75	100	75	Moves steadily forward but slowly and clearly not in piecework, but complies with normal work management. Appears to work slowly but does not however waste timewillingly while he is being watched.	4.8
80	100	133	100 Confidence, dexterity	Energetic employee who works well, (Standard- speed) such as normal competent employee in piecework. Satisfactory standard, quality and precision.	6.4
100	125	167	125	Works very quickly. Confidence, dexterity and coordination of movements greatly superior to employee who has received traditional training.	8.0
120	150	200	150	Works very quickly and with zeal and concentration which is not likely to last long. Excellent results in work which only very few employees achieve.	9.6

<sup>12</sup> It is assumed that the employee is of medium height and build, and walks in a direct line on a horizontal flat and even surface without obstacles and without carrying a load.

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## Accompanying document II

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When calculating paid hours for cleaning areas which have been timed on the basis of time units (worked hours), the calculations made with whole hours and fractions of hours with quarter hour precision. If the aggregate time for a cleaning area is 5 minutes higher than the preceding quarter of an hour then it is rounded up while on the other hand, if it is lower it is rounded down to the preceding quarter of an hour.



## Chapter 23: Surveillance and monitoring

### 23.1 Scope

- 23.1.1 This chapter covers night security in companies, institutions and ships and applies to any kind of surveillance.

### 23.2 Salary and premium

#### 23.2.1 Wages

#### **Wage Category**

Security staff 4

When assessing work experience, one shall give reasonable recognition to experience of other work which is of use in security work.

- 23.2.2 This security staff shall, in addition to the security work, answer the telephone, read meters on their regular surveillance rounds and other related tasks. Other and unrelated work shall be agreed on in the contract of employment and is according to agreement between the employee and the company. They shall be paid for separately if their scope makes this appropriate.

Security staff who work on their own shall be provided with security devices; emergency buttons, two-way radio, telephone or analogous equipment which ensures safety of employees in their work, as required.

- 23.2.3 Premium for 24 hour shifts all days of the week shall be 33%.

If shifts are only during the period from 16:00-8:00 and on Saturdays and Sundays, a single rate premium of 42% shall be paid for worked hours.

Temporary provisions:

When the agreement comes into force, premium payments according to this article do not result in an increase or reduction in wages for those persons that enjoy better wages or terms of employment than prescribed by this agreement.

- 23.2.4 The hourly rate for day work is found by dividing monthly pay by 173.33.

- 23.2.5 Overtime is paid with an hourly rate equivalent to 80% premium on day work hourly rate, i.e. by 1.0385% of the monthly pay for day work.

- 23.2.6 Shifts that employees take on outside the shift schedule that amount to 173.33 hours per month are paid as overtime.

- 23.2.7 Work on public holidays is paid with public holiday premium.

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## 23.3 On working hours and shifts

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23.3.1 The fixed wages of each security worker in full-time work according to this agreement is equivalent to 173.33 hours per month.

The shift schedule shall normally be based on the above specified working hours. Shifts can never be longer than 12 hours at a time unless a special agreement has been made with employees. A shift schedule, other than for those on watch on ships, shall be scheduled two months ahead in each instance and shall be displayed with at least eight days' notice. The shift schedule shall name the shifts for each employee and his/her fixed working hours throughout the shift period. Changes to regular shifts shall not be made without consultation with employees and with at least 8 days' notice.

23.3.2 Shift arrangements for surveillance workers in ships shall be decided, with consultation between the company and the employee in question.

23.3.3 Security staff meal times shall be 30 minutes on each shift and they are considered to be working time. In addition to this, on each shift one can allow for one 15 minute coffee break, and two in the case of 12 hour shifts, or longer. Coffee breaks are considered to be working time. Meal and coffee breaks shall be taken with circumstances in mind in each instance.

23.3.4 Formal public holiday work is considered to be on:

1. New Year's Day
2. Good Friday
3. Easter Sunday
4. Whitsun
5. 17 June
6. Christmas Day
7. Christmas Eve after 12:00
8. New Year's Day after 12:00

23.3.5 If an employee is called into work outside working hours, according to the shift schedule, payment for the call-out shall be at least four hours or for the time spent on the shift, given that at least two hours have passed or more from the time that a shift ended or shall begin. Otherwise the security worker shall receive pay as though the period had been continuous.

23.3.6 On-call shifts

It is authorised to introduce on-call shifts for some or all employees, given that there is agreement on this among employees and with the union in question

During on-call shifts, the person on-call shall be prepared to answer call-outs.

For being called out on an on-call shift, the employee is paid for worked hours, though for a minimum of three hours, unless the work commences within two hours of him being called to work.

For each hour of an on-call shift, the person on-call is paid the equivalent of 33% of the day hour rate.

Prior to the start of an on-call shift, equipment shall be prepared in such a way that there is a minimum likelihood of there being a call-out on the subsequent on-call shift.

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## 23.4 On additional days off

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23.4.1 Security staff who have taken shifts all days of the year shall, on the basis of a full year's work, receive 5 days off (40 working hours) instead of the days off that were worked, other than Sundays and public holidays. In this connection, working days shall be considered to be Mondays to Fridays. The year in this instance shall be considered from 1 October.

Additional days off shall be provided during the winter, and according to a more detailed agreement between the employer and the security worker.

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## 23.5 On meal facilities

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23.5.1 Meal facilities shall be available in the company coffee facilities or somewhere else where it can be located. At that location there shall be all necessary utensils such as cutlery and crockery, refrigerator and microwave.

Those employees who enjoy better terms shall retain them.

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## 23.6 Clothes

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23.6.1 Where security work takes place outdoors, employees shall be provided with protective clothing. The clothing shall be clean and undamaged when provided. The clothes are the property of the employer.

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## 23.7 On travel

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23.7.1 Shifts workers shall come to work in their own time and under their own volition within a 10 km radius from the place of employment, but nevertheless within municipality limits.

Hlíf special provisions: Employees shall travel to work in their own time and under their own volition within the travel routes defined by the jurisdiction of the Hlíf Trade Union within the boundaries of the municipality and within the cover of public transport buses outside the union's jurisdiction.

Special provisions for VSFK and SV: Shifts workers shall come to work in their own time and under their own volition within a 10 km radius from the place of employment, but nevertheless within municipality limits.

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## 23.8 Work training

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- 23.8.1 Permanent staff shall enjoy vocational training and courses, such as in fire protection and first-aid.

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## 23.9 Temporarily hired security staff on ships

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- 23.9.1 Security staff hired for security work on board ships for individual nights shall be paid 17 day work units for every 12 hour shift during the period 20:00-08:00.

Salary calculation (1 week):

8 x 5 (hours day work). = 40.0

4 x 5 x 1.8 (hours overtime). = 36.0

12 x 2 x 1.8 (hours holiday work). = 43.2

Total 119.2 day work units.

Each shift 119.2: 7 = 17.0 = day work units.

- 23.9.2 For 7th shift, 60% premium is paid on shift pay.

- 23.9.2.1 For night security on public holidays, 80% premium is paid on shift pay.

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## 23.10 Agreement

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It is the joint position of the parties to the agreement that the work of security staff has a very unique position and that this work is as such sensitive to industrial disputes. The following provisions shall apply to work stoppages, strikes and lockout, and shall remain in force even if the collective agreement between the parties becomes void, either because of layoff or because of its provisions, until a new agreement has been made.

In the event of work stoppage, strike or lockout, Act no. 80/1938 on unions and industrial disputes shall be applied. The implementation of work stoppage shall however be in such a manner that to the degree possible, great efforts should be made to prevent the security of companies and the property that security staff are supervising being put at risk.

In the event of work stoppage, the union will for this purpose grant authorisation for staff for the companies in question that are needed to maintain minimum security surveillance.

## Chapter 24: On sheep slaughter

### 24.1 Scope

The provisions of this chapter cover workers in sheep slaughter. The agreement replaces older collective bargaining agreements which cease to be in force, without any specific termination. Provisions in force regarding further benefits than prescribed here shall nevertheless remain in force.

### 24.2 Job title and pay scales

#### 24.2.1 Ranking in Wage Categories

When ranking in length of service increments, work for one slaughter season gives the right to wages according to length of service increments after one year; three slaughter seasons give the right to the three year level; five slaughter seasons give the right to the five year level and seven slaughter seasons give the right to the seven year level. A slaughter season means at least 80% of the time that a traditional slaughter season lasts.

#### **Sheep slaughter S1**

General workers in abattoirs not specified elsewhere receive wages according to wage category 4.

#### **Sheep slaughter S2**

Workers in slaughtering (shooters, butchers, eviscerators, skinners, offal handlers) and those who expel half-digested fodder from stomach, cooks, work in freezers and in moving meat out of or into freezers are paid wages according to wage category 4.

#### **Sheep slaughter S3**

Sheep slaughter workers with long experience in abattoir that have completed a special 6 week course, including academic studies in technical college and practical training in pig and cattle slaughtering at Roskilde, or comparable studies in Iceland as assessed by the parties to the agreement are paid wages according to wage category 4.

#### 24.2.2 Premium and piecework indices in abattoirs from 1 November 2022

Premium in SS abattoirs	69.34
Piecework index in abattoirs in North Iceland, East Iceland and West Iceland	395.96

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## 24.3 Contract of employment

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Immediately at the start of the slaughter season, written contracts of employment shall be made with employees or they shall be given letters of engagement in accordance with the substance of the agreement between ASI and SA regarding the employer's duty to provide written information on terms of hiring. Special provisions and special benefits within a company that are in force shall also be specified.

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## 24.4 Working hours

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Day work is 40 hours or 8 hours per day during the period 07:00-17:00, from Monday to Friday. (Active working hours are 37 hours and 5 minutes.). Within the above specified time limits it is authorised to coordinate working hours of employees at the same workplace.

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## 24.5 Journeys to and from place of work

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Employees of Sláturfélag Suðurlands who live closer than 12 km to their place of work (given the shortest driving route) are themselves responsible for travel to and from the workplace. The same applies to those who live further away, but they should be paid  $\frac{1}{4}$  of the kilometre allowance prescribed in the tax evaluation of the Commissioner of the Inland Revenue at any given time, the person for each kilometre on the basis of daily return trips.

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## 24.6 Food

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Food benefits remain in force as customary. Food shall be provided in the evening if employers are working after 19:00. Provisions on free food apply to employees hired for sheep slaughter in the slaughter season. The same applies to sheep slaughter outside traditional sheep slaughter season. Free food is not provided for permanent employees who have been moved to sheep slaughter on individual slaughter days outside the traditional slaughter season and who retain their terms of employment.

