

COLLECTIVE WAGE AGREEMENT

between

VR and the Commercial Federation of Iceland (LÍV)

and

The Confederation of Icelandic Enterprise (SA)

Article 1

This Collective Wage Agreement includes amendments and additions to the main Collective Agreement between the Commercial Federation of Iceland (LÍV) and VR and those special collective wage agreements that are considered a part of the main Agreement.

Article 2

Introduction - main objectives

The main objective of this Agreement is to contribute towards reducing inflation and lowering interest rates, which is a matter of great public and commercial interest. The Agreement also aims to increase workers' purchasing power, create economic predictability, reduce inflation expectations and strengthen the competitiveness of the Icelandic business sector. This Agreement also provides for increased productivity for all workers based upon measured productivity and increases to all wage rates included in the Agreement.

Article 3

Wage amendments

Wages shall increase proportionally, with a minimal increase in ISK, unless the wage tables that accompany this Agreement indicate otherwise. Monthly wages refer to fixed monthly wages for daytime 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

This Agreement includes wage tables for the years 2024-2027, which are covered by this Agreement.

Wage-related items

Wage-related items in the Agreements increase as stated here, unless otherwise agreed:

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

Article 4

December and holiday bonuses

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

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

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

For the holiday allowance year beginning on 1 May 2024, the holiday bonus will be ISK 58,000.

For the holiday allowance year beginning on 1 May 2025, the holiday bonus will be ISK 60,000.

For the holiday allowance year beginning on 1 May 2026, the holiday bonus will be ISK 62,000.

For the holiday allowance year beginning on 1 May 2027, the holiday bonus will be ISK 64,000.

Article 5

Holidays

As of 1 May 2024, the following amendments shall apply to Article 4.3 on holiday increases (for holiday leave eligible for taking in the allowance year beginning on 1 May 2025):

An employee who has worked at the same company for 6 months and has reached the age of 22 or has worked at the same company for 6 months after completing secondary school is entitled to 25 holiday days with a holiday allowance of 10.64%.

Holiday entitlement after 5 years in the same profession shall be 25 days with a holiday allowance of 10.64%.

Holiday entitlement after 5 years at the same company or 10 years in the same profession shall be 27 days with a holiday allowance of 11.59%.

Holiday entitlement after 7 years at the same company shall be 30 days with a holiday allowance of 13.04%.

Holiday entitlement acquired due to employment at the same company renew after two years of employment at a new company, provided that this entitlement has been verified.

As of 1 May 2025, the following amendments shall apply to Article 4.3 on holiday increases (for holiday leave eligible for taking in the allowance year beginning on 1 May, 2026):

An employee who has worked at the same company for 6 months and has reached the age of 22 or has worked at the same company for 6 months after completing secondary school is entitled to 25 holiday days with a holiday allowance of 10.64%.(unchanged from 1 May, 2024.)

Holiday entitlement after 5 years in the same profession shall be 26 days with a holiday allowance of 11.11%.

Holiday entitlement after 4 years at the same company or 10 years in the same profession shall be 28 days with a holiday allowance of 12.07%.

Holiday entitlement after 6 years at the same company shall be 30 days with a holiday allowance of 13.04%.

Holiday entitlement acquired due to employment at the same company renew after two years of employment at a new company, provided that this entitlement has been verified (unchanged from 1 May 2024.)

Article 6

Amendments to various provisions of the Agreement

Amendments to Article 1 on wages

Par. 2, Article 1.2.2. has been amended to reflect the following phrasing (change underlined):

If wages at workplaces where the working hours are determined by (opening hours) are determined as aggregate wages for the worker's total work contribution, an estimate of the work contribution on which the aggregate wages are based shall be stated, together with the average number of paid hours of overtime work each month or other factors involved in the wage structure, as appropriate. In the event of a change in the worker's work contribution or in the worker's job which conceivably changes the basis of the worker's terms of employment, his wages and wage structure shall be reviewed, taking into account the relevant changes, should either party consider there to be reason to do so. The same applies if an employee completes vocational training in trade and services or receives confirmation of these qualifications in the form of a professional certificate. Likewise, the employer shall verify the current structure of an employee's overall terms of employment, and should the employee so request, his terms of employment shall be assessed in a comprehensive manner if they are found to be lesser than those stipulated in the Agreement.

