



FÉLAGS- OG  
TRYGGINGAMÁLARÁÐUNEYTIÐ

*Ministry of Social Affairs and Social Security*

**ACT**

**on Maternity/Paternity Leave and Parental Leave, No. 95/2000**  
**as amended by Act No. 72/2003, No. 90/2004, No. 129/2004, No. 22/2006, No. 65/2006,**  
**No. 155/2006, No. 167/2006, No. 74/2008, 112/2008, No. 173/2008, No. 70/2009,**  
**No. 97/2009, No. 120/2009 and No. 134/2009.**

SECTION I

**Aim and scope.**

Article 1

*Scope.*

This Act shall apply to the rights of parents working in the domestic labour market to be granted maternity/paternity leave and parental leave. It shall apply to parents who are employed by others or are self-employed.

This Act shall also apply to parents who are not active in the labour market and parents attending full-time educational programmes as to receiving a maternity/paternity grant.

Article 2

*Aim.*

The aim of this Act to ensure a child's access [to both her/his parents].<sup>1)</sup>

Furthermore, the aim of this Act is to enable both women and men to reconcile work and family life.

<sup>1)</sup> Act No. 65/2006, Article 32.

SECTION II

**Public administration.**

Article 3

*Overall responsibility.*

[Minister of Social Affairs and Social Security]<sup>1)</sup> shall be in overall charge of maternity/paternity leave under this Act.

<sup>1)</sup> Act No. 74/2008, Article 1.

Article 4

*The Maternity/Paternity Leave Fund.*

[The Maternity/Paternity Leave Fund shall make payments to parents who hold entitlements to payments during maternity/paternity leave under Article 13. Maternity/paternity grants to parents under Section VI shall be paid by the State Treasury.]<sup>1)</sup>

The Maternity/Paternity Leave Fund shall be managed by [the Directorate of Labour]<sup>2)</sup> which is to handle the accounts and the day-to-day running of the fund on behalf of the [Minister of Social Affairs and Social Security]<sup>1)</sup>. [However, the Minister may decide on another arrangement.]<sup>3)</sup>

The Maternity/Paternity Leave Fund shall be financed through the collection of an insurance levy, *cf.* Insurance Levy Act, in addition to interest on the Fund's deposits.

The [Minister of Social Affairs and Social Security]<sup>1)</sup> shall ensure that the Fund has at all times sufficient funds to meet its obligations. The Fund shall prepare an annual budget which the [Minister

of Social Affairs and Social Security]<sup>1)</sup> shall submit to the Minister of Finance when the Fiscal Budget is being prepared.

The Annual Accounts of the Maternity/Paternity Leave Fund shall be audited by the Icelandic National Audit Office and published annually in the Official Gazette.

The Fund's operating costs shall be met by its income.

<sup>1)</sup> Act No. 74/2008, Article 2. <sup>2)</sup> Act No. 155/2006, Article 1. <sup>3)</sup> Act No. 90/2004, Article 1.

## Article 5

### *The Maternity/Paternity and Parental Leave Complaints Board.*

The [Minister of Social Affairs and Social Security]<sup>1)</sup> appoints a three-person Maternity/Paternity and Parental Leave Complaints Board and the same number of alternates. The members of the Complaints Board shall be appointed for a period of three years, one of whom shall be appointed without nomination. The Supreme Court shall nominate two, one of whom shall meet the conditions for being appointed a district court judge, and shall serve as chairman of the Board, and the other shall be a physician, and shall serve as vice-chairman of the Board. The alternates shall be nominated in the same manner, and shall have the same qualifications as the principals.

The role of the Complaints Board shall be to deliver rulings on disputes which may arise under this Act.

[The rulings of the Complaints Board on recourses of excess payments under this Act are enforceable.]<sup>2)</sup>

The Complaints Board's rulings shall not be subject to appeals to a higher authority.

Costs of the Complaints Board's activities shall be paid by the State Treasury.

<sup>1)</sup> Act No. 74/2008, Article 3. <sup>2)</sup> Act No. 134/2009, Article 28.