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## 24.7 Holiday pay accrualment

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When assessing working hours for holidays, holiday pay is accrued at 1.5 times worked hours in sheep slaughter.

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## 24.8 Holidays-and December bonus

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Holiday and December bonus shall be paid concurrently with each pay disbursement. The amount of each day work hour shall be found by dividing the bonus as is at any given time by 1,800 hours.

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## 24.9 Deputy wages

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When assessing deputy wages in abattoir work, the wages that the person in question would have had if he had been in work are used as a reference. If the obligation to pay on the basis of an activation accident continues after work in the abattoir has ceased, the person in question shall be paid day work for the period he is absent from work or studies because of an accident.

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## 24.10 Rights in sickness and accident instances after having worked more than one slaughter season.

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If an employee is re-employed within one year, he retains the sickness rights that he has accrued while working for the same employer, i.e. the interrupted period of work is added to the sheep slaughter work when calculating sickness rights. If an individual's work is discontinued for one or two consecutive periods, he has he will accrue previously accrued rights after one month and work. Accrued rights in excess of those resulting from working during for slaughter seasons will be active after two weeks at work in each slaughter season.

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## 24.11 Protective clothing

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The employer provides employees with workwear, protective clothing and shoes. Workers in freezers shall be provided with shoes. Winter coats or winter overalls shall be provided for freezer workers. All clothing provided is the property of the employer.

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## 24.12 Bonus system

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The same arrangement as before, applies to bonus systems are supplied in the last collective bargaining agreement, whether it is premium system or bonus system. Should it not prove possible to use a bonus system in sheep slaughter outside the traditional slaughter season, a comparable system should be used for additional payments, such as average bonus. Parties are however authorised to agree to another arrangement.

### 24.12.1 Alterations to operations and processing systems.

If there are alterations to operations or processing systems of abattoirs, it shall be authorised to review these factors with a view to adapting the collective bargaining agreement to the circumstances at each location.

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## Declaration on examination of structure of wages and terms of employment in sheep slaughter

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SGS and SA shall appoint a working group to examine combination of wages in terms of employment and benefits in sheep, abattoirs with the objective of making proposals on how it be possible to include payments such as premium, bonus and food benefits in the wage tables for sheep slaughter. [2011]

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## Protocol on vocational education in abattoirs

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The parties to the agreement appoint two members each to a committee which has the task of organising and implementing vocational courses for the benefit of labour market. The committee shall commence work as soon as possible on shall seek cooperation with appropriate parties for the content, funding and organisation of the courses.

### Protocol on premium in freezing

Employees working in freezing in SS slaughterhouses in Selfoss and Kirkjubæjarklaustur shall receive the same premium payments for worked day hours as employees in sheep slaughter.



## Chapter 25: On treatment of disputes

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### 25.1 Dispute

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- 25.1.1 Should a dispute arise between the parties to the agreement, then the party that considers he has been treated unfairly shall submit a complaint to the board of the other party. The boards shall investigate the details of the dispute and resolve it if possible. If the boards of both parties have not come to an agreement on a final solution to the dispute within two days from the time that the complaint was submitted, they are obliged to refer the case to a settlement committee, which is appointed such that each party nominates one member and one deputy while the relevant District Commissioner nominates the third and these persons shall then try to settle the disputed issues. The committee shall have completed its work within two days from the time that the third member was appointed.
- 25.1.2 Disputes on wages or terms of employment or comparable disputes between employees and employers, which may arise during the term of the agreement may be referred for treatment by the umbrella associations before resorting to union action or referring to the courts.

## Chapter 26: Main objectives and agreement criteria

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### 26.1 Introduction - main substance

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The main objective of this agreement is to aim for a reduction in inflation and reduction in interest rates, which are of significant importance for households and companies. The objective of the agreement is furthermore to increase purchasing power for wage earners, to create foreseeability in the economy, to lessen expectations of inflation and to strengthen competitiveness in the Icelandic labour market. This agreement also prescribes a productivity bonus for all wage earners, which is based on measured productivity and a pay rate bonus on collective agreement pay rates.

### 26.2 Collective agreement criteria

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In order to strengthen the underlying criteria and objectives of the agreement, a special wages and criteria committee will operate. The committee shall comprise four representatives nominated by SA and four nominated by the negotiating committees of the unions affiliated to ASI responsible for creating the joint criteria for the agreement.

The objective of the committee is to monitor progress in those elements in the country's economy that can have an impact on the objectives of the agreement; to make a formal evaluation of agreement criteria and as appropriate to agree on reactions to failure to meet criteria, which strengthen agreement criteria and support that it remains in force. A formal assessment of the agreement criteria will take place in September 2025 and September 2026.

In September 2025 a position shall be taken on the following criteria:

- a. Criterion is that 12 month inflation in August 2025 does not measure over 4.95%. This criterion on prices will however be considered to have been met if the 6 month inflation figure for the period March-August 2025 is 4.7% or lower on the basis of annual rate.
- b. Criterion is that changes in the law promised by and prescribed in a statement from the government dated 7 March 2024, will take place.

In September 2026 a position shall be taken on the following criteria:

Criterion is that 12 month inflation in August 2026 does not measure over 4.7%. This criterion on prices will however be considered to have been met if the 6 month inflation figure for the period March-August 2026 is 4.4% or lower on the basis of annual rate.

#### Reaction to failure to meet criteria.

The wages and criteria committee shall with its decision on reactions to exceptions from objectives of the agreement, take into account development of economic indices during the term of the agreement. The reaction is intended to have a positive impact on progress towards the objective that parties to the agreement had defined with respect to lower inflation, inflation expectations, reduction in base interest rate, improved standard of living for wage earners and improved profitability in Icelandic economic activity. The committee shall have a comprehensive view of the economic status.

The committee can decide that instead of a pay bonus according to this agreement, another equally valuable response can be chosen which is more appropriate to the prevailing circumstances in each instance.

Should agreement not be reached on reactions to failure to meet criteria, then a party to the agreement that wishes that the agreement should not remain in force shall make notification to this respect as follows:

For review in September 2025. Before 16:00 hours on 8 October 2025 and agreement will no longer be in force on 31 October 2025.

For review in September 2026. Before 16:00 hours on 8 October 2026 and agreement will no longer be in force on 31 October 2026.

#### Pay bonus

If the collective agreement remains in force, then the wages and criteria committee shall in March 2025, 2026 and 2027, prescribe a special pay scale bonus, if the Statistics Iceland wage index for the general labour market shows that wages have increased in excess of the increase in the lowest pay scales. The proportional increase in that index shall be compared to the proportional increase in Category 4 in collective agreements for SGS/Efling for the same period. The pay scale bonus is calculated as full proportion of excess increase of the above specified pay scales, where the minimum pay scales for parties to the agreement increase by that proportion, from and including 1 April each year.

- a. In March 2025, account shall be taken of the rates and development of the wage index for the period November 2023–November 2024.
- b. In March 2026, account shall be taken of the taken of the rates and development of the wage index for the period November 2024 – November 2025.
- c. In March 2027, account shall be taken of increases in pay rates and development of the wage index for the period November 2025–November 2026.

If a productivity bonus and pay increase according to this agreement are to be paid at the same time then the minimum pay rate of the agreements shall be subject to whichever bonus is the higher in each instance.

### **Productivity bonus**

If productivity increases more than 2% during the years 2025 and 2026, workers shall receive a share of this additional value in the form of a special productivity bonus, on the fulfilment of certain conditions.

The productivity bonus and payment for this bonus is further elaborated in a document attached to this agreement.

## Chapter 27: On term, notice of layoff etc.

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### 27.1 Impact of the agreement on terms of employment

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- 27.1.1 The parties agree that this agreement, along with the attached declarations, replaces in their entirety wages and terms of employment that were previously in force.
- 27.1.2 The agreement therefore does not have the effect of increasing wages and terms of employment of those parties who enjoy better wages and terms of employment than prescribed by this agreement, in excess of general wage increases pursuant to Chapter 1 of this agreement.

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### 27.2 Term of validity

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This agreement is in force from 1 February 2024 until 1 February 2028 and then becomes void without any specific notice of termination.

# Protocols, declarations, agreements and appendices

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## Protocol

### New competency-based pay system

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Parties agree to appointing a group (two representatives from SA and two from SGS) that meet a minimum of four times per annum to monitor progress of the implementation plan and to assess the status of the project in the regular manner in cooperation with the Training Service Centre.

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### Implementation plan

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Parties agree to increase job profiles in consultation with Training Service Centre, where competence requirements of the job are identified with competence analysis, assessment checklists for jobs, and competence is subsequently endorsed with the issue of competence validation certificates.

Parties agree to make promotional material and guidance for companies and workers about the new competency-based pay system. Parties work together on making promotional material in cooperation with Training Service Centre. [2024]

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### Protocol on impact of lack of action

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If a worker's terms of employment, as a whole, are less favourable than minimum terms of employment pursuant to a collective agreement, then his claim for remedy, should it have been made during employment or within 6 months from the termination of employment, shall not become void due to lack of action but rather shall lapse pursuant to general rules. [2024]

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### Protocol on special provisions

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There is an agreement on special provisions in collective agreements between SA and individual unions affiliated to SGS, to the effect that they remain in force during the period of the collective agreement and are subject to the same changes as have been agreed on in this collective agreement. The parties agree that negotiations should take place during the term of the agreement on review of these provisions where appropriate. [2024]

## Accompanying document to Chapter 5.12 on new competency-based pay system

Role	Assists Supports	Supports Implements	Implements Organises own work	Organises own work - Organises own work Coordinates	Coordinates Policy-making Adoption - supervision
Responsibility	<p>Responsibility for simple tasks</p> <p>Requests in all instances, assistance or advice where circumstances change or where unexpected events occur</p>	<p>Responsibility for all work in a limited field</p> <p>Requests assistance or advice where circumstances change or where unexpected events occur</p> <p>Responsibility for well-defined and limited elements of tasks</p>	<p>Responsibility for own work and takes into account progress in projects</p> <p>Manages work in a limited area</p> <p>Uses professional knowledge, procedures and organisation to manage work/projects</p> <p>Reacts to unexpected changes to circumstances and/or working environment</p>	<p>Responsibility for own work and that of others vis à vis third parties</p> <p>Management and organisation of projects - connects tasks together</p> <p>Has the ability and authority to change plans and processes, including financial within certain limits</p>	<p>Responsible for the work of a group within overall structure</p> <p>Manages complex projects and assumes responsibility for assessment and development</p>
Independence	<p>Works subject to management</p> <p>Works according to clear instructions</p>	<p>Works subject to management but with limited independence in defined tasks</p>	<p>Works independently according to plans/procedures</p> <p>Assesses when there is a need to request advice or assistance</p>	<p>Works independently towards open objectives (sees the whole picture)</p> <p>Develops work on the basis of experience and results</p>	<p>Assesses results in the light of objectives</p> <p>Develops solutions and procedures in accordance with needs</p>

## Accompanying document - productivity bonus

During the term of the agreement, a bonus can be paid on the basis of development of productivity. If productivity increases beyond the limits in the following table during the term of the agreement, there will be what is called a productivity bonus, on fulfilment of specific conditions.

