

New collective agreement signed

LÍV and the Icelandic Confederation of Business (SA) have signed a collective agreement valid until the 31st of January 2028. The agreement will be presented at a membership meeting next Monday and voted on by members, scheduled to end on 21st of March 2024.

The main goals of the agreement are to contribute to the reduction of inflation and the reduction of interest rates. The goal is also to increase the purchasing power of workers, create predictability in the economy, reduce inflation expectations and strengthen the competitiveness of the Icelandic economy.

Wages increase proportionally but a minimum of ISK 23,750. The salary increase is retroactive, salaries will increase from 1st of February 2024 by 3.25% and by 3.5% on 1st of January 2025, 2026 and 2027. Salary related items will increase correspondingly.

December and holiday bonuses will also increase during the agreement period.

Increased vacation rights were negotiated. For example, employees who have worked for 6 months in the same company and have reached the age of 22 or for 6 months in the same company after a high school diploma shall be entitled to a vacation of 25 days, as of the vacation year beginning on the 1st of May 2025. Vacation rights will be further increased in the vacation year that begins on the 1st of May 2026 among other things, it is stipulated that after 6 years in the same company, employees will have 30 days of vacation.

A special chapter on remote work is now part of the collective agreement with the aim of guaranteeing the rights of employees in remote work. There is also a change in the right of staff to attend professional courses without a reduction in daily wages, staff can now spend up to 16 daily working hours per year on such courses.