## Article 6

### *Procedure of the Maternity/Paternity and Parental Leave Complaints Board.*

Complaint shall be submitted in writing to the Complaints Board within three months from the time the party to the dispute was notified of the relevant decision. A complaint shall be deemed to have been received in ample time if a letter containing it is received by the Complaints Board, or is posted, before the end of the notice period.

The Complaints Board's proceedings shall, in general, be carried out in writing; however, the Complaints Board may summon the parties or their representatives.

The Complaints Board shall ensure that a party to a complaint is given the opportunity to express her/his views before the Complaints Board renders its ruling, providing the Complaints Board is of the opinion that neither her/his position nor argumentation may be surmised from the documents of the case.

In other respects, the Complaints Board's proceedings shall be carried under the provisions of the Administrative Procedures Act.

[The Directorate of Labour]<sup>1)</sup> shall provide the Complaints Board with all data relevant to each case, in addition such information and explanation which the Complaints Board considers necessary to obtain from the Institute.

The members of the Complaints Board shall be prohibited from revealing to third parties any personal data of which they may become aware in the course of their work and which should be kept secret. Professional secrecy is kept even when the occupation is given up.

The Complaints Board shall make its rulings as quickly as possible, and not later than two months from the time when a case is submitted to it.

[An administrative complaint shall not suspend the legal effect of a decision. However, an administrative complaint suspends enforcement based on a decision by the Directorate of Labour on recourse of excess payments from the Maternity/Paternity Leave Fund, cf. paragraph 6 of Article 15 a.]<sup>2)</sup>

<sup>1)</sup> Act No. 155/2006, Article 2. <sup>2)</sup> Act No. 134/2009, Article 29.

SECTION III  
**Definition of terms.**

Article 7

For the purposes of this Act, maternity/paternity leave and parental leave refers to leave from salaried employment that is occasioned by:

- a. a birth,
- b. a primary adoption of a child under the age of eight years, or
- c. a permanent foster care of a child under the age of eight.

For the purposes of this Act, employee refers to anybody who is employed in a salaried position in the service of others amounting to at least a 25% of a full-time position each month. Notwithstanding this, the term employee, as used in Section VII, shall apply to all those who are employed in salaried positions in the service of others.

Self-employed individual refers to anybody who works for himself, irrespective of the type of company, to the effect that she/he is obliged to pay an insurance levy every month, or in another manner decided by the tax authorities.

[Full-time studies, for the purposes of this Act, shall mean 75–100% continuous studies, practical or theoretical, in a recognised educational institution within the ordinary educational system in Iceland, lasting at least six months. Furthermore, it shall mean 75–100% studies at university level (third level) and other studies which make the same demands as university studies regarding preparatory education. Individual courses shall not be regarded as studies.]<sup>1)</sup>

For the purposes of this Act, a woman shall be considered as having recently given birth to a child if the child is 14 weeks old or younger.

<sup>1)</sup> Act No. 74/2008, Article 4.

SECTION IV  
**Maternity/Paternity Leave.**

Article 8

*Parents' rights in the labour market.*

Under paragraph 1 of Article 1, parents shall each have an independent entitlement to maternity/paternity leave for up to three months due to a birth, primary adoption or reception of a child in permanent foster. This entitlement shall not be assignable. In addition, the parents shall have a joint entitlement to an additional three months, which either parent may draw in its entirety or the parents may divide between them. ...<sup>1)</sup>

The right to maternity/paternity leave shall be established upon the birth of a child. However, [a parent]<sup>2)</sup> shall be permitted to start her/his maternity/paternity leave up to one month prior to the expected birth date, which shall be confirmed by a medical certificate. [The right to maternity/paternity leave in connection with the birth of a child shall expire when the child reaches the age of [36]<sup>3)</sup> months.]<sup>1)</sup>

[A mother]<sup>4)</sup> shall take maternity leave for at least the first two weeks after the birth of her child.