Article 1.5.1 on courses during working hours shall be amended to reflect the following phrasing: (change underlined)

If employees are required to attend courses organised jointly by the parties to this Agreement, then such courses shall be held during working hours and shall not result in any reduction of the employees' wages. Such courses shall be aimed at increasing employees' skills and professional knowledge. Employees may spend up to 16 daytime working hours each year attending industry-related courses without a cut in wages for daytime work, provided that at least half the course hours are attended on the employee's own time. Time for course attendance shall be chosen with due consideration the respective company's operations.

Amendments to Article 2 on working hours

New Article 2.9. Remote work is defined as:

Remote work¹ is a form of work that enables an employee to work outside of the employer's normal workplace. Remote work is based upon an agreement between parties for work

¹ Remote work is governed by the agreement between SA and the Icelandic Confederation of Labour (ASÍ) of 5 May, 2006, which is based upon the framework agreement on remote work of 16 July, 2002, between ETUC and EROCADRES/CEC on the one hand and UNICE/UEAMPE and CEEP on the other.

performed on a regular basis or entirely away from the employer's normal workplace using information technology.

If a company permits/offers employees the opportunity to work remotely, it is preferred that the company establish a remote work policy based upon the Administration of Occupational Health and Safety's guidelines (refer to the [Administration's](#) website.)

If the parties agree upon remote work performed on a regular basis, an agreement should be made. Refer to the attached remote work template. A remote work agreement is therefore a part of the employment contract between the parties concerned.

All provisions of the Agreement apply to employees working remotely the same as they would if he were working on site at the employer's premises.

For further detail, refer to the 2006 ASÍ and SA agreement on remote work.

Amendments to Article 6 on facilities and workplace health and safety

Protocol on a healthy work environment [2024]

Digital technology has created various opportunities and flexibility which can blur the boundaries between work and private life. Allowing workers to disconnect outside of prescribed working hours is an important factor in promoting a healthy work environment. It is essential that employers and their employees cooperate effectively in such matters and agree on the desirable criteria regarding the right to disconnect.

Furthermore, the Parties to the Agreement encourage workers and workplaces to have positive, regular discussion about health and well-being for the purposes of promoting and maintaining a healthy work environment and reducing absences due to illness.

Amendments to Article 13 on union representatives

The following is added to Par. 1, Article 13.1 on the election of union representatives:

Three union representatives may be elected within a company if there are more than 120 union members at the same workplace.

The following two paragraphs shall be added to Article 13.7:

If a course for union representatives is organised in such a way that the representative is absent from work for no more than one day per week, representatives retain their daytime working income and shift premium for up to ten working days per year.

If a union representative attends and all-day course, he shall not be made to work that day.

Amendments to the Special Wage Agreement between VR/LÍV and SA for pharmacy workers

Article 3 of the Special Wage Agreement between VR/LÍV and SA for pharmacy workers shall be amended to reflect the following phrasing:

In pharmacies that require special work footwear, the employer shall provide permanent employees with one pair of shoes per year.

Amendments to the Special Wage Agreement between VR/LÍV and SA for guest reception workers

Article 5 of the Special Wage Agreement between VR/LÍV and SA for guest reception workers regarding travel to and from work shall be amended to reflect the following phrasing:

Travel costs to and from work in the Capital Region (Reykjavík, Kópavogur, Garðabær, Hafnarfjörður, Seltjarnarnes and Mosfellsbær) at times when buses are not running shall be paid

by the employer. The same shall apply to other population centres where buses run from morning to evening every day of the week. The payment amounts to ISK 1,975.² This amount will be updated concurrent with general wage increases according to the consumer price subindex 07322 for taxis (227.1.) The employer may, however, transport the workers at his own expense if he so wishes.

Article 7

Conditions of this Agreement

To reinforce the premises and objectives of the Agreements, a special Wage and Premises Committee shall be established. This Committee shall consist of representatives of SA and representatives nominated by the negotiating committees of the ASÍ affiliate organisations involved in preparing the shares premises of the Agreement.

The Committee's task is to monitor the progress of the economic factors that may affect the objectives of the Agreement, to formally assess the premises of the Agreement and, as the case may be, to negotiate a response to failure to fulfil conditions that reaffirm the premises of the Agreement and to ensure that the Agreement retains its value. A formal assessment of the premises of the Agreement shall be made in September of 2025 and September of 2026.

