

Collective Agreement

between

**the Federation of General and Special Workers
(Starfsgreinasamband Íslands)**

and

the Farmers' Association of Iceland (Bændasamtök Íslands)

**on wages and employment terms of employees undertaking general farming
work**

Valid from 1 May 2015 to 31 December 2018

Agreement between the Federation of General and Special Workers (Starfsgreinasamband Íslands) and the Farmers' Association of Iceland (Bændasamtök Íslands) on the wages and employment terms of employees undertaking general farming work according to Article 1 of the Agreement.

Article 1. Scope of the Agreement

This Agreement covers employees who are engaged in general farming work, see Attachment I. In addition, the Agreement covers housekeepers/cooks working on farms. The Agreement does not cover employees working in tourism or other activities that do not fall under the above definition. Employees who undertake minor duties in tourism, however, can fall under the scope of the Agreement provided that this is approved on the part of the union in question.

The collective agreements of the Confederation of Icelandic Employers (Samtök atvinnulífsins (SA)) and the Federation of General and Special Workers (Starfsgreinasamband Íslands (SGS)) relating to employees in restaurants and guesthouses and comparable operations which was signed on 29 May 2015 shall apply to tourism services farmers.

Article 2. Wage terms

Wages are to take account of Wage Category 10 in the wage tables of SGS and SA in the collective agreement that was signed on 29 May 2015.

Wages may be increased by up to two categories due to education/training courses of use in the work.

An employee who has completed a minimum of 40 hours / 60 instruction hours (5 credits) study which is recognised by the parties to the Agreement can be raised by one wage category.

An employee who has completed a minimum of 80 hours / 120 instruction hours (10 credits) study which is recognised by the parties to the Agreement can be raised by two wage categories.

Employees, moreover, who have completed recognised studies at a secondary school level (at least 70 credits) in agricultural sciences, aquaculture or horse training shall be placed in wage category 17.

When assessing length of service for wages, an age of 22 corresponds to one year of employment in a field. In addition, length of service in the field shall govern placement upward in the wage tables.

Wage category 10

1 May 2015 – 30 April 2016

	Starting	After 1 year	After 3 years	After 5 years
Monthly wage	243,316	245,159	247,030	248,928
Daytime wages	1,403.77	1,414.41	1,425.20	1,436.15
Overtime wages	2,526.84	2,545.98	2,565.41	2,585.12
Major public holidays	3,345.60	3,370.94	3,396.66	3,422.76

1 January 2016 – 30 April 2017¹

	Starting	After 1 year	After 3 years	After 5 years
Monthly wage	258,402	260,359	262,346	264,362
Daytime wages	1,490.81	1,502.10	1,513.56	1,525.19
Overtime wages	2,683.50	2,703.83	2,724.46	2,745.40
Major public holidays	3,553.03	3,579.94	3,607.26	3,634.98

1 May 2017 – 30 April 2018²

	Starting	After 1 year	After 3 years	After 5 years
Monthly wage	270,030	272,075	274,151	276,258
Daytime wages	1,557.89	1,569.69	1,581.67	1,593.83
Overtime wages	2,804.26	2,825.50	2,847.06	2,868.94
Major public holidays	3,712.91	3,741.03	3,769.58	3,798.54

1 May 2018 – 31 December 2018³

	Starting	After 1 year	After 3 years	After 5 years
Monthly wage	278,131	280,237	282,376	284,546
Daytime wages	1,604.63	1,616.78	1,629.12	1,641.64
Overtime wages	2,888.39	2,910.26	2,932.47	2,955.01
Major public holidays	3,824.30	3,853.26	3,882.67	3,912.50

These wages are based on daytime work hours.

Active working hours in daytime work shall be 37 hours and 5 minutes and shall be arranged as follows:

- a) 07:55–17:00 Monday to Friday
- b) 07:30–16:35 Monday to Friday

¹ The date of validation is updated according to additional agreements

² The scales are updated according to additional agreements

³ The scales are updated according to additional agreements

Contractual overtime begins when the agreed daytime work has been completed, i.e. 7 hours and 25 minutes active working hours during the above period. For work on Saturdays, Sundays and other contractual days off, overtime wages shall be paid. Work in excess of 173.33 daytime work hours per month shall be paid at the overtime rate. Work carried out on days defined as major public holidays in the main collective agreement of SGS and SA shall be paid at the major public holiday rate.