[Without prejudice to paragraph 1, a parent, *cf.* paragraph 1 of Article 1, shall acquire the right to up to nine months' maternity/paternity leave if the other parent dies during the gestation period of the child and the child is born live.]<sup>2)</sup>

In the case of adoption of a child, or the taking of a child into permanent foster care, the time-reference shall be based on the date when the child enters the home, providing this is confirmed by the relevant child welfare committee, or other competent bodies. If the parents have to fetch the child from another country, the maternity/paternity leave may begin at the start of the journey, providing the relevant authorities or institute have confirmed that permission has been granted for the adoption of a child. [The right to maternity/paternity leave in connection with adoption or permanent foster care shall expire [36]<sup>3)</sup> months after the child arrives in the home.]<sup>1)</sup>

A parent's right to maternity/paternity leave shall be conditional on the fact that the parent herself/himself has custody of the child, or has joint custody with the other parent at the beginning of the maternity/paternity leave, *cf.*, however, paragraph 6.<sup>5)</sup>

A non-custodial parent shall be entitled to maternity/paternity leave if the consent of the parent exercising custody is obtained, authorising the non-custodial parent to have access to the child during the period of the maternity/paternity leave.

Should one of the parents die before the child reaches the age of 18 months, the right to maternity/paternity leave which the deceased has not utilized shall revert to the surviving parent. [In the case of adoption or permanent foster care, the time limits stated in [paragraph 5]<sup>2)</sup> shall apply regarding expiry of rights. In the event of the reversion of rights, the rights of the deceased parent shall become the rights earned by the surviving parent under this Act.]<sup>1)</sup>

[A parent who, due to illness, the consequences of an accident or the service of a prison sentence, is unable to care for her/his child during the first 18 months after the child's birth, may assign her/his unused entitlement to maternity/paternity leave to the other parent, in part or in its entirety. The same shall apply in cases when, for the same reasons, a parent is unable to attend to a child during the first 18 months after the child arrives in the home under primary adoption or permanent foster-care. This shall apply irrespective of whether or not the parents have joint custody over the child. Exemption may be granted from the requirement that a parent give consent for the assignment of entitlement in cases where the parent is incapable of giving consent due to illness or the consequences of an accident, in which case the Directorate of Labour shall assess whether the conditions for the assignment of entitlement have been met. The fact that, due to illness or the consequences of an accident, a parent is in a condition in which she/he is incapable of looking after the child during the period stated above, or of giving consent for the assignment of entitlement, shall be attested by a medical certificate issued by the specialist attending her/him. The prison authorities shall issue a certificate stating that the parent is to serve a prison sentence during the aforementioned period. When assignment takes place, the entitlement of the assigning parent shall become an entitlement which the other parent has acquired under this Act.]<sup>2)</sup>

<sup>1)</sup> Act No. 90/2004, Article 2. <sup>2)</sup> Act No. 74/2008, Article 5. <sup>3)</sup> Act No. 70/2009, Article 17. <sup>4)</sup> Act No. 65/2006, Article 33. <sup>4)</sup> Now, paragraph 7.

#### Article 9

##### *Notification of maternity/paternity leave.*

When an employee intends to exercise the right to maternity/paternity leave, she/he shall notify her/his employer thereof as soon as possible and at least eight weeks prior to the expected birth date of the child. Should a [parent]<sup>1)</sup> wish to change a previously-notified starting date of her/his maternity/paternity leave, *cf.* paragraph 2 of Article 8, [she/he]<sup>1)</sup> shall notify her/his employer of this three weeks prior to the new intended starting date of her/his maternity/paternity leave.

Notice of the maternity/paternity leave shall be given in writing and shall state the intended starting date of the leave, its length and its structure. ... <sup>1)</sup> The employer shall then sign the notification with the date of receiving it and deliver a copy thereof to the employee. The employer may demand, if he considers it necessary, confirmation of the fact that the parent has the custody of a child, or that the approval of the custodial parent has been obtained.

<sup>1)</sup> Act No. 74/2008, Article 6.

