

# Iceland<sup>1</sup>

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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 four 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. 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. Sometimes the term *fedraorlof* (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.

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)*

- Four 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]<sup>2</sup> 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 ISK132,850,357 [€904.74] per month; and the minimum payment for a mother working 50 to 100 per cent of full time-hours is ISK184,119 [€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 ISK80.341 [€547.14] per month. Students/pupils (75 to 100 per cent of full-time studies) receive a flat-rate payment of ISK184.119 [€1,253.90] per month. As a frame of reference, the minimum wage in Iceland in 2019 was ISK317,000 [€2,114.59] per month.
- Funded by the Maternity/Paternity Leave Fund, which is financed from an insurance levy of 4.9 per cent of wages paid by employers; 1.1 per cent of the revenue from this levy goes to this Leave fund (most of which goes towards the unemployment 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

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

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

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

- All biological or adoptive parents have individual non-transferable rights to four months paid Parental leave, regardless of sexuality or marital status. A non-custodial parent has a right to parental leave if the custodial parent agrees to its access to the child while on 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 ten 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*

- 4 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 ten months paid Parental leave. Surrogacy is not allowed in Iceland.
- 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)*

- 2 months after birth. These are in addition to the earmarked months (four 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 ten 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 ten 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 18 months: ten months of well paid leave and two periods of four months of unpaid leave. 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' table in the [cross-country tables](#) at the front of the review (also available individually on the Leave Network website).

## **3.Changes in policy since April 2019 (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. The first committee 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 committee 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 in that government's platform, 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. In December 2019 the government introduced a bill in parliament proposing an extension to 12 months and a 5+5+2 division. One month was to be added in 2020 and two in 2021. The division met with unexpected hesitation in parliament and the committee that discussed the bill suggested a 4+4+4 system. This caused heated debates and in the end it was decided to add one month to each parents quota and change the division to 4+4+2. Furthermore, it was accepted to add two months in 2021, but the decision on how they should be divided was referred to a committee that is working on a total revision of the law.

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.

## **Policy response to the Covid-19 pandemic up to end June 2020**

### *Childcare and schools*

- ECEC was not closed down due to Covid-19, however due to extensive strikes among staff without pre-school education in the capital Reykjavik and surrounding areas during the spring, pre-schools were closed for considerable periods, mainly before the lockdown began in March.
- On 13 March it was announced that from 16 March 2020 only groups upto 100 people could gather. From 16 March the following measures were taken:
  - Preschools (0-5-year olds) could operate as usual but the children should be in as small groups as possible and the facilities should be cleaned and/or sterilized after each day.
  - Schools were allowed to operate with the condition that only 20 students were together in each classroom and that they would not meet larger groups of students e.g. in the cafeteria or during breaks. The facilities should be cleaned/sterilized after each day.
  - All high schools (16-19/20 years) and Universities were closed from 16 March – 4 May 2020 and teaching took place through distance teaching (Auglýsing um takmörkun á skólastarfi vegna farsóttar 13. mars 2020).

### *Parental leave*

- No changes were made to paid Parental leave, thus parents did have the same access during the pandemic as before (Auglýsing um takmörkun á skólastarfi vegna farsóttar 13. mars 2020; Skólafrístunda- og íþróttastarf barna og ungmenna eftir 4. Maí , 21st of April, 2020).

### *Other measures for parents and other carers*

- If parents were staying home to care for their children, they were guaranteed to receive their full salaries according to a law that was enacted 21 March 2020 (Lög um tímabundnar greiðslur vegna launa einstaklinga sem sæta sóttkví samkvæmt fyrir mælum heilbrigðisyfirvalda án þess að vera sýktir nr. 24/2020).
- There was no regulation, but all partners in the labour market did show parents full understanding and provided flexibility as far as possible and in many cases parents worked from home. Employers did not have a duty to pay salaries if parents could not attend their work due to the lockdown, but parents did have legal

rights to unpaid leave if necessary (SA, n.d. COVID19 og sóttkví; Lög um fjölskylduábyrgð, nr. 27/2000).

- Special child benefits were paid on 1 June to all children under the age of 18. Parents with less than ISK927,000 [€6528] per month in 2019 got ISK40,000 [€281] per child and parents with incomes above the amount received ISK20,000 [€141] per child (Viðspyrna fyrir Ísland-efnhagsaðgerðir stjórnvalda vegna COVID-19, 21st of March 2020).

## **4. Uptake of leave**

### **a. Maternity leave**

In 2017 (the last 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 2017, 86.4 per cent of fathers took a period of leave (Paternity and/or parents' joint rights), taking an average of 91 days' leave (compared to 180 for mothers). We therefore see a rise both in the percentage of fathers using parental leave and the number of days they use, following the increase in economic compensation although we are still some way off the pre-crisis figures. Overall, 15.1 per cent of fathers took some of the parents' joint rights, and 29.9 per cent took less than their three months of designated Paternity leave; 96.1 per cent of mothers took some period of parents' joint rights, while 1 per cent used less than their three months.

In 2017, 28 per cent of men and 26.8 per cent of women took leave in one uninterrupted period; the remainder took their leave in two or more parts.