The first instance of evaluation takes place after end of year 2025. The starting index for productivity is 100 in the year 2023.

Growth of productivity comprises both increased productivity of manpower and technical development based on investment. Is important that a financial incentive remains for investment. Increase in productivity will therefore accrue 70% to wage earners.

Productivity growth 2025 and 2026	Productivity bonus
>2.0%	0.35%
>2.5%	0.70%
>3.0%	1.05%

The wages and criteria committee decides the productivity bonus, should there be reason to pay this. The productivity bonus is a proportion (%) and is paid in addition to wages in the same manner as general percentage increases are treated in the collective agreement. Should unforeseen circumstances arise that have a negative impact on economic activity, the wages and criteria committee may need to take a position on whether or how the bonus will be implemented.

A detailed technical elaboration with examples is part of the collective agreement.

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## Protocol on interpretation services

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In line with the increased number of foreign workers on the Icelandic labour market, the parties to the agreement will cooperate on defining the need for interpretation services and, as appropriate, will prepare instructions for companies on this issue. [2019]

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## Protocol on protection for those working as representatives for trade unions

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Parties to the agreement agree that employees working as representatives of their trade union through membership of a board, negotiation committee or council of representatives and who communicate with their employer on matters related to their representation, shall not be made to pay a price for their representation work, see article 4 of the Act on trade unions and industrial disputes no. 80/1938. [2019]

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## Protocol on renting accommodation in connection with contract of employment

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When an employer rents accommodation to an employee in connection with his employment, then the provisions of the Rent Act no. 36/1994, apply to the making and nature of the rental agreement.

A rental agreement pursuant to the Rent Act shall be in writing and shall fulfil the requirements of Chapter II of the Rent Act, including with respect to the amount of the rent, whether the agreement is for a definite period of time or indefinite and with regards to service of the premises included in the rent.

In this respect, the objective shall be that employees do not pay higher rent than is customary and that the amount of the rent is fair and normal for both parties. When assessing whether the rent amount is fair and normal, the size, location and state of repair of the property shall among other things be taken into account and also the rent paid according to registered lease agreements in the same district.

The property shall be intended for human habitation and shall fulfil requirements for facilities and health and safety.

If there is an agreement that the employee should not pay rent for the property, then his terms of remuneration should nevertheless not be lower than the minimum terms according to the collective agreement, pursuant to article 1 of Act no. 55/1980.

These provisions apply while the employee is on the payroll of the employer in question. [2019]



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## Protocol On validation of competence

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Parties agree on the importance of the workplace as a place of learning. Foreseeable development and challenges in work in the near future, among other things as a result of the fourth industrial revolution further increases the importance of the above. The economic sector and wage earners must jointly meet these changes and thus secure the country's competitiveness and social stability. The assessment of competence, experience and the informal learning gained by an employee at his place of work is an important vested interest as it strengthens the position of people on the labour market, of professions and trades, companies and the nation as a whole, with respect to level of knowledge and progress.

Purposeful development and structure of validation of competence are fundamental prerequisites for the achievement of these objectives and the parties to the agreement agree on placing strong emphasis on the development of validation of competence during the term of the agreement. This applies to validation of competence with respect to jobs and validation of competence with respect to studies in the formal educational system.

Assessment of competence can be a catalyst for people on the labour market, in a variety of sectors, for them to develop in their jobs and to complete formal education and to strengthen their true competence even further [2019],

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## Protocol on pay systems

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Parties to the agreement aim to introduce a new pay system as part of the collective agreement. The main objective is for decisions on pay rates within companies being logical and flexible. The pay system will be an option for authorised exception, according to Chapter 5 of the collective agreement, to be elaborated at the place of work. The provisions of Chapter 5 apply entirely to the adoption of a new pay system in companies. The trade unions in question or trade unions if more than one union is a party to the agreement, shall make sure that the agreed exceptions and remuneration for these exceptions, when examined as a whole, comply with the provisions of the law and of collective agreements on minimum terms of employment, see the provisions to this effect in Chapter 5.

### 1. Basis

It is the joint understanding of the parties to the agreement that efficiently run companies are a prerequisite for good terms of employment for staff and for moderate working hours. Continuous improvements that contribute to increased productivity and efficiency ensure the operations and competitiveness of companies. One factor in competitiveness is that the company remuneration policy is linked to measurable results in a pay system developed in cooperation with parties to the collective agreement.

## 2. Objective

The objective of a new pay system is to categorise jobs in an objective manner, to increase factors that are taken into consideration when deciding remuneration for jobs, to elaborate clear criteria for remuneration and for the development in wages for individual employees. With a new pay system, both employees and employers have a powerful tool at their disposal, which supports increased education, development in work, transparency and job satisfaction. At the same time there will be clearer incentives for employees to develop in their jobs.

Successful development and the introduction of a new pay system can support increased vocational education, professional development and transparency in the wage structure. This entails a need to define in a structured manner how evaluation of jobs, roles, competence, responsibility and performance create a basis for decisions on remuneration and for increased gains for employees and companies.

In the Act on equal opportunities for men and women no. 10/2008, requirements are made for companies with 25 employees or more for a pay system and decisions on remuneration based on objective and transparent criteria. According to law, companies must adopt an equal opportunities standard during the period 2019-2022 and a new pay system will facilitate this adoption. It is desirable that smaller companies base their pay systems on analogous criteria.

## 3. The task

The task entails development of a simple and accessible pay system based on few but clear factors that can be adopted by companies of all sizes and types. The pay system must reflect the varying needs of companies so that it can be grounded on appropriate criteria. The pay system does thus not constitute a final definition of criteria or of the weighting of individual factors but rather is a framework that can be jointly developed by employees and managers and adapted to the needs of each workplace, in line with the authority vested in the collective agreement.

The new pay system is intended to support and echo other development on the labour market and in connection with the education system. This applies among other things to evaluation of competence with respect to specific jobs and to the adoption of equal pay accreditation. This the Icelandic qualifications framework will be taking into consideration in development of the system and in the work on defining criteria. The point of departure is to create a basis for remuneration policy that relates to the nature of the job and the competence of the employee, regardless of the job title, which will not be a part of the system.

The system is based on five main elements and within each of them there are more specific criteria. The elements are both job related and related to the individuals. On the basis of the factors and the criteria within them, a basis for remuneration policy is created and for the factors and criteria within each factor. The categories and examples of possible steps in each category are:

### **Job-related factors**

- Role Criteria in this element are for example, the nature of the job and position in the workplace, job management, supervision of training and reception of new employees.
- Responsibility Responsibility for projects, people, machines, equipment etc.
- Independence Requirement for independence in work, which can be related to the job as a whole or to specific aspects of the job.

### **Factors related to the individual**

- Experience and knowledge Additional knowledge, experience and training that can be used in the job. General competence factors, such as communication skills, initiative and flexibility.
- General competence factors Communication skills, initiative, flexibility, etc.

#### **4. Implementation plan**

After this collective agreement comes into force, the parties to the agreement will begin to work jointly on development of new pay system which shall be completed by the end of 2019.

The parties to the agreement shall appoint a working group, which will comprise three representatives from the unions i.e. one from each of the following: SGS, VR and from tradesmen's unions on the one hand and three representatives from SA Confederation of Icelandic Enterprise. The working group is responsible for the project being implemented and completed in the specified time. This among other things constitutes authority to temporarily appoint a specialist.

The work involves elaboration of factors and criteria which form the new pay system, keeping in mind the structure presented here above. This involves, among other things, a more precise list of criteria and their direct connection with remuneration policy.

When work on development of the pay system is completed, the second phase commences in the first half of 2020, which is preparation of promotional material and dissemination [2019].

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## **Protocol on review of Chapter 20 and Chapter 24 of the collective bargaining agreement**

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Parties to the agreement and agree it is necessary to review the parts of the agreement deal with meat processing, slaughter and butchering. The purpose of this work is to clarify, update and simplify the agreement in the light of changes that have taken place in the working environment of this sector.

Parties to the agreement will appoint a four-man committee, two from SGS and two from SA. SGS will call the first meeting, no later than 1 November 2015 and the work shall be completed no later than 30 April. 2016 [2015]

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## Protocol on flexible retirement

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The parties to the agreement agree on the importance of employees having the option of some kind of flexibility when it comes to retirement. The needs and circumstances of people in the labour market vary, and with increasing lifespan and improved health, it is common that people retain full working capacity and the will to participate in the labour market long past retirement age. Flexible retirement can mean working less during the last years of the working life and it can also mean permission to continue working past retirement age for those who have full working capacity and the wish to continue as active participants in the labour market. It is important to take into account the circumstances of each and every person.

Flexible retirement has been discussed in the committee which has the role of reviewing the Social Security Act, and to which representatives from the labour market are party. The committee agrees that the legislation should support increased individual flexibility and has among other things discussed the increase of retirement age to 70 in stages, and to authorise the postponement of taking pensions until 80 years of age, instead of 72 as it is today, against an increase in the monthly pension of the person in question.

During the last the decades, life expectancy has increased and average age has increased across the world. An increasing number of people live longer and are healthier in their senior years. This development calls for a reassessment of retirement age. Most neighbouring countries have increased retirement age for this reason.

The value of work for physical and mental well-being is undisputed and understanding of this is increasing. Work input from older employees is important and is on the increase, with a drop in natural increase of employees in the labour market because of changed age distribution. [2015]

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## Protocol on discussions on the scheduling of working hours

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The parties to the collective agreement aim at changes in definitions of working hours and are thus approaching the scheduling of working hours most common in the Nordic countries. The main objective of the changes is to encourage a family-friendly labour market with shorter total working time, which can furthermore constitute economies and simplification of pay systems across the whole labour market.