Daytime work hours may be arranged in a different manner, as provided for in Section 5 on special company agreement provisions in the main collective agreement between SGS and SA, provided that the employer and the employee agree to do so. Nevertheless, each employee's daytime work shall be carried out in a continuous working period each day and shall never begin before 7:00.

In special cases, the parties may negotiate interrupted working hours if the organisation of the farming operation so requires, as provided for in the second paragraph of Article 12. In such case, the daytime work shall begin no earlier than 07:00 and last no longer than to 19:00. Daytime work, moreover, cannot be longer than 7 hours and 25 minutes (active working hours) during this period.

The start of each worker's daytime working hours shall be determined in his employment contract and may not be changed without prior termination of the contract or by agreement.

The age division of young people under the age of 18 is based on the year of birth.

The base wage of young people shall be as follows:

1 May 2015 – 30 April 2016

Age 17	231,150	or 95% of starting wages
Age 16	218,984	or 90% of starting wages
Age 15	182,487	or 75% of starting wages
Age 14	158,155	or 65% of starting wages

1 January 2016 – 30 April 2017⁴

Age 17	245,482	or 95% of starting wages
Age 16	232,562	or 90% of starting wages
Age 15	193,802	or 75% of starting wages
Age 14	167,961	or 65% of starting wages

1 May 2017 – 30 April 2018⁵

Age 17	256,529	or 95% of starting wages
Age 16	243,027	or 90% of starting wages

⁴ The date of validation is updated according to additional agreement

⁵ The scales are updated according to additional agreement

Age 15	202,523	or 75% of starting wages
Age 14	175,520	or 65% of starting wages

1 May 2018 – 31 December 2018⁶

Age 17	264,224	or 95% of starting wages
Age 16	250,317	or 90% of starting wages
Age 15	208,598	or 75% of starting wages
Age 14	180,785	or 65% of starting wages

Article 3. December and holiday bonuses

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

In 2015:	78,000
In 2016:	82,000
In 2017:	86,000
In 2018:	89,000

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

For the reference year beginning on 1 May 2015:	42,000
For the reference year beginning on 1 May 2016:	44,500
For the reference year beginning on 1 May 2017:	46,500
For the reference year beginning on 1 May 2018:	48,000

The December and holiday bonuses may be included in the monthly wage, should the employee so request, and such arrangement must be provided for in the employment contract. In such case, a proportion of the December and holiday bonus is added on top of the monthly wage based on a full-time position of 173.33 hours per month which means:

	December bonus per daytime work hour	Holiday bonus per daytime work hour	Total
2015	43.33	23.33	66.66
2016	45.56	24.72	70.28
2017	47.78	25.83	73.61
2018	49.45	26.66	76.11

⁶ The scales are updated according to additional agreement

Accrued December and holiday bonuses shall be settled upon termination of employment.

The payment of December and holiday bonuses in other respects is governed by the collective agreement between SGS and SA.

Article 4. Holiday

The minimum annual holiday time is 24 working days based on a full-time position during one full year. Annual holiday allowance shall be 10.17% of all wage payments, whether at daytime or overtime rates.

An employee who has worked for 5 years in the same company or 10 years in the same industry is entitled to a holiday allowance of 25 working days and a holiday pay of 10.64%. In the same manner, workers who have been employed by the company for 10 years are entitled to a holiday allowance of 30 days and a holiday pay of 13.04%.

Holiday time in other respects is governed by the collective agreement between SGS and SA which was signed on 29 May 2015.

Article 5. Farm manager / substitutes

If an employee is given the responsibility of running the farm, his wages and terms in such position must be negotiated specifically.

If an employee temporarily substitutes for a supervisor, a remuneration for increased responsibility must be negotiated. This applies e.g. to substitutions due to summer holidays or the illness of a supervisor.

Article 6. The work of young people on industrial machines and equipment

The employer undertakes to only assign youngsters work for which they have the age, capability and rights to undertake. The employer must inform the youngster of any accident or sickness that may be involved in the work and ensure that the employee receives the necessary guidance and training to undertake the work in a manner that does not pose any risk.

Youngsters must attend a training course in the handling and operation of any machines that they are expected to operate. The work of children and youngsters is governed by Regulation No. 426/1999.

Article 7. Days off

Employees are entitled to 8 days off a month, whereof at least two must be weekends. In other respects, reference is made to laws and regulations on the work hours and rest hours of employees.

