

Iceland¹

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For comparisons with other countries in this review on leave provision and early childhood education and care services, please see the [cross-country tables](#) at the front of the review (also available individually on the Leave Network website). To contact authors of country notes, see the [members page](#) on the Leave Network website.

1. Current leave and other employment-related policies to support parents

Note on terminology: The term *fæðingarorlof* (literally 'birth leave') is used in law to refer to paid Parental leave. Despite the three months' quota of non-transferable individual rights that each parent is entitled to, the law does not apply the concepts of Maternity or Paternity leave, except that it is used in the translation of the title of the law. Sometimes the term *feðraorlof* (Paternity leave) is used in day-to-day conversations about the three months' non-transferable individual rights that fathers are entitled to (the father's quota) even though the law does not make such distinction between the Parental leave of fathers and mothers. Indeed, the law was changed in 2006 to address parents without mentioning the sex of the parent, in order to avoid discriminating on the basis of gender or sexual orientations.

The joint leave referred to in 1.c. under the heading of 'Parental leave' is translated into English by the Icelandic Ministry of Welfare as 'parents' joint rights.'

Foreldraorlof refers to the unpaid leave included in 1.d. under the heading of 'Childcare leave,' though it translates literally into 'Parental leave.'

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a. Maternity leave (*fæðingarorlof*) (responsibility of the Ministry of Welfare)

Length of leave (before and after birth)

- Three months to be taken within a 24-month time span: one month may be taken before birth. It is obligatory for mothers to take two weeks of leave following the birth.

Payment and funding

- 80 per cent of the individual's average total earnings for a twelve-month period ending six months before birth, up to a limit of ISK600,000 [€4,229.19]² per month.
- The minimum payment to a mother working shorter, part-time hours (i.e. between 25 and 49 per cent of full-time hours) is ISK128,357 [€904.74] per month; and the minimum payment for a mother working 50 to 100 per cent of full time-hours is ISK177,893 [€1,253.90] per month.
- For those working under 25 per cent of full-time hours, and those outside the labour market, the amount is ISK77,624 [€547.14] per month. Students/pupils (75 to 100 per cent of full-time studies) receive a flat-rate payment of ISK177,893 [€1,253.90] per month. As a frame of reference, the minimum wage in Iceland in 2018 was ISK300,000 [€2,114.59] per month.
- Funded by the Maternity/Paternity Leave Fund, which is financed from an insurance levy of 5.4 per cent of wages paid by employers; 0.65 per cent of the revenue goes to this fund.
- Non-employed parents are not entitled to any pension credits while caring for their child. Employed parents taking leave continue to accumulate their pension entitlements (and in indeed all other entitlements) as if they were at work.
- Icelandic citizenship is not required, but activity in the Icelandic labour market for six consecutive months is usually required. Those outside the labour market must have had permanent residence in Iceland for 12 months prior to the birth of the child.

Flexibility in use

- After the two weeks of obligatory leave, a mother wishing to take more leave can choose to take leave on a full-time or part-time basis. It is also possible to take leave in one continuous period or as several blocks of time (i.e. leave can be 'uninterrupted' or 'interrupted'). This must be negotiated with the employer. Parents can be on leave together, part of the time or for the whole period.

² Conversion of currency undertaken for 24 June 2019, using <https://www1.oanda.com/currency/converter/>.

Eligibility (e.g. related to employment or family circumstances)

- All biological or adoptive parents have individual non-transferable rights to three months' paid Parental leave, regardless of sexuality or marital status. Parents that do not hold sole or shared custody of the child at birth need to have worked out the visiting rights with the custodial parent in order to be able to take paid Parental leave.

Variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; lone parent); or delegation of leave to person other than the mother

- In cases where there is only one parent (the other parent has died, in cases of artificial insemination, or an individual adopts or takes a child into their permanent foster care), the parent has a right to nine months' paid Parental leave. In special cases, if one of the parents is in prison or hospital or is unable to take care of the child due to health reasons, it is possible to transfer the rights of that parent to the other parent.
- Maternity leave can be extended by two months if the mother suffers from a serious illness in connection with the birth.
- See also 1.c.

b. Paternity leave (*fæðingarorlof*) (responsibility of the Ministry of Welfare)

Length of leave

- 3 months to be taken within a 24-month time span.

Payment and funding

- 80 per cent of the individual's average total earnings for a twelve-month period ending six months before birth, up to a limit of ISK600,000 [€4,229.19] per month. For maximum and minimum payments, see 1.a.

Flexibility in use

- Same as for Maternity leave, except there is no obligatory period of two weeks' leave that fathers must take after birth.

Eligibility (e.g. related to employment or family circumstances)

- All biological or adoptive parents have individual non-transferable rights to three months' paid parental leave, regardless of sexual orientation or marital status. Parents that do not hold sole or shared custody of the child at birth need to have worked out the visiting rights with the custodial parent in order to be able to take paid Parental leave.

Variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; lone parent); or delegation of leave to person other than the mother

- See 1.c.
- In cases where there is only one parent (the other parent has died, in cases of artificial insemination, or an individual adopts or takes a child into permanent foster care), the parent has the right to nine months' paid Parental leave. In special cases, if one of the parents is in prison or hospital or is unable to take care of the child due health reasons, it is possible to transfer the rights to the other parent.

c. Parental leave (responsibility of the Ministry of Welfare) (see note on terminology at the start of part 1)

Length of leave (before and after birth)

- 3 months after birth. These are in addition to the earmarked months (three for each parent) and can be divided between the parents as they like.

Payment and funding

- 80 per cent of average total earnings for a twelve-month period ending six months before birth, up to a limit of ISK600,000 [€4,229.19] per month. For maximum and minimum payments see 1.a.

