



# Information Sheet on Terms of Contract and Pay and Conditions between VM and SA 2019-2022

## **Daytime Working-Hours**

Working-hours should be 37 hours a week or 160 hours a month – 37 hours work time per week. Coffee breaks and lunch are not paid time. These hours will be worked during the 5 days of the week from Monday through to Friday, starting between 07.00 and 08.00, for 7,4 hours a day.

## **Overtime**

Overtime is the time after normal working hours have finished on Mondays through to Fridays and on weekends (Saturday and Sunday). All work outside the normal working hours is paid as overtime. The overtime-hourly is a near 60% on first 17,33 hours and 84% of all hours after 177,33 per month.

## **Lunch and coffee breaks**

Lunchtime is 1 hour and coffee breaks are 35 minutes and is not a part of the 7,4 hour working day. Employees and employers can make an agreement between themselves as to the lunch-break and coffee breaks should be shorter, due to special circumstances at each time in each company. In the case of overtime, coffee breaks should be 20 minutes and are to be taken at 22.30 pm, 04.30 am and 06.30 am. Dinner-breaks at night should be between 02.00 am and 03.00 am. All lunch, coffee and dinner-breaks are to be paid during overtime work. If work continues through a scheduled coffee and lunch/dinner-break (during overtime work) then that is to be paid in the overtime-hourly rate.

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If work continues through a scheduled coffee and lunch/dinner-break (during overtime work) then that is to be paid in the overtime-hourly rate.

### **Payment of Salary.**

Payment of the weekly salary shall be made during daytime working hours, or by other means specially agreed on between the employer and the employee.

Payment will be accompanied by a payslip where the following will appear:

1. The total of daytime working hours worked and the hourly rate.
2. The total of overtime working hours worked and the hourly rate.
3. Information on deductions i.e. Tax, Union Fees and Pension Fees.
4. Information on accumulated leave due to overtime worked.

### **Payment for non-worked Public Holidays.**

Pay for non-worked public holidays that are during the working week (i.e. Mondays to Fridays) is paid at the normal daytime working rate plus extra payment when that applies, but minus the fee for tools and clothes where that applies.

### **Payment for worked Public Holidays.**

If a public holiday is worked and it is one of the public holidays listed below (List no 1), then the pay should be calculated as follows: Daytime-rate plus overtime-rate plus extras where that applies, i.e. Fees for tools etc.

If a public holiday is worked, and its one of the public holidays listed below (List no 2), then pay should be calculated as follows: Daytime-rate plus higher overtime-rate plus extras where that applies, i.e. Fees for tools etc.

### **List No 1 - Bank holidays**

The day before Good Friday.

Easter Monday.

First Day of Summer.

May the 1 (Mayday).

Ascension Day.

Monday after White Sunday.

Early August bank holiday (Shop-Workers Holiday).

Boxing Day.

## **List No 2 - Public Holidays**

New Years Day.  
Good Friday.  
Easter Sunday.  
White Sunday.  
17 June.  
Christmas Eve after 12.00 pm.  
Christmas Day.  
New Years Eve after 12.00 pm.

Before 12.00 pm on Christmas Eve and New Years Eve, pay is according to daytime rate.

## **Employment Contract** (Letter of employment)

If a person is taken on for longer than one month and for more than 8 hours per week, a written contract will be made no later than 2 weeks after work commences.

If the employee leaves employment before the 2-month period is over then he/she will be given written confirmation of termination of employment.

Any changes to conditions and the nature of the job or pay will be given in writing no later than one month after they take place.

## **Minimum Rest Time.**

### Daily Rest time.

In every 24 hours the employee is entitled to a minimum of 11 hours continuous rest. If for any reason this is not possible, then the rest-time should be taken between 23.00 pm and 06.00 am.

A maximum of 13 hours can be worked in any 24 hours.

### Deviation and the right to Accumulated Leave.

(Due to insufficient rest-period)

In exceptional circumstances the working day may be extended up to 16 hours. If this is the case, then the employee, if possible, should have a continuous 11-hour rest-period after the work has ended, without his daily rate of pay being affected.