#### Article 10

##### *The structure of maternity/paternity leave.*

An employee shall have the right to take maternity/paternity leave in a one continuous period.

However, the employee shall be permitted to make arrangements with her/his employer for the maternity/paternity leave to be divided into a number of periods and/or that it will be taken concurrently with a reduced worktime ratio, *cf.*, however, paragraph 3 of Article 8. However, maternity/paternity leave may never be taken in periods of less than [two weeks]<sup>1)</sup> at a time. The employer shall make efforts to meet the wishes of the employee regarding the structure of maternity/paternity leave under this provision.

Should the employee wish to arrange her/his maternity/paternity leave under paragraph 2, and the employer is unable to accept her/his wishes, the employer, having consulted the employee, shall propose another arrangement within one week of the date of receiving the notification, *cf.* paragraph 2 of Article 9. This shall be done in writing and the reasons for the altered arrangement shall be stated.

Should no agreement be reached between the employee and her/his employer on the taking of the employee's maternity/paternity leave, the employee shall always have the right to take her/his maternity/paternity leave in one continuous period as of the starting date decided by the employee.

<sup>1)</sup> Act No. 90/2004, Article 3.

## Article 11

### *Safety and health in the workplace.*

If the safety and health of a pregnant woman, a woman who has recently given birth to a child, or a woman who is breastfeeding a child, is considered to be in danger according to a special assessment, her employer shall make the necessary arrangements to ensure the woman's safety by temporarily changing her working conditions and/or working hours. If this is not possible for technical reasons, or other valid reasons, the woman's employer shall entrust her with other tasks; if this is not possible, she/he shall grant her leave of absence for the length of time necessary to protect her safety and health. This provision shall be implemented under further rules<sup>1)</sup> to be issued by the [Minister of Social Affairs and Social Security.]<sup>2)</sup>

Those changes, which are considered necessary in a woman's working conditions and/or working time, *cf.* paragraph 1, shall not affect her wages so as to reduce them or abridge her other job-related rights.

If it is necessary to grant a pregnant woman leave under this Article, she shall be entitled to payment, *cf.* Article 13.

<sup>1)</sup> Regulation No. 931/2000. <sup>2)</sup> Act No. 74/2008, Article 7.

## Article 12

### *Right to maternity/paternity leave in the event of stillbirth and miscarriage.*

Parents have a joint right to maternity/paternity leave of up to three months in the event of a stillbirth after 22 weeks of pregnancy. In the event of a miscarriage after 18 weeks of pregnancy, the parents have a joint right to maternity/paternity leave of up to two months.

## Article 13

### *Parents' rights to payments from the Maternity/Paternity Leave Fund.*

[A parent, *cf.* paragraph 1 of Article 1, acquires the right to payments from the Maternity/Paternity Leave Fund after she/he has been active on the domestic labour market for six consecutive months prior to a birth of a child or the date on which a child enters the home in the case of adoption or permanent foster care, *cf.* [paragraphs 2 and 5 of Article 8.]<sup>1)</sup> The work contribution of a self-employed parent shall be based on the payment of the insurance levy on calculated remuneration for the same period. [However, in the case of a parent who begins taking maternity/paternity leave before the birth of the child, *cf.* paragraph 2 of Article 8, Article 11 and paragraph 4 of Article 17, the date on which the parent begins taking maternity/paternity leave shall be taken as the base regarding that parent's entitlement.]<sup>1)</sup>