A position shall be taken on the following premises in September of 2025:

- a) The premise that 12-month inflation does not exceed 4.95% as of August of 2025. This assumption about price level is considered to have been met if inflation over a period of 6 months from March to August of 2025 remains at 4.7% or less compared to the annual inflation rate.
- b) The premise that the proposed legislative amendments stated in a government declaration dated 7 March, 2024 go through.

A position shall be taken on the following premises in September of 2026:

The premise that 12-month inflation does not exceed 4.7% as of August, 2026. This assumption about price level is considered to have been met if inflation over a period of 6 months from March to August of 2026 remains at 4.4% or less compared to the annual inflation rate.

Response to failure to fulfil conditions

The Wage and Premises Committee shall consider economic indicators over the period of validity of this Agreement in its decision regarding its response to deviations from the objective of the Agreement. Any response should have a positive effect on the progression of the objectives set by the Parties to the Agreement to reduce inflation and inflation expectations, to decrease interest rates, improve financial conditions for workers and the competitiveness of the Icelandic business sector. The Committee shall consider the economic situation in a comprehensive and holistic manner.

² In effect from 1 April, 2024

Instead of responding with wage rate increases as per this Agreement, the Committee may decide to respond in a manner better suited to the circumstances at the time.

In the event that no agreement is reached regarding a response to failure to meet criteria, that Party wishing to invalidate the effectiveness of the Agreement shall notify of such as follows:

Re: the September 2025 review. Before 16:00 on 8 September, 2025, in which case the Agreement shall be nullified on 31 October, 2025.

Re: the September 2026 review. Before 16:00 on 8 September, 2026, in which case the Agreement shall be nullified on 31 October, 2026.

Article 8

Wage rate increase

Should the Agreement remain in effect, the Wage and Premises Committee shall, in March of 2025, 2026 and 2027, decide upon a special wage rate increase if Statistics Iceland's wage index for the general labour market shows that wages have increased beyond the increase for the lowest wage rate. The proportionate increase of this index shall be compared to the proportionate increase of wage bracket 4 according to the SGS/Efling Agreement for the same time period. The wage rate increase is calculated as a full percentage increase in excess of the aforementioned wage rates and the minimum wage rates for all Parties to the Agreement shall increase by that percentage as of and including 1 April of every year.

a) The wage rate increase and wage index trends from the period between November of 2023 and November of 2024 will be taken into consideration in March of 2025.

a) The wage rate increase and wage index trends from the period between November of 2024 and November of 2025 will be taken into consideration in March of 2026.

a) The wage rate increase and wage index trends from the period between November of 2025 and November of 2026 will be taken into consideration in March of 2027.

In the event that productivity increases and wage rate increases pursuant to this Agreement are payable at the same time, the minimum wage rate stated in these Agreements shall be subject to the higher increase.

Productivity increase

Should productivity increase by more than 2% in 2025 and 2026, workers shall receive a share of that value increase in the form of a special productivity increase, provided that certain conditions are met.

Productivity increase and payment for productivity increase is further discussed in an attachment to this Agreement.

Term of validity

These Collective Wage Agreements are in effect from 1 February 2024 to 1 February 2028, at which they shall fall out of effect without being specifically terminated.

Submission of the Agreement

Submission of the Agreement shall be announced before 14:00 on Thursday, 21 March 2024.

Declaration from the Government of Iceland

In connection to the signing of this Collective Wage Agreement by the Parties concerned, the Government of Iceland declares to reaffirm the objectives of these Agreements.

Reykjavík, 13 March 2024

On behalf of VR

On behalf of the Confederation of Icelandic Enterprise (SA)

On behalf of the Commercial Federation of Iceland (LÍV)

Attachment - productivity increase

Productivity increase

During the period of validity of this Agreement, a wage increase based upon productivity trends may become payable. If productivity increases in excess of the limits stated in the following table during the period of validity of this Agreement, a so-called productivity increase comes into effect, provided that certain conditions are met.

The first checkpoint will take place at the end of 2025. The initial productivity value index is 100 for the year 2023.

Productivity growth includes both increased productivity of the workforce as well as investment-based technological development. Continued financial incentive for investment is crucial. 70% of the productivity increase will go to workers.