If an employee does not receive 11 hours continuous rest in any working day (24 hours), then extra time will be given as follows:

1. If an employee is asked to come to work before the 11-hour rest-period is finished, the extra time of 1½ hours is given for every 1 hour that remains of the rest of the 11-hour rest period.
2. There is permission to pay out the ½ hour in daytime hourly rate.

3. If an employee works before a day off and the 11-hour rest-time is not possible in accordance with normal start of a working day, then accumulated leave is calculated like in Paragraph 1 above.

The above is not a rule in cases of shift-work. In these cases the rest-period can be cut down to 8 hours.

The total accumulated right can never exceed 10 hours of daytime hourly rate of pay in any 24 hours.

Accumulated hours because of insufficient rest-time will be stated on the payslip, and can be awarded either in half or whole days off when convenient for the company i.e. Not during peak season or not during summer holidays unless there is an agreement to do so.

At the end of a contract any accumulated leave is settled and can be taken into account as a part of any leaving settlement.

#### Daily rest under 8 hours.

In special circumstances because of unforeseeable problems i.e. Bad weather, Natural Catastrophe, Shortage of Power, Faults in Machinery and other Equipment, or any other unforeseeable circumstances the rest-time can be cut down below 8 hours.

If an employee does not receive 8 hours rest in any 24 hours in accordance with rule 2.8.2, he/she will have one hour of over-time pay for every hour that is lacking to the 8-hour rest-time.

#### Weekly day off.

In every 7 days an employee will have at least one-week day off that is directly connected to the daily rest-time, with the week starting on Mondays.

#### Delaying the weekly day off.

Other than in the case of shift work, the day off should be under normal circumstances, taken on Sundays. Where possible all those working for the company shall have the same day off.

Permission is given however, for companies, with the agreement of the employees, to, instead of the weekly day off, 2 days can be taken in any 14 working days (usually the days would be Saturday and Sunday) every other weekend.

In some circumstances it may not be possible to take the weekly day off, if this is the case the employer must ensure that the employee gets the required time of in the related 14-day period.

### **Vacation.**

#### Vacation pay.

Vacation pay will be paid on all income, minus deductions, tax and all extra payments such as incentives.

The minimum vacation entitlement shall be 24 working days. Vacation pay is 10.17% of all income minus deductions.

For those who have more than 5 years continuous employment in the same workplace or 10 years in the same job, a further 1 day shall be given at 10,64% instead of 10.17 %. Those who have 10 years continuous employment in the same workplace are entitled to 30 days and 13,04%.

If the contract ends before leave is taken, then the employer will pay all due vacation pay at the end of the contract.

### **Information on Payments During Illness, Accidents at Work, Illnesses due to Work and Accident Insurance.**

In every 12-month period an employee is entitled to retain his/her wages in cases of illness or injury as follows:

1. In the first 6 months of continuous employment in the same workplace he/she is to be paid for two days per month for every month worked.
2. After 6 months of continuous employment in the same workplace - one whole month on full wages.
3. After 2 years of continuous employment in the same workplace - one whole month on full wages and one whole month on daily-rate only.
4. After 3 years of continuous employment in the same workplace - one whole month on full wages and two on daily-rate only.

### **Payment During Accidents and Illnesses Caused by Work.**

If an employee is injured at work or directly on his way to or from work and if an employee falls ill due to work (illness due to profession), he/she will keep their wages for three months in addition to the conditions in the previous section.

### **Accident Insurance for Employees.**

It is every employer's duty by law to insure all employees, which this contract applies to. Insurance will cover; Death, Permanent Disability and Temporary Disability caused by work in work or directly on the way to or from work.

### **Union Fees.**

Employers are to deduct a percentage of income, so called "Trade Union Fees" and pay this part of the income directly to the Trade Union.

For VM the Union Fee is 0,8% on all income.

### **Contributions to Sickness and Holiday Funds.**

The employee shall pay a 1% premium on all income towards the sickness fund. This fund is meant to cover the cost of sickness pay and other relevant medical costs. The fee goes to the relevant fund.

Also payable is a 0,25% premium on all income, towards holiday house fund.

### **Deductions of Pension Fees.**

Deduction of premiums for pension fund fees go to the pension fund and is 15,5% of all income. All employees between the ages of 16 and 70 must pay toward this fund.