The discussions on changes to the working hours provisions of the collective agreement will among other things, cover the taking up of "active working hours" and a review of premium periods and premium on pay for work outside the day work period.

Premiums on pay for work outside the defined day are higher in this country than is generally the case in the Nordic countries and this has among other things resulted in wages for day work being a lower proportion of total wages.

The main objective of the changes will be to increase the share of day work wages in total wages and to encourage discussion at the workplace on improved scheduling of working hours and increased productivity. This will bring the Icelandic labour market closer to the structure that is prevalent in many places in the Nordic countries. Improved organisation can also support shorter working hours and thus support a more family-friendly labour market. Changes of this kind improve Iceland's position in international comparison, both with respect to working hours and basic wages, and it could also strengthen Iceland's position in competition for employees.

In return for changes in working hours, the pay scales of the collective agreement increase and in addition to this the minimum wages for individual jobs can change if there is a specific need to react to the impact of changed premium payments. The minimum wage guarantee will however not increase.

Parties to the agreement will appoint members to a working committee before the end of June 2015 in order to prepare changes to working hours provisions in the collective agreement. A specific discussion plan shall be made for the organisation of the discussions, see article 23 of the Act on unions and industrial disputes. The objective is for the agreement to be in place in October 2016 and it will be put to a vote in November 2016. Changes in working hours and the accompanying changes in wages would come into force on May Day 2017. The parties will from the beginning of the work, seek support from the State Conciliation and Mediation Officer for managing the initiative.

A special agreement will be made on the voting, but it is assumed that a simple majority will be needed for the agreement to come into force. [2015]

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## Protocol On evaluation of examination for pay

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The parties to the agreement will work on evaluating learning/real competence for determining wages, in two steps on the basis of analysing competence requirements for jobs. A plan shall be made for analysing jobs with the involvement of both parties and in cooperation with the Training Service Centre (FA/ETSC), where competence elements of a job are listed in the curriculum.

A committee of parties to the agreement, three from ASÍ and three from SA will commence work no later than autumn 2015. Work will continue on the basis of proposals that the parties to the agreement developed in the run-up to the collective agreements. The objective is for the course and the real competence assessment to be started on the basis of this work in the autumn of 2016.

The manner in which payment shall be made for assessed competence for a specific job, shall be decided by 1 October 2016. [2015]

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## Protocol on continuous work and accrued rights

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"Continuous work" in the understanding of the collective agreements means that an employee has been in a continuous employment relationship, regardless of whether he has temporarily been removed from the payroll. A period without wages is not however considered to be part of the length of service for the purpose of gaining rights, unless provisions of law or of the collective agreement say otherwise, see e.g. statutory maternal/paternal leave. [2015]

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## Protocol on damage to teeth in a work-related accident

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The parties will jointly request insurance companies to change the insurance conditions for employer accident insurance, such that necessary costs for a broken tooth resulting from an accident at work that are more than cost participation pursuant to the Social Security Act, will be compensated. Reservations are in other respects, pursuant to the Social Security Act and to the conditions of insurance companies. [2015]

Protocol on review of holiday pay legislation

During the term of the agreement, the parties will jointly request from government that the law with respect to holidays be reviewed with the objective of prescribing more clearly the rights and obligations of parties. [2015]

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## Declaration On pension issues

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SA and ASÍ agree to continue work on levelling pension rights on the basis of the work done in the joint committee of the whole labour market. This work has suffered delays, among other things, because an agreement has not been reached between the state and public employees on historical problems in the official pension system, which means that there were no grounds for completing the negotiations between the parties on the basis of their declaration from 5 May 2011. The parties agree that the content of the declaration retains its validity and that work will be done on making progress on the declaration during the term of the collective agreement. [2015]

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## Declaration On pension issues

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The parties to the agreement and agree to continue work towards aligning pension rights on the labour market. This declaration is intended to facilitate consensus on the main issues relating to pensions. The main objective is that all pension funds on the labour market should operate on a sustainable base and that pension rights should develop in accordance with needs for acceptable pensions. The parties to the agreement will work on the assumption that there is a need to increase contributions to pension funds on the general market from 12% to 15.5% during the years 2014-2020.

Discussions between the parties to the agreement will deal with ways to implement an increase in contributions, including an incremental process and division of contributions between employers and employees on the basis of alignment for the labour market as a whole. Varying pay systems will be taken into account such as on fishing vessels.

The parties to the agreement intend that the conclusion of this work will be available at the end of 2012 and will be discussed in the context of revision of the collective agreements at the beginning of 2013. This declaration constitutes a mandate for the management board of SA and for the negotiating committee of unions affiliated to ASÍ, to complete a structure for increase of contributions which can come into force in the year 2014. [2011]

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## Protocol On general pay increase

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The agreed general wage increase in the collective agreements between unions affiliated to ASÍ and SA means a minimum increase of the regular wages that an employee enjoys on that day when the increase pursuant to the collective agreement is to be implemented, regardless of the wages the employee in question receives.

It is not authorised to reduce or cancel overpayments by not paying general wages increases. Overpayments will therefore only be reduced or cancelled when complying with the provisions of the employment contract. This provision however, does not prevent a company being able to use decisions on wages to expedite increases with specific decisions - thus in a predictable and pre-decided manner, taking into account non-implemented general increases during the following 12 months. It should be made clear to the employee in a verifiable manner that this is an acceleration of a general increase in wages pursuant to the collective agreement. [2011]

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## Protocol on definition of shifts

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The associations agree to map out and to work towards a review of the chapter of the collective bargaining agreements between the affiliates of ASÍ and SA which discuss shifts, work outside the day work period and variable day work periods, with the intention of homogenising and increasing clarity. [2011]

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## Protocol on matters relating to sickness and rehabilitation

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Parties to the agreement are determined to review development of preventative health service and occupational safety.

The objective is to support predictable reactions to illness, such that an employee who falls ill is offered appropriate remedies as soon as possible. This constitutes among other things, increased flexibility on the labour market to ensure that individuals who fall ill or are injured and who are in active vocational rehabilitation, have the opportunity to return in a manner consistent with their ability to work at any given time.

It is clear that this objective will only be achieved if there is reciprocal trust between employers and employees about the way in which to notify illness, about the return of an employee after illness and about preventative health service in companies etc.

Parties to the agreement participate in a steering group under the auspices of VIRK which is working towards the objectives named here above.

Special attention will be paid to a development project which is being launched by VIRK on preventative measures and work rehabilitation. The parties to the agreement will use the experience and knowledge created in this project in their own work.

The parties to the agreement will support the people running this project and will provide advice on matters of opinion that arise in the project that relate to legal and collective bargaining rights and obligations on the labour market. [2011]

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## Protocol On equality emphases

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Equal opportunities for men and women for jobs, professional development and wages are in the interests of employees and companies. The parties will work together on the following tasks during the term of the collective agreement.

- Complete the work on a standard for implementation of an equality policy and subsequently continue work on making a standard for equal opportunities for the genders for work and professional development. Standards work is done in cooperation with IST - Icelandic Standards and the Ministry of Welfare. The objective is to publish the standard by the end of the term of the agreement.
- Cooperation with Statistics Iceland will be continued on research on wages development for women and men based on a database held by the institution, where the objective is to make one research project during the term of the agreement.
- Make joint promotional and educational material for employees and companies on equality in the labour market during the term of the agreement.

To encourage company managers to turn their attention to forming family policy within companies, with the objective of increasing flexibility in scheduling work and working hours such that consideration is given both to family circumstances and to the needs of the industry. [2011]

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## Protocol On temporary work agencies

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The parties agree that with the adoption of the temporary work agencies directive, it should be emphasised that on the Icelandic labour market the main rule is that employees are hired without time limitations directly to the employer, as in this country there is a certain flexibility in hiring, which is intended to make it easier for companies to react to fluctuations in their operations.

Also, that according to the Act on Working Terms and Pension Rights Insurance no. 55/1980, the collective bargaining agreements decide minimum terms of employment. Then the main principle of the directive on equal treatment will be enshrined in law and will mean that the terms of employment of employees of temporary work agencies at the time in question will be at least those that would have applied if they had been hired directly to the company in question to perform the same work. This will relate to the real terms of employment by the company using the employees, however they are decided and however they are paid. [2011]



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## Declaration ASÍ and SA on implementation of calls for tender

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It is important for Icelandic economic activity and for commerce that the labour market operates according to clear and transparent laws and regulations and that it ensures normal and healthy competition. Tendering for engineering projects is an important part of commercial operations. It is therefore very important that tender documentation for engineering projects, assessment of competence of bidders, the choosing of an offer and provisions on making payments to all those who do tendered work are better prepared and presented in a more definitive manner than is now the case.

In a declaration from the government in connection with discussions between parties to the labour market it states among other things on the implementation of tendering of contracts:

“It must be examined what changes need to be made to legislation on public procurement, and as appropriate to other legislation, in order to strengthen the position and rights of employees that work for companies on the contractor market and to level at the same time competition between companies. The objective shall be that a government working group, with representation from municipalities, ASÍ and SA provide proposals on the above issues, no later than June 2011 and that it will be possible to present proposals to the Althingi on desirable legal amendments at the beginning of the autumn Parliament. The government will furthermore, where appropriate, include the conclusions of the working group in government ownership policy.”

SA and ASÍ agree that more specifically defined projects of the working group are among other things the following:

1. Take a position on and submit proposals on legislation governing joint liability/ and subcontracting chain liability of contractors/buyers for wages of employees and taxes of contractors and subcontractors. Particular attention shall be paid to legislation in neighbouring countries that relate to these issues.
2. Take a position on how to further guarantee the rights of employees with changes to the laws that deal with public contracts and competence of bidders.
3. Take a position on how to include in tender conditions for public procurement those requirements that the purchaser makes to bidders with respect to work arrangements based on collective bargaining agreement criteria (such as time measured provisions, measurements) in order to create parity between bidders and to show the scope and nature of the work.
4. Take a position on how article 15.1 in IST 30 can be incorporated in general legislation on the execution of tenders for contracts.

SA and ASÍ have furthermore agreed on standardised purchaser assessment of competence of bidders in tenders for contracts (see accompanying document 1 to the agreement between SA and the ASÍ negotiating committee). Emphasis is placed on the assessment applying both to the public and general markets and that it should equally cover prime contractors and subcontractors. Emphasis is furthermore placed on the assessment having recognised status in law or in the regulation. When assessing bidders, the main principle shall be that employees are in a fixed employment relationship.