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

The Wage and Premises Committee shall determine productivity increase should it become payable. Productivity increase is a percentage applied to wages in the same manner as general proportional wage increases for which the Agreements provide. In the event of unforeseen circumstances that negatively affect the economy, the Wage and Premises Committee may have to take a position regarding whether or how to implement the increase.

This Agreement includes a further technical explanation with examples.

Attachment

AGREEMENT ON REMOTE WORK

Remote work refers to work performed either **on a regular basis or entirely** at a location outside of the employer's premises.

Occasional work performed outside of company premises is not considered remote work under this definition. This includes instances in which the company makes an exception to meet the occasional need of the employees.

This agreement is based upon the company's remote work policy.

Employer name, ID no. xxxxxx-xxxx located at address, herein referred to as Employer, and employee name, ID no. xxxxxx-xxxx domiciled at address herein referred to as Employee, enter into the following agreement regarding remote work, attached to the employment contract dated dd.mm.yy.

This agreement between Employer and Employee authorises the Employee to work remotely at the address address. The Employer's address is: address.

This Agreement is:

- Temporary from dd.mm.yy. to dd.mm.yy.
- Permanent
- Valid for the same duration as the employment contract

This Agreement may be terminated:

- Within the termination period according to the collective wage agreement/employment contract
- In the following way:

If the employee is hired on a remote-work basis, termination according to the collective wage agreement/employment contract applies.

The employee works remotely:

- Flexibly and regularly in consultation with his immediate superior
- Mondays Tuesdays Wednesdays Thursdays Fridays
- Saturdays Sundays
- On-site and remote work attendance is entered into the time-tracking system
- In the following way:

Remote work equipment and expenses

The employer shall make up the difference for or directly pay any expenses resulting from remote work and shall provide the employee with the necessary technical support. Company regulations regarding responsibility for loss and damage to equipment and data apply equally to remote workers.

The Employer shall provide the Employee with facilities located at remote-work address at his own expense and shall provide, connect and maintain the following equipment required by the Employee:

- Additional costs of an internet connection
- Desk
- Chair
- Keyboard and mouse
- Monitor(s)
- Computer
- Headphones
- Other equipment that must be provided in order for the employee to do his job

The employee is responsible for the proper treatment of the equipment supplied to him and must fulfill the employer's rules for the use of such equipment. Employees working remotely must ensure that the equipment is not used by other parties or for other purposes not related to work. The employee must return the equipment no later than 3/5/7/10 days after completing remote work, if the equipment is company property.

The Employee receives payment for the use of his own facilities to the amount of ISK X per month.

The Employee receives payment for the use of his own facilities to the amount of ISK X per month.

The Employee's overall salary includes payment for the use of his own equipment and facilities to the amount of ISK X.per month.

Food

Employees working remotely are entitled to the same rights as those working on-site at the employer's premises and should enjoy comparable financial status.

The Employee receives free / subsidised food/ food credits in accordance with the same rules and regulations that apply to employees working on premises and pays the taxes that apply to food allowance according to Iceland Revenue and Customs' tax assessment.

The Employee receives payment for food to the amount of ISK X per month.

The Employee does not receive any more payment for food than employees working on premises.

Occupational health and safety and risk assessment

Benchmarks for the Agreement's provisions on work and rest hours, health and safety in the workplace and requirements for remote workers are the same as for those who work on premises. The Employee must notify the Employer in advance if he does not think he can ensure the aforementioned.

The Employer must perform a risk assessment of the remote work location identified earlier in this Agreement, which takes into account the Employee's job-related health and safety risks and risk factors in the work environment. The remote-work risk assessment only covers the location at which the remote work is performed and not to other locations from which the

Employee chooses to work, e.g. a coffee shop or holiday cabin, and shall be performed in consultation with the Employee.

A risk assessment is available.

A risk assessment will be available no later than: dd.mm.yy.

In order to ensure compliance with the applicable health and safety rules, the Employer, union representatives and the Administration of Occupational Health and Safety shall have access to the remote work location indicated in this Agreement.

In the event that the remote work location is the Employee's home, such access is subject to advance notification and the Employee's consent. An employee working remotely may also request a supervisory visit from a representative of the Employer. Rejection of a supervisory visit by the Employee may affect the Employee's entitlement to worker's compensation.

