

Demands of SGS to the government

Relating to the collective agreement in the labour market which expires on 31 December 2018

The wage increases negotiated in recent years have been a mixed success for the wage earners of Iceland. The equalizing effects of the tax and benefits systems have been reduced significantly, and housing costs have skyrocketed. These changes have in every way hit the low-waged sectors hardest. Therefore, the Unions of SGS unambiguously demand that the government assume responsibility for improving conditions by reviewing the tax and benefits system, and make a concerted effort to address housing. Tens of thousands of members have taken part in forming these demands and there is a consensus that responsibility lies with the government in the coming negotiations.

Taxes

The lowest wages shall be tax-free by doubling the personal tax allowance. The personal tax allowance will be lowered incrementally for higher wages, such that the reduced taxation of the low and middle-income groups will be financed by, among other methods, an increase of the tax contribution of the highest earners. The taxing of lower and middle-income groups will thus be closer to that of other Nordic countries. The personal tax allowance shall thereafter follow the development of wages to prevent the tax burden from sliding back on workers in the low-wage sectors, as the case has been in recent decades.

Owners of capital shall not be excluded from responsibility, and the capital gains tax shall be raised to the levels common in other Nordic countries. Owners of capital shall not be exempted from paying municipal income tax. Real property tax must be re-evaluated to prevent it from increasing in connection with the market housing price. Such increases place undue burdens on common workers who have managed to finance the purchase of their home. Such a *force majeure* is intolerable.

Housing

A national campaign shall be established, comparable in size and effect to the worker housing system (Verkamannabústaðir). Measures to be considered for the financing of such a system will assume direct state sponsorship (for instance through capital contributions by the Housing Finance Fund), funding by a premium on employers, an investment from pension funds, or a combination of all these options. Redeploying the previously negotiated increases in pension contributions for building houses shall be looked into. Municipalities shall do their part by providing lots and prioritizing planning for the initiative. Wage earners shall have increased rights to use their additional pension savings to buy a home or pay off their home loans. It shall be ensured that the capital contributions be available for use across the country and that Bjarg and other social housing organizations build houses around the country.

The work that has started at Bjarg shall be utilized, but other implementations that can support its aims through other sources of income shall also be looked at. The aim will be to secure at least 1,250 new homes per year, and that middle income groups and low wage workers with lots of overtime pay have access to them. The possibility of pension funds participating in the building of new homes shall be looked into.

Changes shall be made to the laws on rent in order to limit short-term renting of residential properties for tourism. Rising rents and down payments shall be limited in clear terms. Rental

agreements shall, in general, be long-term. A fixed state subsidy to the association of tenants shall be inscribed into law. The laws on housing cooperatives need to be expanded to include more forms of cooperatives than is currently the case; they shall be free to operate in the rental market and apply to the state for capital contributions. Laws on dwellings shall be adapted to more varied forms of rental associations.

Credit scoring needs to be harmonized with ability to pay. Lending institutions shall take full account of prospective borrowers' ability to pay for rent, relative to the year in which the tax return being assessed applies to. Care must be taken not to discriminate between different areas of the country in these matters. The housing problems of people in regional Iceland must be dealt with, for instance by providing homes at a manageable price, especially to those living in so-called cold areas. Increased assistance to those buying their first home shall be secured.

Housing support (housing benefit and interest relief) shall be greatly strengthened. Cuts due to income or wealth with respect to housing support shall be reduced.

Social security and benefits

Child benefit shall be raised and cuts reduced so that none apply to people below the minimum wage. Benchmarks for cuts shall follow the development of wages. Interest relief and housing benefit must be strengthened and cuts due to income and wealth reduced.

Special emphasis is given to the elderly and disabled enjoying the same improvements in conditions as wage earners in the labour market. Cuts in the benefits of pensioners and the disabled in the social security system must be reduced significantly. The government's attacks on the funds which working people have built through the years to improve their condition must be stopped so as to prevent them from being drained into subsidies for social services and institutions that are supposed to be the responsibility of government.

Interest and indexation

Indexing of consumer credit shall be abolished, and measures introduced to prevent borrowing costs from being pushed onto borrowers by other means. The housing term shall be removed from the laws on interest and indexation. The central bank shall lower policy rates and a roof on housing interest shall be established to bring interest conditions in line with those in neighbouring countries.

Parental leave

The period of parental leave for both parents shall be extended to 18-24 months in total, to bridge the gap between the initial period of parental leave and kindergarten, and to provide for a better life for families with children. In cases where one parent is excluded from using their parental leave, because of death, artificial insemination, exclusion from the country or other reasons, the other parent should have rights to full parental leave otherwise allotted to both parents.

Welfare

Health services must be accessible to everyone, irrespective of means or place of residence. A clear health care policy shall be formed and the health services run by the state, irrespective of market forces. As a result of decades-long cost cutting in the public sector, patient contributions to the health care system have become a great burden on low wage workers, especially on those outside the capital area who must access it far from home with the consequent costs and work loss. Payments by patients must be significantly reduced and an ombudsman for patients established. The number of hospital rooms throughout the country must be increased.

Education

Education on rights and duties in the labour market must be strengthened significantly, and it must be included in the national curriculum of elementary and secondary schools. Employers shall be expected to have basic knowledge about the rights of workers before they get a license to establish and run a business. The educational system must be strengthened in light of changes in the labour market, including grants for vocational training and securing funds for continuous education centres and Fræðslusjóður.

Criminal activity in the labour market

The legal framework for tackling criminality in the labour market and breaches of the collective agreement must be made punishable in clear terms and fines introduced into law for such breaches. The prerogatives of unions to gather information in and about companies, and to levy fines must be increased. Clear communication procedures between unions and the relevant public institutions must be established if companies need to be closed due to serious breaches of employees' rights.

Workplace inspections by unions shall be strengthened and regular and cooperation shall be strengthened in cases of violations of terms of pay, conditions at work, and housing, between unions on the one hand and, on the other, The Occupational Safety and Health Authority, Directorate of Labour, Commissioner of The Inland Revenue, Police, Public Health Authority and other supervisory bodies.

The Occupational Safety and Health Authority and The Directorate of Labour shall be combined into one powerful institution with sufficient funding to perform inspection duties. Increased support is needed from the government for those institutions that are legally required to monitor the labour market for criminal activity.

International agreements on human trafficking shall be obeyed and an action plan confirmed and funded.

Kennitala-swapping in the operation of businesses shall be stopped in a clear and responsible manner.

Other demands

Inequalities arising from place of residence shall be reduced by means of better transportation, equalization of housing costs, and other methods.

Flexibility in the timing of retirement shall be increased to make it a realistic option to reduce work or either leave the labour market early or stay in it longer. People doing hard physical or mental work shall be given the option of retiring early.

The Centre for Gender Equality shall be strengthened and its funding secured to follow through laws on equal pay certification, including inspections. Discrimination based on citizenship, country of origin or language shall be included in the equal pay certification. Access of asylum seekers to the labour market shall be improved.

Agreed at a meeting of the SGS negotiation committee 10 October 2018.