SA and ASÍ have furthermore agreed on more detailed rules on how tender documents should be made on the basis of articles 42-45 of Act no. 84/2007 on public procurement, on selection of bids on the basis of articles 73 and 77 of Act no. 84/2007 and the making of payments on the basis of the standard IST 30:2003, Item 31.5 (see accompanying document 2 to the agreement between SA and the ASÍ negotiating committee). [2011]

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## Protocol on continuing education for drivers and machine operators

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It is the joint understanding of parties to the agreement that article 16.8 on courses in the main collective bargaining agreement apply to all courses that a driver or machine operator needs to attend to maintain his/her rights. The same applies to separate collective agreements that are part of this main collective agreement. Chapter 17 on PCV drivers is exempt as a separate premium is paid for courses in that instance. [2011]

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## Protocol for renewal of drivers' cards

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The parties to the agreement each nominate two members to the committee which has the task of coordinating the policy of the parties to the agreement for renewal of drivers' cards and of following this policy through with respect to public institutions (Ministry and Icelandic Transport Authority) and to companies (FA and Ökuskólinn driving school) which deliver continuing education. [2011]

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# Agreement between SA and ASÍ on information and consultation in companies

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## 1. Introduction

SA and ASÍ have, with reference to Act no. 151/2006 on information and consultation in companies, agreed on the following rules on procedures for providing information and in consultation within companies with respect to representation and calculation of the number of employees.

## 2. Calculation of number of employees

Legislation on information and consultation apply to companies which have normally at least 50 employees on the domestic labour market. When calculating the number of employees, the average number of employees during the past calendar year shall be used as the reference. If the average number of employees was fewer than 50 during the preceding calendar year, the obligation on information and consultation will nevertheless be active pursuant to this agreement, if the number of employees as of the last four months exceeds 70.

If the average number of employees was more than 50 during the preceding calendar year, the obligation on information and consultation ceases to apply according to this agreement if the number of employees during the last four months is fewer than 40.

Replacements for summer holidays, illness or other absences have no impact on the calculation of the number of employees.

## 3. Joint committee

- 3.1. In companies covered by this agreement, there shall be an active joint committee of the company and employees. It comprises two employer representatives and two representatives of the employees.

- 3.2. Union delegates within the company choose representatives in the joint committees from their own number. Employees can however request that employee representatives in the joint committee are elected from the employees, given that at least one fifth of the employees submit this request.

If there is no union representative in the company, the employees elect their representatives in the joint committee from their own number. If there is only one union representative in the company, the employees elect another spokesman in the joint committee from their own number. Employees who are not represented by the union representative have the right to vote.

Election is for a term of two years from the announcement of the election, unless decided otherwise.

When electing union representatives to the joint committee, each union representative has one vote.

If there is an election between employees, the employer must provide a list of employees and provide any other necessary assistance in making the election documentation and with the election.

Union delegates means those union representatives that operate on the basis of Act no. 80/1938 and of the provisions in the collective bargaining agreement on union representatives. Other employee spokesmen in the joint committee enjoy the same protection as union representatives in connection with their work in the joint committee.

- 3.3. The provision of information pursuant to the Act on information and consultation shall be the remit of the joint committee, unless there is agreement on another procedure within the joint committee.
- 3.4. Consultation with employees according to the Act on information and consultation shall be the remit of the joint committee, unless there is agreement on another procedure within the joint committee
- 3.5. The joint committee sets rules of procedure for itself.
- 3.6. Representatives of the employer are responsible for calling a meeting of the joint committee, where it is assumed that the committee will meet no less frequently than twice a year unless there is agreement on another arrangement in the committee.
- 3.7. The information and consultation obligation of the company becomes active when union representatives or, as the case may be, employees have elected their representative in the joint committee pursuant to the above specified rules and have notified the company about the election.

#### 4. Company groups

Company groups with independent subsidiaries are authorised with agreement in joint committees in these subsidiaries to appoint a communal joint committee at the parent company which comprises representatives of the joint committees in the subsidiaries. In that forum is authorised to discuss issues that have communal significance for the subsidiaries.

It is also authorised, under special circumstances, that a joint committee at the parent company take on the functions of joint committees of individual subsidiaries.

A communal joint committee at the parent company shall be disbanded at the demand of either party, i.e. the representatives of employees in the committee or the representatives of the company, with at least one month's notice.

#### 5. SA and ASI joint committee

A joint committee comprising two representatives from each party to the agreement shall discuss the implementation of the agreement and elaboration and interpretation of individual provisions as deemed necessary.

Should there be a dispute on interpretation of the agreement, the parties in question are authorised to refer it to the committee which shall endeavour to reach a settlement. [2008]

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## Protocol milk tanker driver

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Milk tanker drivers shall be provided with safety shoes or safety boots as required. [2008].

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## Protocol on revision of the collective bargaining agreement chapter on union representatives

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The parties to the agreement agree to review the provisions in the collective agreement on education for union representatives during the term of the agreement, in the light of changed tasks of union representatives. [2008]

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## Protocol on notification to consultant physician/occupational safety service company

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The parties to the agreement consider that development of preventative health service and occupational safety are important for the labour market. It is important that development of service in this field is channelled in the right direction so that it can return results for employees and company.

The parties to the agreement will appoint a discussion committee which is intended to reach an agreement on a more detailed arrangement for notifying illnesses to the consultant physician/occupational safety service company.

In its work, the discussion committee shall among other things discuss the following issues:

- The conditions that the consultant physician/occupational safety service company must fulfil.
- The arrangements for employees to notify the occupational safety service company about absence because of illness or accident, if the employer wishes to adopt such arrangements, where such notification would all things being equal, replace the extension of a doctor's certificate.
- Obligation for confidentiality and treatment of personal identifiable data which the consultant physician/service company gains in its operations. This refers to collection, treatment of, preserving and deletion of such information.
- How the operations of consultant physician/service company can benefit occupational safety work in companies.

In its work, the discussion committee will cooperate with the Data Protection Authority, the Directorate of Health, the Administration of Occupational Safety and Health and with stakeholders.

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

The ASÍ and SA negotiating committees shall take a position on proposals from the discussion committee no later than on 15 December 2008.

If the parties to the agreement come to a joint conclusion, their agreement shall be considered part of the collective agreement of the affiliated unions and will come into force on 1 January 2009.

While the above work is in progress, the parties to the agreement make no objections to operations of occupational safety service companies that have received recognition from the Administration of Occupational Safety and Health as an occupational safety service company and nor to the employees' duty to notify them. [2008]

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## Protocol on vocational training in the transport and building/construction industries

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The parties to the agreement appoint two members each to a committee which has the task of organising and ensuring that there will be more vocational training offers for these economic industries. The committee will seek cooperation with the Training Service Centre (FA/ETSC) and with other institutions, companies, associations, centres and ministries, as appropriate in each instance. The committee shall also work towards creating a channel for existing courses to this industry. [2008]

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## Accompanying document Accompanying document with agreement on wages in foreign currency - agreement form

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The Company ehf., ID number xxxxxx-xxxx on the one hand and \_\_\_\_\_  
ID number \_\_\_\_\_ on the other hand, make this agreement to link part of the wages to  
the exchange rate of a foreign currency or payment of part of the wages in foreign currency,  
on the basis of the provisions of the collective agreement \_\_\_\_\_ to this effect.

Link with foreign currency or payment in foreign currency:

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

Currency:

- ☐ EUR
- ☐ USD
- ☐ GBP
- ☐ Other currency, what \_\_\_\_\_

Part of fixed wages or total wages paid in/linked to foreign currency:

- ☐ Part of fixed wages paid in/linked to foreign currency
- ☐ Part of total wages paid in/linked to foreign currency

Part of wages paid in/linked to foreign currency:

- ☐ 10%
- ☐ 20%
- ☐ 30%
- ☐ 40%
- ☐ Other proportion, what \_\_\_\_\_

This agreement is made in two copies, and each party shall retain one copy.

Date: \_\_\_\_\_

P.p. the company

Employee

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[2008]

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## Protocol on extension of product agreement in North Iceland

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The parties to the agreement agree with the signing of the main collective bargaining agreement, there is an extension of special provisions of what is called the product cooperative agreement from 1988 as amended, and that are in force with product cooperatives in the dairy industry in North Iceland (Blönduós, Sauðárkrúkur, Ísafjörður and Akureyri).

The product cooperative agreement from 1988 is part of the main collective bargaining agreement between the parties and is thus endorsed as one entity with the members' vote.

The parties to the agreement will jointly collate and publish the special provisions of the product cooperative agreement before 1 June 2008, as amended from 1988 subsequent to signing of the main collective bargaining agreement between the parties. [2008]

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## Agreement on foreign workers in the Icelandic labour market

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ASÍ and SA have come to an agreement on the following case procedure in disputes related to foreign workers.

### **Criteria and joint objectives**

The associations agree that Iceland's obligations according to the EEA agreement on free movement of goods, funds, services and persons over borders between the countries have a positive impact on the interests of individuals and companies in this country, with the increased offer of goods and services, dissemination of knowledge between the countries, increased competition between companies, developments in various sections of the community and increase in jobs.

The EEA agreement means that citizens of member states can travel between the countries for the purposes of commerce, without a work permit. Companies registered in these countries also have the right to provide service in other member states with their own staff without any special permit. Citizens of the EFTA states have broadly the same rights pursuant to the EFTA Agreement.

The main rule is that other foreigners (citizens of third countries) cannot be hired for work in this country without a work permit.

The parties to this agreement believe that changes in the composition of the workforce, because of the number of foreign workers on the Icelandic labour market, should not distort the arrangements in force for deciding wages and other terms of employment for workers through collective agreements. The rules in force on the implementation of collective agreements will continue to be acted upon.

It is the shared concern of the parties to ensure that companies that use foreign labour for their production or service, pay wages and have terms of employment in accordance with collective agreements and legislation in this country.

If a collective agreement is not respected, then this undermines the operations of other companies and spoils the grounds for normal competition and detracts from gains for the whole community generated by reliable and healthy economic activity.

The parties agree that the adaptation of foreign labour and foreign companies to the habits and customs on the Icelandic labour market society, is conducive to creating trust and accord in relationships between parties.