[The Maternity/Paternity Leave Fund's monthly payment to an employee, *cf.* paragraph 2 of Article 7, during maternity/paternity leave shall amount to 80% of her/his average total wages, [up to ISK 200,000 and 75% of the average total wages exceeding that amount]<sup>2)</sup> these being based on a continuous twelve-month period ending six months prior to the birth of the child or, in the case of an initial adoption or permanent foster-care, prior to the date of arrival of the child in the home. "Wages" here shall include all forms of wage and other remuneration according to the Insurance Levy Act, and also payments from the Maternity/Paternity Leave Fund, payments from the Unemployment Insurance Fund, *per diem* payments for illness and accident injury, payments from Trade Unions' Sickness Funds, payments from an insurance company due to temporary loss of employment or wage-related payments under Section III of the Act on Payments to the Parents of Chronically Ill or Severely Disabled Children, *cf.* items *a-e* of paragraph 2 of Article 13 *a*. In the case of payments from the Maternity/Paternity Leave Fund, the Unemployment Insurance Fund, a Trade Union's Sickness Fund, compensation from an insurance company due to temporary loss of employment or wage-related payments under Section III of the Act on Payments to the Parents of Chronically Ill or Severely Disabled Children during the reference period, the reference income on which those payments are based shall be used as a reference, and in no case shall a higher sum be used as a reference, even though the parent has received payment of the difference between those payments and the reference income together with the payments. Only the parent's average total wages for the months during the reference period during which she/he was on the Icelandic labour market shall be

used, *cf.* also paragraph 2 of Article 13 *a.* In no case, however, shall the calculation of average total wages be based on fewer than four months.]<sup>1)</sup>

Notwithstanding the provisions of paragraph 2, the monthly payment from the Maternity/Paternity Leave Fund to a worker during maternity/paternity leave may never exceed [ISK 300,000.]<sup>2)</sup>

When an employee meets the conditions of paragraph 1 but has not worked on the domestic labour market during the reference period as specified in paragraph 2, she/he shall acquire the right to minimum payments under paragraph 6 in accordance with her/his employment ratio.

[The Maternity/Paternity Leave Fund's monthly payment to a self-employed individual, *cf.* paragraph 3 of Article 7, shall amount to 80% of her/his average calculated remuneration on which the insurance levy has been paid, [up to ISK 200,000 and 75% of the average calculated remuneration exceeding that amount]<sup>2)</sup> based on the income year preceding the year in which the child is born or, in the case of an initial adoption or permanent foster-care, prior to the year in which the child arrives in the home. In other respects, the provisions of paragraphs 2–4 shall apply, as appropriate.]<sup>1)</sup>

However, the monthly payment during maternity/paternity leave to a parent in a 25-49% part-time job shall never be less than ISK 65,227, and the monthly payment to a parent holding a 50-100% job shall never be less than ISK 91,200.

The amount of maximum payments under paragraph 3 and minimum payments under paragraph 6 shall be revised in connection with the enactment of the Fiscal Budget every year to take account of trends in wages, price levels and the economy. However, the [Minister of Social Affairs and Social Security]<sup>1)</sup> shall be authorized, with the approval of the government, to raise this amount if significant changes in wage trends and conditions in the national economy take place after the enactment of the Fiscal Budget. When the aforementioned conditions result in an increase in the amount of the maximum or minimum payments, the [Minister of Social Affairs and Social Security]<sup>1)</sup> shall change the amount by means of a regulation.<sup>3)</sup>

Payments during maternity/paternity leave shall be made retrospectively, for the preceding month or part of a month, on the first working day of each month.

A parent's right to receive payments during maternity/paternity leave shall be subject to her/his meeting the conditions for the right to maternity/paternity leave under Article 8. Payments from an employer to a parent on maternity/paternity leave that are higher than the difference between payments from the Maternity/Paternity Leave Fund and the parent's average total wage under paragraph 2 or 5 shall be deducted from payments from the Maternity/Paternity Leave Fund. [Only those payments made by an employer that are intended to be for the period during which the parent is on maternity/paternity leave shall be deducted from payments from the Maternity/Paternity Leave Fund.]<sup>1)</sup> Nevertheless, wage increases that are provided for under collective wage agreements, other payments according to collective wage agreements and wage changes that can be attributed to changes in the parent's work may be taken into consideration.