Article 8. Accommodation and meals

As a rule, employees are to be accommodated in single-person rooms. Rooms must be sufficiently spacious and lockable, with good ventilation and proper heating. Each room must have, in addition to normal fittings, a reading light over the bed area and

blackout curtains. Each employee must have lockable storage for clothes and other personal items, access to bathing and toilet facilities, storage for protective clothing and facilities to dry working clothes. The housing must be approved as residential housing by the Building Committee.

The housing must be constructed and maintained, used and cleaned in such a manner that those staying and working therein are not exposed to loss of health or discomfort, as provided for in Act No. 7/1998 on Hygiene and Pollution Prevention, as amended, and Regulation No. 941/2002 on Hygiene.

If the employee receives meals, housing and services at the farm in question, remuneration shall be negotiated in the employment contract and such costs deducted from paid-out wages. The same applies if the employee/housekeeper has a child/children (aged 12 or younger) with him/her at the farm in question.

The maximum remuneration for this service shall be stated in the issued wage scales each time, see Attachment II.

Article 9. Vocational education

The parties agree on the importance of increasing the vocational education of those to whom the Agreement applies. Each party shall appoint two persons to a committee intended to implement this provision. The employer shall pay 0.3% of the wages of employees as a vocational education fee to Landsmennt, an educational fund for workers and employees in the countryside.

Article 10. Facilities and safety in the workplace

The employer shall provide employees with work clothes and footwear as required and according to the nature of the work.

As regards safety equipment, facilities and health, reference is made to Chapter 7 of the main collective agreement between SGS and SA, legislation on working environment, health and safety and rules and regulations derived therefrom.

Article 11. Employment contract

Employment contracts with all employees who are recruited in accordance with this agreement are to be made in writing, within one month of employment, provided their employment persists for more than one month. Amendments to employment terms and conditions are to be confirmed in the same manner.

The employment contract shall state whether working hours are specifically negotiated, cf. Article 2. Thus, the employment contract shall state and specifically explain arrangements in the event of part-time work or if the organisation of the farming operation requires the negotiation of interrupted working hours. Holiday and December supplements shall be paid in accordance with the employment proportion of the employee. If interrupted working hours are negotiated, this shall not reduce entitlements to holiday and December supplements.

As regards the content of employment contracts in other respects, reference is made to the main collective agreement between SGS and SA which was signed on 29 May 2015.

Article 12. Rehabilitation fund

The employer undertakes to pay a special 0.13% wage-linked fee, the Rehabilitation Fee, on the same base as premiums to pension funds, as of 1 June 2008. In other respects, reference is made to the declarations issued by SA and ASÍ (Icelandic Confederation of Labour (Alþýðusamband Íslands)) as regards the Rehabilitation Fund from 17 February 2008.

Article 13. Disputes

In the event of any dispute which may arise with respect to this Agreement, such dispute shall be referred to the Farmers' Association of Iceland and SGS.

Article 14. Other issues

The provisions of the main collective agreement between SGS and SA which was signed on 29 May 2015 shall apply to the rights and obligations of employers and employees in respects other than provided for in this Agreement.

Article 15. Effective term

This Agreement is effective as of 1 May 2015 to 31 December 2018, when it will expire without notice of termination.

This Agreement is signed subject to the approval of the Federation of General and Special Workers (Starfsgreinasamband Íslands) and the Farmers' Association of Iceland.

If the counterparty has not received notification of results before 16:00 on 26 June 2015, the Agreement will be regarded as approved.

Attachment I

Farming work means any form of animal husbandry, agricultural work, forestry, horticulture and greenhouse operations. In addition, the following operations, provided they take place on registered farms: Culture and fishing of freshwater fish, utilisation of resources, goods manufacture and services provision.

Attachment II

The parties to the foregoing Agreement agree that the maximum payment for meals and housing shall, during the effective term of the Agreement, be as follows:

These amounts are itemised as follows:

Meals: 63%
Housing: 37%

1 May 2015 – 30 April 2017

	Meals /day	Housing /day	Total /day
Age 18 and older	1,428	838	2,266
16–17 years	1,106	650	1,756
Age 15	940	552	1,492
Age 14	884	519	1,403

Maximum deduction for the children of housekeeper/employee aged 0–13 years:

		/day
one child	Accommodation and meals	791
two children	Accommodation and meals	1,296
three children	Accommodation and meals	1,787

1 May 2017 – 30 April 2018

	Meals /day	Housing /day	Total /day
Age 18 and older	1,492	876	2,368
16–17 years	1,156	679	1,835
Age 15	982	577	1,559
Age 14	924	542	1,466

Maximum deduction for the children of housekeeper/employee aged 0–13 years:

		/day
one child	Accommodation and meals	826
two children	Accommodation and meals	1,355
three children	Accommodation and meals	1,868

1 May 2018 – 31 December 2018

	Meals /day	Housing /day	Total /day
Age 18 and older	1,537	902	2,439
16–17 years	1,191	699	1,890
Age 15	1,012	594	1,606
Age 14	951	559	1,510

Maximum deduction for the children of housekeeper/employee aged 0–13 years:

		/day
one child	Accommodation and meals	851
two children	Accommodation and meals	1,395
three children	Accommodation and meals	1,924

Attachment III
Wage category 10

1 May 2015 – 30 April 2016

	Starting	After 1 year	After 3 years	After 5 years
Monthly wage	243,316	245,159	247,030	248,928
Daytime wages	1,403.77	1,414.41	1,425.20	1,436.15
Overtime wages	2,526.84	2,545.98	2,565.41	2,585.12
Major public holidays	3,345.60	3,370.94	3,396.66	3,422.76

1 January 2016 – 30 April 2017⁷

	Starting	After 1 year	After 3 years	After 5 years
Monthly wage	258,402	260,359	262,346	264,362
Daytime wages	1,490.81	1,502.10	1,513.56	1,525.19
Overtime wages	2,683.50	2,703.83	2,724.46	2,745.40
Major public holidays	3,553.03	3,579.94	3,607.26	3,634.98

1 May 2017 – 30 April 2018⁸

	Starting	After 1 year	After 3 years	After 5 years
Monthly wage	270,030	272,075	274,151	276,258
Daytime wages	1,557.89	1,569.69	1,581.67	1,593.83
Overtime wages	2,804.26	2,825.50	2,847.06	2,868.94
Major public holidays	3,712.91	3,741.03	3,769.58	3,798.54

1 May 2018 – 31 December 2018⁹

	Starting	After 1 year	After 3 years	After 5 years
Monthly wage	278,131	280,237	282,376	284,546
Daytime wages	1,604.63	1,616.78	1,629.12	1,641.64
Overtime wages	2,888.39	2,910.26	2,932.47	2,955.01
Major public holidays	3,824.30	3,853.26	3,882.67	3,912.50

⁷ The date of validation is updated according to additional agreement

⁸ The scales are updated according to additional agreement

⁹ The scales are updated according to additional agreement

Wage category 10 – youngsters

1 May 2015 – 30 April 2016

	Monthly wage	Daytime wages	Overtime wages
Aged 17, 95%	231,150	1,333.58	2,400.49
Aged 16, 90%	218,984	1,263.39	2,274.15
Aged 15, 75%	182,487	1,052.83	1,895.13
Aged 14, 65%	158,155	912.45	1,642.44

1 January 2016 – 30 April 2017¹⁰

	Monthly wage	Daytime wages	Overtime wages
Aged 17, 95%	245,482	1,416.27	2,549.33
Aged 16, 90%	232,562	1,341.73	2,415.15
Aged 15, 75%	193,802	1,118.11	2,012.63
Aged 14, 65%	167,961	969.03	1,744.28

1 May 2017 – 30 April 2018¹¹

	Monthly wage	Daytime wages	Overtime wages
Aged 17, 95%	256,529	1,480.00	2,664.05
Aged 16, 90%	243,027	1,402.11	2,523.84
Aged 15, 75%	202,523	1,168.42	2,103.20
Aged 14, 65%	175,520	1,012.63	1,822.77

1 May 2018 – 31 December 2018¹²

	Monthly wage	Daytime wages	Overtime wages
Aged 17, 95%	264,224	1,524.40	2,743.97
Aged 16, 90%	250,317	1,444.17	2,599.55
Aged 15, 75%	208,598	1,203.47	2,166.29
Aged 14, 65%	180,785	1,043.01	1,877.45

¹⁰ The date of validation is updated according to additional agreement

¹¹ The scales are updated according to additional agreement

¹² The scales are updated according to additional agreement

Wage category 11 recognised studies for a minimum of 40 hours / 60 instruction hours (5 credits)

1 May 2015 – 30 April 2016

	Starting	After 1 year	After 3 years	After 5 years
Daytime wages	1,414.41	1,425.20	1,436.15	1,447.27
Overtime wages	2,545.98	2,565.41	2,585.12	2,605.14
Monthly wage	245,159	247,030	248,928	250,856