The rights of workers to do specific jobs are often subject to conditions in law that the party in question has completed a specific course of study or has gained a specific legal accreditation for him to be able to work in the industry. The EEA agreement prescribes the rights of foreign workers to have their education, vocational qualifications and work experience that they have gained in another EEA state, recognised in this country, according to the laws and rules that here apply.

### **The main rules on terms of employment for foreigners**

With this agreement, ASÍ and SA wish to guarantee the application of the law in force on terms of employment for foreigners on the Icelandic labour market. These rules are found particularly with respect to the following aspects:

**Wages and other terms of employment** The Act on Working Terms and Pension Rights Insurance no. 55/1980 prescribes that the wages and other terms of employment, on which the associations on the labour market come to an agreement, shall be the minimum terms of employment, regardless of nationality, for all workers in the industry in question in the area covered by the collective agreement.

**Employees of foreign service companies, including temporary work agencies.** The Act on the legal status of employees working on a temporary basis in Iceland for foreign countries, no. 54/2001<sup>13</sup>, prescribes, among other things, that employees shall, while working here, enjoy collective bargaining agreement bound wages, holiday rights and rules regarding facilities, health and safety at the workplace.

**Free movement of workers** The EEA agreement and the Act on the Free Right to Employment and Residence within the European Economic Area, No. 47/1993 prescribe that it is unauthorised to place at a disadvantage, workers who are citizens of another EEA state than the one in which they work with respect to hiring and work conditions, particularly with regards to wages.

**Work permits for citizens of third states** Foreign Nationals' Right to Work Act, No. 97/2002 prescribes that work permits grant the right to work in this country pursuant to the laws and regulations that apply on the Icelandic labour market if an employment contract which assures an employee wages and other terms of employment equal to Icelanders is in place, see Act no. 55/1980.

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<sup>13</sup> Now: Act on the Rights and Obligations of Foreign Undertakings that Post Workers Temporarily in Iceland and on their Workers' Terms and Condition of Employment, No. 45/2007



### **Information on wages and other terms of employment for foreign workers**

It is the role of the union representative at the workplace to make sure that collective bargaining agreements in force are respected with respect to employees, see article 9 of the Act 80/1938. If there is reason to suspect that there is a breach of the collective agreement in question or of the legislation that governs the terms of employment of foreign workers, the union representative has on the basis of this agreement, the right to examine documentation on the wages or other terms of employment of the foreign workers covered by the collective agreement with the employer in question, and as appropriate the vocational rights of those that are working in jobs where such accreditation is required.

If there is no union representative at the workplace, the representative of the relevant union has the same authority as the union representative to examine the documentation and he bears the same obligations.

Information shall normally be provided in such a manner that the union representative is allowed to examine copies of payslips or other documentation that confirm terms of employment of the employees in question. The union representative is not authorised to take the information out of the workplace. The union representative shall respect confidentiality on the information he receives. The union representative is however authorised to consult the union in question and the representatives of the union are obliged to maintain complete confidentiality on the information they become privy to.

If the employer does not accept the representative's request to be provided with access to information on wages and other terms of employment of a foreigner and/or if there is a dispute as to whether the provisions of the collective agreement or of the law are respected, see Act 55/1980, Act 54/2001<sup>14</sup> and Regulation no. 1612/68/EC on free movement of workers, see Act no. 47/1993, and if it has not been possible to resolve the dispute within the company, it is authorised to refer this dispute to a special ASÍ and SA joint committee.

### **SA and ASÍ joint committee**

The ASÍ and SA joint committee which discusses issues related to foreigners according to this agreement shall comprise four representatives, two appointed by ASÍ and the National Association concerned in the issue and two representatives appointed by SA.

The joint committee shall endeavour to clarify cases which it has received, according to the above specified rules and shall resolve the disputes with negotiations within the committee.

Cases referred to the committee shall be discussed in the committee within two weeks unless specific circumstances prevent this.

When examining the case, the committee can require necessary documentation from the employer in question on wages or other terms of employment of the foreign workers in the case and about the accredited rights to work of those who are working where such accreditation is required. This authority covers foreign workers covered by the collective agreement of ASÍ affiliated unions, see article 1 of Act 55/1980.

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<sup>14</sup> Now Act no. 45/2007.

The union representative or the spokesman for the union who stands in for the union representative is not bound by confidentiality with respect to his/her communications with the committee for cases being discussed in the committee. Representatives in the joint committee can approach the union representative or the spokesman for the union who stands in for the union rep, pursuant to the above, in order to gather further information for those cases under discussion.

The joint committee and individual representatives on the committee shall respect confidentiality on information gathered from the employer, from the union representative or from the spokesman for the union and it is unauthorised to inform or give information to a third party about the substance of the discussions.

Parties to the dispute shall be informed of the conclusions of the committee.

Notwithstanding a decision from the committee it is authorised to refer the matter to the courts. The duty for confidentiality, pursuant to the above does not hinder in this instance, the submission of documentation in a court case.

Reykjavik, 7 March 2004

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## Agreement between ASÍ and VÍ on specific aspects that relate to organisation of working hours

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With reference to the agreement on the European Economic Area, ASÍ and VÍ made the following agreement in order to launch the implementation of the European Union Directive no. 93/104/EU from 23 November 1993 on specific aspects that relate to the organisation of working hours. The Directive is part of the EEA Agreement, pursuant to decision by an EEA joint committee, dated 28 June 1996.

The objective of the agreement is to set minimum requirements in order to support improvements, particularly with regards to the working environment, in order to ensure health and safety for workers.

### Article 1

#### Scope

This agreement applies to daily and weekly minimum rest time for employees, to annual holidays, to breaks, maximum working time per week and specific aspects in connection with night work and shift work and work patterns.

The agreement covers all employees in the agreement scope of the parties to the agreement.

The agreement, however, does not cover transport on sea or in the air or fishing or other work at sea. The agreement, however, does not cover those working in transport on roads that are covered by the Regulation on drivers' driving time and rest periods (now no. 136/1995) or comparable rules that may be applied later.

Provisions of articles 3, 4, 5, 6 and 8 do not apply to senior management and others that control their own working hours.

### Article 2

#### Definitions:

##### 2.1. Working hours

The time during which an employee is working, who completes his/her tasks or meets his/her obligations, is available for the employer.

Working hours means active working time and for this reason, refreshment breaks and special days off are not calculated as working time. The same applies to journeys to and from the place of work or regular work location and to paid waiting time or work breaks where no work is required.

Annual paid minimum holiday pursuant to the law, absences due to illness and statutory or contractual maternal/paternal leave shall be considered working time and shall be neutral when calculating averages. The time that an employee is in paid vocational education is considered working time.

##### 2.2. Rest time

Time that is not counted as working time.

### **2.3. Night work**

The time between 23:00-06:00

### **2.4. Night staff**

- a. An employee who normally works at least three hours of his/her daily working time during the night work period.
- b. A permanent employee who has worked regularly at least three hours in the night work period in one month, during that period of work. The same applies to an employee who works 40% of his/her regular workload in night work on an annual basis.

### **2.5. Shift work**

Work that is divided into varying work periods/shifts pursuant to a specific system, where the employee works on varying shifts over a given period of time which is measured in days or weeks.

### **2.6. Shift worker**

An employee who works on shifts

## **Article 3**

### **Daily resting time**

Working hours should be scheduled in such a manner that during each 24 hour period calculated from the beginning of the working day, an employee shall have at least 11 hours continuous rest. If possible, daily rest shall cover the night work period

## **Article 4**

### **Breaks**

An employee has a right to at least a 15 minute break if his/her daily working hours exceed six hours. Breaks are according to the relevant collective agreement.

## **Article 5**

### **Weekly rest time**

During each seven day period, an employee shall have at least one day off, which is directly connected to rest time pursuant to Article 3. To the extent possible, the weekly day off shall be on a Sunday.

## **Article 6**

### **Maximum working hours**

The average working time per week, including overtime, shall not exceed 48 hours. It is desirable that working hours should be as equal as possible from one week to another.

A reference period for calculation of average working hours per week shall be six months, January to June and July to December.

## **Article 7**

### **Annual holiday**

Holidays are decided by the legislation on holidays and by the provisions of collective agreements.

## **Article 8**

### **Length of night working hours**

Normal working hours of a night worker shall normally not be longer than eight hours during each 24 hour period.

It is authorised to lengthen the normal working hours for a night worker such that he works for an average of up to 48 hours per week. The work shall be scheduled in such a manner that the working hours are as regular as possible.

A reference period for calculation of average working hours of a night worker per week shall be six months, January to June and July to December.

Night workers whose work is particularly risky or which entails considerable physical or mental pressure, shall not work longer than eight hours during every 24 hour period when they are on night work.

## **Article 9**

### **Health assessment**

Night workers and shift workers that work part of their work obligation at night have the right to health assessment free of charge before the begin this work and then regularly at least three year intervals. This right shall be specified in the employment contract.

Health assessment specified in paragraph 1 shall be subject to the rules on doctor confidentiality.

Night workers and shift workers that work part of their work obligation at night and that have health problems that can verifiably be attributed to the job, shall, when possible, be moved to day work suitable for them.

## **Article 10**

### **Protection of night workers**

Night workers shall enjoy protection with respect to the risk entailed in their work.

## **Article 11**

### **Notification on regular hiring of night workers**

An employer who generally has employees in night work, shall give the competent authorities information on their number and the working hours of night workers.

## **Article 12**

### **Work pattern**

An employer that organises work according to a specific pattern, shall take into account the main principle of adapting the work to the employee, keeping particularly in mind the mitigation of the impact of repetitious work and of work that is done at a pre-determined speed, and depending of the nature of the work he should keep in mind, health and safety requirements, particularly with respect to breaks during working hours.

## **Article 13**

### **Authorised exceptions**

- a. It is authorised to shorten rest time, see article 3, up to eight hours for between shifts. The same applies to special circumstances when things of value must be protected.
- b. Should there be disruption of operations because of external circumstances, such as weather or other natural causes, accidents, power shortage, breakdown and machinery, devices or other equipment or because of other unforeseen events, one may deviate from the provisions of article 3, to the extent necessary to prevent significant damage, until regular operations have recommenced. This applies both when such events relate to the company itself or to those it does business with.
- c. If the authorisation pursuant to items a. or b. are invoked for an exception from daily rest time, the employee shall receive equivalent rest in its place.
- d. Is authorised to decide with an agreement at the workplace, to postpone weekly rest days for those workers who handle production and service work where special circumstances make such exceptions necessary, such as those who work in security and in protecting valuables.