Employees pay 4% of their total income and the employer pays a further 8%.

### **Shop Steward.**

(Representative of the employees on behalf of the Trade Union)

#### Electing a shop steward.

In any workplace counting 50 persons or less, a shop steward can be elected by his/her fellow workers. If the workplace has than 50 persons in staff then two shop stewards may be elected.

#### Complaints to the shop steward.

A member off staff shall take any complaints to do with work or the conditions at work to the shop steward. The shop steward will then take the complaint to the foreman and/or the director of the company before approaching the Union.

#### Security guard and security-shop steward.

In a company that counts more than 10 person or more in staff, the employer shall appoint one member of staff as a security guard and the members of staff one security shop steward.

### **Information on Termination of Contract, Re-instating, Accumulated Rights and Part Time Work.**

Termination of contract by either the employer or employee shall take place at the beginning of the week or the month.

Permission is given for an employer to take on an employee for temporary duties or a special project, but never for longer than a 3-month period. Termination of such contracts has to be given by notice two weeks prior to leaving day and always at the beginning of the working week.

Termination notice shall be as follows:

1. In the first year - 2 weeks and always at the beginning or end of a working week.
2. After 1 year - 1 month.
3. After 3 years - 2 months.
4. After 5 years - 3 months.

### **Information on Pay and Pay System.**

Union contracts only guarantee minimum wages. Employers and employees can make a contract between themselves regarding wages, but never lower than the minimal wages set. Contracts such as this can either be made with a single employee or with all the employees.

### **Minimum Wages.**

#### Salary

Union contracts guarantee only the minimum wages, but any employer can negotiate wages above the minimum wages set with the employee. Contracts such as this can either be made with a single employee or all employees working for the company.

### **Minimum Wage Rates.**

*Note: In general foreign workers enjoy the same rights regarding pay and conditions as their Icelandic counterparts.*

#### Qualified Tradesman:

	<b>Daytime pr. hr.</b>	<b>Overtime 1 pr. hr.</b>	<b>Overtime 2 pr. hr.</b>
Starting wages	2.842,23,-	4.547,56,-	5677,92,-

#### Unqualified Tradesman:

	<b>Daytime pr. hr.</b>	<b>Overtime 1 pr. hr.</b>	<b>Overtime 2 pr. hr.</b>
Starting wages	2.514,73,-	4.023,57,-	4.627,11,-

#### Special Assistant with Practical Experience in the Trade:

	<b>Daytime pr. hr.</b>	<b>Overtime 1 pr. hr.</b>	<b>Overtime 2 pr. hr.</b>
Starting wages	2.131,78,-	3.410,84,-	3.922,47,-
After 1 year	2.144,57,-	3.431,31,-	3.946,01,-
After 3 years	2.157,73,-	3.452,37,-	3.970,23,-
After 5 years	2.171,11,-	3.473,77,-	3.994,84,-

## **Work Clothing.**

### General Work Clothing

Employers will supply the employee with two sets of overalls per year. Old and worn overalls shall be handed in and exchanged for new ones at the employer's expense.

All work clothing is the property of the employer and the employer is responsible for their cleaning and maintenance.

At the end of the contract, any work clothing provided by the employer shall be handed back to them.

Instead of providing work clothing, the employer can pay the employee a fixed amount on his/her hourly daytime rate of pay. A special fee will be added for every hour worked.

### Protective work clothing.

Employers shall also provide all protective work clothing i.e. for Cold Weather, Rainproof work clothing, Safety Shoes and any other protective work clothing that may be necessary.

It's not permitted to pay the fee mentioned above in lieu of protective clothing, as it is not considered to be general work clothing.

## **Tools and Fees for Privately Owned Tools.**

If an employee brings and uses his own tools at work, a special fee will be added to his hourly pay for every hour worked (a list of tools is required). If however the employer provides the tools then no fee is payable.

Fees are not paid on days off i.e. Summer Holidays, Sick Days and otherwise paid public holidays.

An agreement can be made in order that a qualified tradesman can provide their own electrical tools, in which case the fee is payable.

The employer at the beginning and end of work shall provide transport of tools owned by the tradesman for use at the workplace.

Further information regarding this document can be obtained at the offices of  
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