A parent on the domestic labour market who is entitled to maternity/paternity leave under Article 8 but does not meet the conditions of paragraph 1 shall be entitled to a maternity/paternity grant under Article 18, *cf.* however [paragraph 12 of Article 19.]<sup>1)</sup> Payments from an employer to a parent on maternity/paternity leave that are higher than the difference between a maternity/paternity grant and the parent's average total wage shall be deducted from the grant. Calculation of the average total wage under this paragraph shall be based on the two months preceding the [date of birth]<sup>1)</sup> of a child or the date when a child enters the home in the case of adoption of permanent foster care.

[When a parent has worked on the domestic labour market for at least the last month of the entitlement period according to paragraph 1, the Directorate of Labour shall, to the extent necessary, take account of her/his periods of employment as an employee or as a self-employed individual in another member state of the Agreement on the European Economic Area, the Nordic Agreement on Social Security, the Convention on the European Free Trade Association or the Agreement between Iceland, on the one hand, and the government of Denmark and the home-rule administration of the Faroe Islands, on the other, during the entitlement acquisition period, providing that the parent's work earned her/his entitlement under the legislation of that state regarding maternity/paternity leave. A condition for this shall be that the parent began work on the domestic labour market within ten working days of stopping work on the labour market of the other state within the EEA, or another Nordic state, another EFTA state or the Faroe Islands. The parent shall submit the required certificate

of accrued employment periods and insurance periods in the other state, according to the provisions of the agreements, together with her/his application for payments from the Maternity/Paternity Leave Fund under Article 15.

The Minister of Social Affairs and Social Security may issue regulations<sup>3)</sup> containing further provisions on payments from the Maternity/Paternity Leave Fund covering, e.g., the assessment of the entitlements of self-employed individuals, the entitlements of those who are employed on the domestic labour market but are legally exempt from the payment of the insurance levy, the entitlements of those who have worked in other member states of the Agreement on the European Economic Area, *cf.* also the deeds that have been incorporated in Protocol VI to the Agreement, the Nordic Agreement on Social Security, the Convention on the European Free Trade Association or the Agreement between Iceland, on the one hand, and the government of Denmark and the home-rule administration of the Faroe Islands, on the other, and the payments from employers that may be taken into account when making calculations under paragraph 9.]<sup>1)4)</sup>

<sup>1)</sup> Act No. 74/2008, Article 8. <sup>2)</sup> Act No. 120/2009, Article 16. <sup>3)</sup> Regulation No. 1218/2008, *cf.* 632/2009.

[Article 13 a.

*Participation in the labour market.*

For the purposes of Section IV, participation in the domestic labour market shall mean working in the service of others, in at least 25% of full-time working capacity each month, or working in one's own business operation, irrespective of its corporate structure, to the extent in which the person concerned is obliged to pay the insurance levy each month or at other regular intervals as decided by the tax authorities. Full-time work is considered as being 172 working hours per month, though in all cases consideration shall be given to the number of working hours defined as full-time work in a collective agreement.

The following shall also be regarded as constituting participation in the labour market:

- a. annual leave or other leave according to law, a collective agreement or an employment contract, even though it may be partly or entirely unpaid,
- b. the time during which a parent receives unemployment benefit payments, spends in the waiting period for such payments, or would have been entitled to them if she/he had registered as being unemployed under the current Unemployment Insurance Act,
- c. the time during which a parent receives *per diem* payments for illness and accident injury, spends in the waiting period for *per diem* payments or would have been entitled to them if she/he had applied to the State Social Security Institute under the current Social Security Act, or receives payments from a Trade Union's Sickness Fund, providing that the parent stopped work for health reasons,
- d. the time during which a parent receives compensation from an insurance company in lieu of wages due to temporary loss of employment resulting from an accident,
- e. the time during which a parent receives wage-related payments under Section III of the Act on Payments to the Parents of Chronically Ill or Severely Disabled Children, or would have been entitled to such payments if she/he had applied for them to the State Social Security Institute.

The Directorate of Labour shall assess, on the basis of the Unemployment Insurance Act, whether a parent would have been entitled to unemployment benefit if the parent had registered as being unemployed during the relevant period, *cf.* item *b* of paragraph 2.