If the weekly rest time, see article 5, is postponed, the employee shall receive equivalent rest in its place. If it is really necessary, then the taking of weekly rest time can be postponed such that instead of the weekly rest day there will be two consecutive days off over a period of two weeks. If there is a special need to schedule work in such a way that the weekly day off is postponed, a collective agreement shall be made on this.

- e. In exceptional circumstances, it is authorised to lengthen the reference period for maximum weekly working hours, see articles 6 and 8, for up to 12 months (calendar year) with a collective agreement, given that this is based on special objective reasons. Collective agreement provisions of this nature shall be endorsed by the national association in question or by ASÍ for directly affiliated unions.

Confirmation shall be in place no later than four weeks from the making of the agreement and it shall have been presented to the confirming party, no later than a week before signing. If confirmation has not been received within this period of notice, it is deemed to be in place.

## **Article 14**

### **Implementation of the agreement and resolution of disputes**

A joint committee shall be formed with three representatives from each party.

The joint committee shall discuss elaboration and interpretation of individual provisions. Should a dispute arise, efforts shall be made to reach a settlement on the dispute in the joint committee before it is referred to the courts.

## **Article 15**

### **More advantageous provisions**

This agreement applies as a minimum agreement and it does not cancel in any instance, better rights and greater protection for an employee, pursuant to the law, collective agreements, employment contract or letter of engagement.

## **Article 16**

### **Health and safety**

Health and safety of employees is in other respects, according to the provisions of law on facilities, health and safety at the workplace and other administrative instructions.

## **Article 17**

### **Coming into force etc.**

This agreement comes into force on 1 January 1997 and is to be implemented at the latest on 1 April 1997. The agreement is seen as part of the collective bargaining agreement of affiliated unions and associations of signatory umbrella associations.

This agreement shall be reviewed at the latest within three years from its coming into force. Subsequent to that review, in the light of experience, the length of the reference period shall be reassessed, see articles 6 and 8. Then a special valuation shall be made of handling of exceptions.

With the implementation of this agreement, the agreement between the parties on implementation of resting time and free time provisions of Act no. 46/1980 dated 10 April 1981, shall become void.

Parties shall ensure that the content of this agreement be disseminated to the extent possible.

Reykjavík, 30 December 1996.

An identical agreement was made on 10 April 1997 between ASÍ and VS.

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## Agreement between SA and ASÍ on part-time work

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With reference to the agreement on the European Economic Area, SA and ASÍ make the following agreement to implement the substance of the EU Directive on part-time work (97/81/EC). The substance of the Directive is based on a framework agreement between parties to the labour market in Europe, UNICE, CEEP and ETUC, which parties to this agreement are affiliated to, and the objective of the Directive is:

- to abolish discrimination against employees in part-time work and to encourage increased quality of such work. To facilitate options for employees to be in part-time work and for more flexible arrangements of working hours such that the needs of both employers and employees are taken into account.

### Article 1

This agreement applies to employees who are in part-time work, see paragraph 1 of article 2<sup>15</sup>.

### Article 2

An employee is considered to be in part-time work if his/her normal working time per week or the average on the basis of a whole year, is shorter than that of a comparable employee in full-time work.

A comparable employee in respect of paragraph 1 means an employee who works in the same company on the basis of the same kind of employment arrangement and does the same or comparable job having taken into account other influencing factors such as working hours, knowledge or skills.

If there is no such comparable employee in the same company, the comparison shall be made with reference to the collective agreement in question, or if such an agreement does not exist with reference to the law, to other collective agreements or to custom.

### Article 3

Employees in part-time work shall not enjoy proportionately less advantageous terms or be subject to worse treatment than comparable employees in full-time work for those reasons alone that they are not in full-time work, unless this is justifiable on the basis of objective reasons.

### Article 4

The employer shall, to the extent possible, endeavour to:

- a. Take into account the wishes of an employee to move from full-time work to part-time work or from part-time work to full-time work;
- b. Take into account the wishes of an employee to increase or reduce his/her work proportion, should there be latitude to do so;

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<sup>15</sup> See agreement dated 24 August 2009.



- c. Facilitate access to part-time work at all levels of the company, including among specialised jobs;
- d. Provide timely information on jobs that become available at the workplace, including part-time work, in order to facilitate movement from part-time work to full-time work and vice versa;
- e. Facilitate access to work, education and training for part-time workers, among other things to enable them to increase their skills and to support progress in their careers and mobility in their work;
- f. Provide employees, representatives with information on part-time work in the workplace.

#### **Article 5**

It is not considered on its own to be a valid reason to dismiss an employee that he refuses to move from full-time to part-time work or vice versa.

#### **Article 6**

A joint committee comprising two representatives from each party to the agreement shall discuss the implementation of the agreement and elaboration and interpretation of individual provisions as deemed necessary.

Should there be a dispute on interpretation of the agreement, the parties in question are authorised to refer it to the committee which shall endeavour to reach a settlement.

#### **Article 7**

A breach of this agreement warrants liability for damages.

#### **Article 8**

This agreement shall, to the extent possible, be interpreted in accordance with Directive 97/81/EC, see the framework agreement on part-time work between parties to the labour market in Europe.

#### **Article 9**

This Agreement comes into force on 1 January 2003.

Reykjavik, 13 November 2002

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## Agreement on mass layoff

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The parties to the agreement agree that it is desirable that layoff is only directed at those employees whose employment is intended to be ended and not at all employees or a group of employees. With this in mind, the parties have made the following agreement:

### 1. Scope

This agreement only covers mass layoff of permanent employees when the number of employees to be laid off over a thirty day period is:

At least 10 persons in a company with 16-100 employees;

At least 10% of employees in companies with 100-300 employees;

At least 30 persons in a company with 300 or more employees;

It is not deemed a mass layoff when employees are laid off pursuant to employment contracts that are made for a specific period of time or for specific projects. This agreement does not apply to layoff of individual employees, to layoff related to amendments to terms of employment without termination of employment in mind, nor to layoff of crews of ships.

### 2. Consultation

If an employer is considering mass layoff then prior to the layoff, there shall be consultation with representatives of the unions in question in order to find ways to avoid the layoff to the extent possible, and to mitigate their consequences. Where there are no union representatives on-site, there shall be consultation with a spokesman for the employees.

Union representatives shall then have the right to receive information that is significant with respect to the planned layoff, particularly the reasons for the layoff, the number of employees that it is planned to dismiss and when the layoff will take place.

### 3. Implementation of mass layoff

If in the opinion of the employer, mass layoff cannot be avoided, even though the intention is to re-employ a number of the employees without their employment being terminated, the practice shall be that the decision on which employees will be offered re-employment is established as quickly as possible.

If the decision on re-employment has not been made and an employee is notified that he cannot be re-employed in a timely manner such that at least two thirds of the employee's layoff notice remain; his/her layoff notice is lengthened by one month if the layoff notice is three months; by three weeks if the layoff notice is two months and by two weeks if the layoff notice is one month.

This provision applies to employees that have accrued at least 1 month's notice of termination.

Despite the provisions of this article, it is authorised in the event of external events outside the control of the employer, to make the notification of re-employment conditional because the employer can continue the operations that the employee is employed for, without this leading to a lengthening of notice of termination.

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## Declaration on employees' adaptation at retirement age

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In order to help employees adapt to retirement, VÍ and the Labour Association (VMS) recommend to their members that they make efforts to meet employees' wishes to reduce their percentage work in the last years before retirement. [1990]

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## Declaration On contractor operations

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In recent months there has been an increase in the relationship between workers and employees being clad in the guise of contracting, where the worker is deemed to be a subcontractor of the employer. Many disputes have arisen because of unclear rules on the rights of parties, on their reciprocal responsibilities and with respect to third parties, and reasonable suspicions have furthermore arisen of underbidding on the strength of this practice. This arrangement detracts from the value of social rights pursuant to collective agreements and to the law; it goes hand-in-hand with non-payment of fees and taxes and it weakens the competitive position of real employers.

The parties consider this development to be damaging and against the interests of its members and will therefore work against it by, during the term of the agreement, elaborating clear rules and definitions on the status of workers on the one hand and contractors and employers on the other. [1990]

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# Framework agreement On group payroll system in freezer plants between VSÍ/VMS and Icelandic Workers' Association

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## **General description - main points**

Premium is paid on all production covered by the group pay system (e.g. ISK per box), varying by fish species and packages. Extra payments are also made for total usage of raw material.

When deciding premium, the worked hours system of the sales association is used which takes into account average raw materials of each fish species i.e. size, number of worms and imperfections.

The main principle is that the total bonus after each working week is divided between everyone in the production process (including service jobs), see definition, in proportion to the working hours of each employee. In this instance, the practice is adopted of basing bonus payments on the average condition of the raw material. This means that there will be some fluctuations between days and even weeks, with respect to bonuses on working hours. In the long run however, it is considered that these fluctuations will be levelled out.

## **The advantages of a group system and the pre-requisites for results**

In general, it is considered that group pay systems encourage increased cohesion in the workforce and better human relations. In individual oriented pay systems, each individual works for himself whereas in systems like this, it is the results of the group that matter.

A closely-knit group can return better total results, particularly with respect to performance and precision in work than when working in an individual oriented system. For this to be the case, everyone has to make an effort. The employees who were in service jobs generated by the bonus system, can now work on production.

Results are to a very large extent based on it being possible to move workers, according to where the pressure is greatest, both between locations in the processing line and between service and processing work. Everyone has to be mindful of this last issue. The manager makes sure that people move between jobs.

## **Article 1**

### **Definition of production process and those jobs that belong to the group pay system and a list of the jobs that are done outside the system.**

#### **1.1. Jobs that belong to group pay system:**

1. All jobs in the production process from the raw material being taken from the cold store to products being finished in the freezer, including all service jobs that belong to the production process.
2. Reception of packaging and finishing in storage.
3. All daily cleaning in areas of the production process during production.
4. Practical teaching.
5. Jobs with forklifts i.e. to the extent that they belong to the production process in reception and in freezers.

6. Quality inspection. (The main rule is that quality inspection is in the system).
- 1.2 Jobs outside the group pay system.
1. Work management (this does not mean foremen who normally work in the production channel).
2. Driving.
3. Forklift work e.g. in landing goods and loading.
4. Security surveillance of freezing machinery.
5. Sharpening machine knives, lubrication of machines and their daily maintenance.
6. Deep cleaning after end of work.
7. Jobs that can be mentioned outside the premium system - landing and finishing of raw material in cold store - loading - gutting - service with fishing vessels - supplying ice - cleaning of yards etc.