Further information on risk assessment and occupational safety for remote workers can be found on the Administration of Occupational Health and Safety's website.

Notification of illness and accidents

The same rules regarding notification of illness and accidents apply to remote and on-premise workers.

Employer data and protection thereof

The Employer is responsible for informing remote workers of both pertinent legislation and the Employer's data protection procedures. It is the remote worker's responsibility to comply with these rules.

The Employee has been informed of pertinent legislation.

The Employee has been informed of Employer procedure as of: dd.mm.yy.

No written procedures are available.

The Employee shall save all data in a central web solution in accordance with the Employer's rules.

Original documents shall be stored safely and in a manner inaccessible to other parties.

Career development and access to information

Remote workers are entitled to the same access to information, training, career advancement opportunities and social life within the workplace that Company employees enjoy. The same benchmarks are used to assess job performance.

Remote workers are entitled to the same training opportunities regarding the equipment available to them for use on the job.

Other

All provisions of this Collective Wage Agreement and the employment contract apply to employees working remotely under this Remote Work Agreement.

Place, date

Place name, dd.mm.yy.

Employee

Employee name

On behalf of the Employer

Employer name

VR/LÍV wage rates for 2024-2027 – English translation available soon

Afgreiðslustörf í verslunum

Afgreiðslufólk

	1.2.2024	1.1.2025	1.1.2026	1.1.2027
Byrjunarlaun	430.950	454.977	479.004	503.031
Eftir 6 mán. hjá fyrirtækinu	440.780	465.355	489.930	514.505
Eftir 1 ár hjá fyrirtækinu	442.802	467.490	492.178	516.866
Eftir 2 ár hjá fyrirtækinu	455.213	480.593	505.973	531.353
Eftir 5 ár hjá fyrirtækinu	468.012	494.105	520.198	546.291

Sérþjálfaðir starfsmenn verslana sem geta unnið sjálfstætt, sýna frumkvæði og fela má verkefnaumsjón

	1.2.2024	1.1.2025	1.1.2026	1.1.2027
Byrjunarlaun	437.069	461.437	485.805	510.173
Eftir 6 mán. hjá fyrirtækinu	448.341	473.337	498.333	523.329
Eftir 1 ár hjá fyrirtækinu	450.304	475.410	500.516	525.622
Eftir 2 ár hjá fyrirtækinu	462.937	488.747	514.557	540.367
Eftir 5 ár hjá fyrirtækinu	477.192	503.797	530.402	557.007

Starfsfólk í apótekum

Lyfjatæknar

	1.2.2024	1.1.2025	1.1.2026	1.1.2027
Byrjunarlaun	458.212	482.721	507.262	531.835
Eftir 6 mánuði í starfsgrein	461.228	484.978	508.728	532.478
Eftir 3 ár í starfsgrein	469.635	493.730	517.808	541.871
Eftir 5 ár í sama fyrirtæki	486.724	511.696	536.650	561.589

Starfsfólk í gestamóttöku

	1.2.2024	1.1.2025	1.1.2026	1.1.2027
Byrjunarlaun	450.992	476.136	501.280	526.424
Eftir 6 mánuði í starfsgrein	458.125	483.667	509.209	534.751
Eftir 1 ár í starfsgrein	464.176	490.055	515.934	541.813
Eftir 3 ár í starfsgrein	470.705	496.948	523.191	549.434
Eftir 5 ár í sama fyrirtæki	484.860	511.892	538.924	565.956

Starfsfólk í afþreyingar- og ferðaþjónustufyrirtækjum

	1.2.2024	1.1.2025	1.1.2026	1.1.2027
Byrjunarlaun	450.992	476.136	501.280	526.424
Eftir 6 mánuði í starfsgrein	458.125	483.667	509.209	534.751
Eftir 1 ár í starfsgrein	464.176	490.055	515.934	541.813
Eftir 3 ár í starfsgrein	470.705	496.948	523.191	549.434
Eftir 5 ár í sama fyrirtæki	484.860	511.892	538.924	565.956

Skrifstofufólk

	1.2.2024	1.1.2025	1.1.2026	1.1.2027
Grundvallarlaun	465.023	488.881	512.723	536.550
Eftir 3 ár í starfsgrein	484.860	511.892	538.924	565.956

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