Flexibility in use

- The total of nine months' leave (covering maternity, paternity, and joint rights) can be used until 24 months after the birth.
- Parents can choose to take leave on a full-time or part-time basis. It is also possible to take leave in one continuous period or as several blocks of time (i.e. leave can be 'uninterrupted' or

`interrupted'). This must be negotiated with the employer. Parents can be on leave together, part of the time or for the whole period.

Regional or local variations in leave policy

- None.

Eligibility (e.g. related to employment or family circumstances)

- Each parent is entitled to leave. See 1.a. and 1.b. for family circumstances.

Variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; lone parent); or delegation of leave to person other than the parents

- In the case of a miscarriage after 18 weeks, the parents are entitled to two sharable months of leave and, in the case of still birth after 22 weeks, each parent is entitled to three months of leave.
- In the case of multiple births, the length of leave increases by three sharable months for each additional birth; it can be extended by the same amount if the child suffers from a serious illness. Leave also increases if the child must stay in hospital for more than seven days after the birth – the leave is extended by the same amount of time that the child is hospitalised for (up to four months).
- If the child is seriously ill or disabled in a way that demands more intensive parental care than is usual, the leave may be extended by up to seven months.
- In cases where there is only one parent (the other parent has died, in cases of artificial insemination, or an individual adopts or takes a child into permanent foster care), the parent has the right to nine months' paid Parental leave. In special cases, if one of the parents is in prison or hospital or is unable to take care of the child due health reasons, it is possible to transfer the rights to the other parent.

d. Childcare leave or career breaks (*foreldraorlof*)

- Each parent may take four months of non-transferable unpaid leave until the child is eight years old.

e. Other employment-related measures

Adoption leave and pay

- Regulations on paid Parental leave apply if the child is younger than eight years of age when adopted.

Time off for the care of dependants

- There are no legal entitlements. The Equal Status Act instructs employers to do what they can to make it possible for employees to fulfil their responsibilities towards their families, but that is all. Most or all unions have negotiated a number of leave days for when children are sick, but there seem to be no instances where unions have negotiated a right to leave in the case of any other close relative being ill.

Flexible working

- Employers are required by the Equal Status Act to make the necessary arrangements to enable both men and women to balance family life and work, including the arrangement of work in a flexible manner and parents being able to take leave from work in the case of serious or unusual family circumstances.

2. Relationship between leave policy and early childhood education and care policy

The maximum period of post-natal leave available in Iceland is 17 months: nine months of paid leave and two periods of four months of unpaid leave (see 1.d. above). There is no legal entitlement to ECEC. However, most municipalities offer ECEC for children but, due to a gap still existing between the end of Parental leave and admission to pre-schools, many parents opt for private child minders or similar solutions to bridge this gap. There are few private child minders and, in most cases, the parents need to bridge the gap without public support.

Levels of attendance at formal services for children both under and over three years of age are well above the average for the countries included in this review and for OECD countries. For actual attendance levels, see 'relationship between leave and ECEC entitlements' on [cross-country comparisons](#) page.

3. Changes in policy since April 2018 (including proposals currently under discussion)

The Icelandic parliament adopted changes to the law on Parental leave in December 2012, with a staged increase from nine to 12 months (using a

5+5+2 system). Following parliamentary elections in April 2013, a new coalition government came to power. This government deemed state finances to be in such a bad state that the extension of the leave period adopted in December 2012 could not be carried out. The law was therefore revoked.

In 2014, the government appointed two committees on leave and ECEC. One was to examine the possibility of restoring economic compensation during Parental leave to the pre-2008 level and the eventual extension of the leave; while the other was to examine the possibility of increasing the capacity of pre-schools so that they can admit children once Parental leave is over. Both committees have now reported. The first reported in March 2016 and proposed the successive restoration of economic compensation (e.g. an upper limit of ISK600,000 [€4,229.19]) and an extension to 12 months' leave: with five for the mother, five for the father, and two to be shared, to be fully implemented in 2022. The second reported in May 2016 and proposed that all children from 12 months of age should be offered a place in pre-schools. Neither report was debated in the Icelandic parliament prior to the parliamentary elections that took place in October 2016 and led to the formation of a new centre-right coalition government. There was no mention of an extension of leave, but the restoration of the economic compensation to pre-crash level was to be fulfilled.

This government did not last long and new elections were held in October 2017, resulting in a new coalition government straddling the political spectrum: the centre-right Independence Party, the centre Progressive Party, and the Green-Left Party. In its platform, the government stated its commitment to restoring economic compensation during Parental leave and an intention to discuss with the social partners the possibility of extending the leave. The government has now committed itself to extending the leave to 12 months in two phases – adding one month in 2020 and two in 2021. However, nothing has been said about the division of this leave between parents.

It should also be mentioned that the increase in economic compensation has continued and, even though it not yet back up to the pre-2008 level, there is steady movement in that direction.

4. Uptake of leave

a. Maternity leave

In 2016 (the most year for which final figures are available), 99 per cent of women applying for leave used at least the three months available only to mothers. For more details, see 4.c.

b. Paternity leave

See 4.c.

c. Parental leave (i.e. parents' joint rights)

In 2016, 82.7 per cent of fathers took a period of leave (Paternity and/or parents' joint rights), taking an average of 88.3 days' leave (compared to 179.9 for mothers). This is a substantial drop in the number of days used by fathers before the economic crisis, which was around 100. In all probability, this is due to the severe cuts in economic compensation. Overall, 13.9 per cent of fathers took some of the parents' joint rights, and 32 per cent took less than their three months of designated Paternity leave; 96.5 per cent of mothers took some period of parents' joint rights, while 1 per cent used less than their three months.

In 2016, 32.6 per cent of men and 34.2 per cent of women took leave in one uninterrupted period; the remainder took their leave in two or more parts.