## Article 2

### On the pay system

Employees that work in the production channel constitute one piecework group. Premium is paid on all production, variable according to fish species and packaging. Extra payments are also made for usage.

#### 2.1. Base number according to collective agreement signed on 24 March 1997.

Base number of the group pay system is from 24 March 1997, ISK 161.44, though such that bonus payments are lowered by a maximum of about ISK 54.00 per hour from what would have been on the basis of the older agreement. From 1 January 1998, the index will be ISK 167.90 and from 1 January 1999, ISK 174.03.

#### 2.2. Calculation of Premium

Premium is calculated on a weekly basis and divided between employees in proportion to the working hours of each person. Total number of hours divided into the total premium which gives premium per hour.

According to the collective agreement signed on 24 March 1997, premium shall be calculated in two steps.

$$1) \text{ Premium per hour} = \frac{\text{Total Premium per week}}{\text{Total work hours per week}}$$

If payment is made, both for performance and usage, the premium that is calculated in this manner is multiplied by a usage coefficient pursuant to article 2.3 here below.

If the premium per hour, which is calculated in this manner is equal to or lower than ISK 126.00 per hour, it is paid. If the premium calculated according to Item 1) is higher than ISK 126.00 per hour, the premium shall be increased in the following manner:

$$\begin{array}{lcl} & \text{Premium per hour according to 1)} & \\ 2) \text{ Premium per hour} & = \frac{\quad}{0,7} & = 54,00 \end{array}$$

From and including 1.1.1998, the above numbers increase by about 4% and from 1.1.1999 by about 3.65% in accordance with the collective agreement between the parties from 24 March 1997.

### 2.3. Payment for performance and usage:

Each hour in worked hours is calculated using 40% of the base number.

Usage is paid such that payment is initially made for usage after minimum usage is achieved, which is decided for each fish species, variable depending on processing method.

For each 0.1% in addition to minimum usage, the premium increases by about 1% until optimum usage is achieved, which is 2.5% over minimum usage. This means that the increase for usage can at most be 25%. This means total usage, which is calculated as a proportion between the weight of the raw material which is weighed in for processing and the calculated weight of packed goods.

### 2.4. Payment for performance only:

Each hour in worked hours is paid with 47% of the index. This applies to species to which usage payments do not apply. Example: Roe processing, langoustine processing and packaging of frozen products which are not processed in a direct connection with the production process.

### 2.5. Definition of working hours

Working hours in a group pay system means all the hours recorded as worked by employees in the group pay system, with the exception of paid meal breaks, which are not worked. Emphasis shall be placed on the importance of recording/clocking in and out of work. Also, if employees work outside the production channel.

## Article 3

### Move to job paid by the hour

When it proves necessary to move people from bonus or premium paid jobs, care should be taken that such moving is spread equally over the employees. If a worker is moved during hourly paid work, he shall retain the group bonus for up to seven days, but no longer than for the period while work is being done in the group pay system.

No extra payments are made when moving between bonus work and or premium paid jobs.

#### **Article 4**

##### **Worked hours**

Standard hours shall be reviewed immediately if there are major changes in introduction of technology or packing rules.

When new packages are introduced for trial, or permanently, they shall be explained to employees before they are used in production.

#### **Article 5**

##### **Beginners**

When beginners, who have not previously worked in comparable fish processing jobs are hired they shall receive practical teaching under the guidance of an experienced person during the first weeks, see Chapter 18 in the collective agreement SGS and SA. The bonus increases during the period of initiation according to the initiation rule for beginners.

#### **Article 6**

##### **Young people**

The work contribution of young people in a group pay system it is never higher than the proportion of young people's pay rate of the starting wage without course premium which applies in the collective agreements in the area in question.

If young person is also a newcomer in fish processing, then the same assessment rules apply to him as to other beginners.

#### **Article 7**

##### **Special agreement in fish processing plants on group pay systems**

Agreement shall be made at the workplace in question on other issues.

#### **Article 8**

##### **Term of validity**

This agreement has the same term as the collective agreements between the parties.

Reykjavík, 16/01 1992

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## Framework agreement on group premium in salt fish processing, stock fish etc. between VSÍ, VMS and VMSÍ.

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This framework agreement shall be kept in mind in those companies planning to adopt a group premium system for processing salt fish, stock fish etc.

### General description - main points

Premium is paid on all production covered by the group pay system, varying by fish species and packages.

The main principle is that the total bonus after each working week is divided between everyone in the production process (including service jobs), see definition, in proportion to the working hours of each employee.

### The advantages of a group system and the pre-requisites for results

In general, it is considered that group pay systems encourage increased cohesion in the workforce and better human relations. In individual oriented pay systems, each individual works for himself whereas in systems like this, it is the results of the group that matter.

A closely-knit group can return better total results, particularly with respect to performance and precision in work than when working in an individual oriented system. For this to be the case, everyone has to make an effort.

Results are to a very large extent based on it being possible to move workers, according to where the pressure is greatest, both between locations in the processing line and between service and processing work. Everyone has to be mindful of this last issue.

## Article 1

Definition of production process and those jobs that generally belong to the group premium scheme and a list of the jobs that are done outside the system

### 1.1. Jobs that belong to group pay system:

1. All jobs in the production channel from raw material being sought in the cold store until products are finished for shipping, including all service jobs that belong to the production channel.
2. Reception of packaging and finishing in storage.
3. All daily cleaning in the area of the production channel. While production is taking place, and of containers, tools and machinery, along with tidying up at the end of the job.
4. Practical teaching.
5. Jobs with forklifts i.e. to the extent that they belong to the production channel, unless otherwise agreed.
6. Quality inspection and assessors.



## 1.2. Jobs outside the group pay system.

1. Work management (this does not mean foremen who normally work in the production channel).
2. Driving.
3. Jobs for forklifts e.g. with landing and loading (see Item 1.5).
4. Sharpening machine knives, lubrication of machines and their daily maintenance.
5. Jobs that can be mentioned outside the premium system: landing and finishing of raw material in cold store - loading - service with fishing vessels - supplying ice - cleaning of yards etc.

## Article 2

### The basis of the premium system

Employees that work in the production channel constitute one piecework group. Premium is paid on all production, variable according to fish species and packaging.

There are two options when making a premium system, on the one hand to agree on a premium rate for individual tasks and on the other hand to calculate premium using worked hours, base number and payment proportion of the base number. The information here below is for when the latter option is chosen.

#### 2.1. Standard hours

Standard hours shall be made by taking circumstances into account at each workplace and in the same manner as with other standards of marketing associations. Standard hours shall be reviewed immediately if there are major changes in introduction of technology or packing rules.

#### 2.2. Base number

The base number for a group pay system is from..... ISK..... and is subject to the same changes as prescribed by the agreements at any given time.

#### 2.3. Payment for performance only:

This applies where there is no extra payment for careful work. Each hour in standard hours is paid with 47% of the base number.

#### 2.4. Paid for performance and careful work

A separate agreement prescribes a method for assessing careful work and for calculating a careful work coefficient.

The maximum careful work coefficient can vary and then the payment for performance also varies, as follows:

Payment per hour in standard hours in % of index	Careful work coefficients	
	Minimum coefficient	Maximum coefficient
40%	1.00	1.25
43%	1.00	1.10

### **Article 3**

#### **On working hours**

Premium is calculated on a weekly basis and divided between employees in proportion to the working hours of each person, as in the group premium system.

Working hours in the group premium system means all the time that employees are registered in work in the system, with the exception of paid meal breaks which are not worked.

Emphasis shall be placed on the importance of recording/clocking in and out of work. Also, if employees work outside the production channel.

### **Article 4**

#### **Move to job paid by the hour**

When it proves necessary to move people from bonus or premium paid jobs, care should be taken that such moving is spread equally over the employees. If a person is moved to a job paid by the hour, he shall retain the group bonus for up to seven days, though no longer than the time worked in the group pay system.

No extra payments are made when moving between bonus work and or premium paid jobs.

### **Article 5**

#### **Beginners**

When beginners, who have not previously worked in comparable fish processing jobs are hired, they shall receive practical teaching under the guidance of an experienced person during the first weeks. The bonus increases during the period of induction according to the induction rule for beginners.

### **Article 6**

#### **Young people**

The work contribution of young people in a group pay system it is never higher than the proportion of young people's pay rate of the starting wage without course premium which applies in the collective agreements in the area in question.

If young person is also a newcomer in fish processing, then the same assessment rules apply to him as to other beginners.

### **Article 7**

#### **Special agreement in fish processing plants on group pay systems**

Agreement shall be made at the workplace in question on other issues, and on further elaboration.

### **Article 8**

#### **Term of validity**

This agreement has the same term as the collective agreements between the parties.

Reykjavík, 16/ 01 1992.

### Processing of undersize fish

If the proportion of undersize cod or redfish reaches 7.5% of the amount of the species in question over a week, a premium is paid on premium rate A premium is paid on the production amount equivalent to the proportion of undersize fish and shall be 30% for cod and 45% for redfish. This only applies when undersize cod and redfish are processed in packages which does not call for sorting by fillet size.

Accompanying document with framework agreement in fish processing plants.

The parties to the agreement agree that when making a separate agreement on group premium in fish processing plants, the company and the union in question shall make an agreement based on the framework agreement where among other things, it is possible to prescribe on the following:

1. Further definition of jobs that belong to group pay system.
2. On sample-taking and registering.
3. On cooperation group and its role.
4. On induction for beginners.
5. On the term of separate agreement.
6. Daily overview
7. Other issues

Reykjavík, 16.01.1992

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## Protocol on holiday issues for fish processing workers

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Employees shall be notified no later than in April how the general arrangement for holidays will be in the fish processing company in question, and whether employee holidays will be coordinated and during what period. [1997]

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## Protocol on leave without pay for fish processing workers

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Employees who have worked continuously for 5 years at the same fish processing company, shall have the right to 6 months' leave without pay from their jobs and then again at 5 year intervals in continuous work, without impairment of rights bound in the collective agreement There shall, however, never be more than one to four employees on holiday at the same time, and this depends on the size of the company. If there is a change in company operations, these changes shall equally affect the employee who is on holiday as other employees who do comparable jobs in the company. [1997]

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