1 Jan 2016 – 30 April 2017¹³

	Starting	After 1 year	After 3 years	After 5 years
Daytime wages	1,502.10	1,513.56	1,525.19	1,537.00
Overtime wages	2,703.83	2,724.46	2,745.40	2,766.66
Monthly wage	260,359	262,346	264,362	266,409

1 May 2017 – 30 April 2018¹⁴

	Starting	After 1 year	After 3 years	After 5 years
Daytime wages	1,569.69	1,581.67	1,593.83	1,606.17
Overtime wages	2,825.50	2,847.06	2,868.94	2,891.16
Monthly wage	272,075	274,151	276,258	278,397

1 May 2018 – 31 Dec 2018¹⁵

	Starting	After 1 year	After 3 years	After 5 years
Daytime wages	1,616.78	1,629.12	1,641.64	1,654.36
Overtime wages	2,910.26	2,932.47	2,955.01	2,977.89
Monthly wage	280,237	282,376	284,546	286,749

Wage category 12 recognised studies for a minimum of 80 hours / 120 instruction hours (10 credits)

1 May 2015 – 30 April 2016

	Starting	After 1 year	After 3 years	After 5 years
Daytime wages	1,425.20	1,436.15	1,447.27	1,458.56
Overtime wages	2,565.41	2,585.12	2,605.14	2,625.45
Monthly wage	247,030	248,928	250,856	252,812

¹³ The date of validation is updated according to additional agreement

¹⁴ The scales are updated according to additional agreement

¹⁵ The scales are updated according to additional agreement

1 Jan 2016 – 30 April 2017¹⁶

	Starting	After 1 year	After 3 years	After 5 years
Daytime wages	1,513.56	1,525.19	1,537.00	1,548.99
Overtime wages	2,724.46	2,745.40	2,766.66	2,788.23
Monthly wage	262,346	264,362	266,409	268,486

1 May 2017 – 30 April 2018¹⁷

	Starting	After 1 year	After 3 years	After 5 years
Daytime wages	1,581.67	1,593.83	1,606.17	1,618.69
Overtime wages	2,847.06	2,868.94	2,891.16	2,913.70
Monthly wage	274,151	276,258	278,397	280,568

1 May 2018 – 31 Dec 2018¹⁸

	Starting	After 1 year	After 3 years	After 5 years
Daytime wages	1,629.12	1,641.64	1,654.36	1,667.25
Overtime wages	2,932.47	2,955.01	2,977.89	3,001.11
Monthly wage	282,376	284,546	286,749	288,985

Wage category 17, recognised studies at secondary school level in agricultural sciences, aquaculture or horse training**1 May 2015 – 30 April 2016**

	Starting	After 1 year	After 3 years	After 5 years
Daytime wages	1,481.65	1,493.45	1,505.43	1,517.58
Overtime wages	2,667.01	2,688.25	2,709.82	2,731.70
Monthly wage	256,814	258,859	260,936	263,043

1 Jan 2016 – 30 April 2017¹⁹

	Starting	After 1 year	After 3 years	After 5 years
Daytime wages	1,573.51	1,586.04	1,598.77	1,611.68
Overtime wages	2,832.36	2,854.92	2,877.83	2,901.07
Monthly wage	272,736	274,908	277,114	279,352

¹⁶ The date of validation is updated according to additional agreement

¹⁷ The scales are updated according to additional agreement

¹⁸ The scales are updated according to additional agreement

¹⁹ The date of validation is updated according to additional agreement

1 May 2017 – 30 April 2018²⁰

	Starting	After 1 year	After 3 years	After 5 years
Daytime wages	1,644.32	1,657.41	1,670.71	1,684.20
Overtime wages	2,959.82	2,983.39	3,007.33	3,031.62
Monthly wage	285,010	287,279	289,584	291,922

1 May 2018 – 31 Dec 2018²¹

	Starting	After 1 year	After 3 years	After 5 years
Daytime wages	1,693.65	1,707.13	1,720.83	1,734.73
Overtime wages	3,048.62	3,072.90	3,097.55	3,122.56
Monthly wage	293,560	295,898	298,272	300,680

Protocol

The parties to the Agreement agree that a four-member committee on the education of agricultural workers is to be operated during the effective period of the Agreement. The Farmers' Association of Iceland appoints two representatives, and the Federation of General and Special Workers appoints two representatives.

The committee is to monitor the availability of courses for agricultural workers and submit proposals for improvement if the committee believes there is reason to do so. In addition, the committee is to discuss whether to assess approved courses toward wage increases.

²⁰ The scales are updated according to additional agreement

²¹ The scales are updated according to additional agreement