The State Social Security Institute shall assess, on the basis of the Unemployment Insurance Act, whether a parent would have been entitled to *per diem* payments for illness and accident injury if the parent had applied for them for the period in question, *cf.* item *c* of paragraph 2.

The State Social Security Institute shall assess, on the basis of the Act on Payments to the Parents of Chronically Ill or Severely Disabled Children, whether a parent would have been entitled to wage-related payments under Section III of the Act if the parent had applied for them.]<sup>1)</sup>

<sup>1)</sup> Act No. 74/2008, Article 9.

## Article 14

### *Accumulation and protection of rights.*

During maternity/paternity leave, a parent shall pay a minimum of 4% of the maternity/paternity leave payment into a pension fund and the Maternity/Paternity Leave Fund shall pay a minimum of [8%.]<sup>1)</sup> In addition, the parent shall have the right to pay into a defined contribution plan ...<sup>2)</sup>

Maternity/paternity leave shall count as working time for the purpose of assessing work-related rights, such as the right to holiday or the extension of the holiday period under wage agreements, wage increases due to seniority, entitlement to wages in the event of illness, a notice period of termination of employment and the right to unemployment benefit.

The provisions of paragraphs 1 and 2 shall also apply to leave granted to pregnant women under Article 11.

<sup>1)</sup> Act No. 167/2006, Article 13. <sup>2)</sup> Act No. 74/2008, Article 10.

## Article 15

### *Applications to [the Directorate of Labour].<sup>1)</sup>*

A parent, *cf.* paragraph 1 of Article 1, shall apply for payment during maternity/paternity leave to [the Directorate of Labour]<sup>1)</sup> six weeks prior to the expected birth of the child. [If a parent wishes to begin taking maternity/paternity leave prior to the estimated birth date, *cf.* paragraph 2 of Article 8, she/he shall be obliged to inform the Directorate of Labour of this three weeks prior to the intended starting date of maternity/paternity leave.]<sup>2)</sup>

[The application shall be made in writing on a special form and shall be accompanied by a copy of the notifications of maternity/paternity leave according to Article 9 which the parents have had approved by their employers, stating the intended starting date, length and structure of the leave to be taken by each of the parents separately. When a parent is a self-employed individual, this shall be stated in the application, stating the intended starting date, length and structure of the leave to be taken. The application shall be signed by the parents, providing that they both have custody of the child. Non-custodial parents shall sign the application if the parent meets the requirements of paragraph 7 of Article 8. This shall also apply even though one of the parents is outside the labour market or is involved in studies, *cf.* paragraph 2 of Article 1, and if application is also being made for a maternity/paternity grant for that parent under Section VI, then this shall be stated on the application form.]<sup>2)</sup>

[Calculation of payments to a parent on maternity/paternity leave shall be based on data which [the Directorate of Labour]<sup>1)</sup> shall acquire on parents' income from tax returns, tax authorities' records of income tax (PAYE) and insurance levy payments. [The Directorate of Labour]<sup>1)</sup> shall seek confirmation from the tax authorities that the data from the records of income tax and insurance levy payments corresponded to the taxes levied by the tax authorities [in respect of the reference periods]<sup>2)</sup> under paragraphs 2 and 5 of Article 13. [The consent of the applicant shall be required for obtaining these materials.]<sup>2)</sup>

The tax authorities shall supply [the Directorate of Labour]<sup>1)</sup> with the data necessary to apply this Act.

[When a parent is unable to take maternity/paternity leave at the time when she/he informed the Directorate of Labour under paragraph 2 that she/he intended to take it, she/he shall be obliged to inform the Directorate of Labour of the change on a special form. The parent's employer shall certify her/his approval of the change in the arrangements regarding maternity/paternity leave by her/his signature.]<sup>2)</sup><sup>3)</sup>

The Minister may issue a regulation<sup>4)</sup> on the further implementation of this provision.

<sup>1)</sup> Act No. 155/2006, Article 3. <sup>2)</sup> Act No. 74/2008, Article 11. <sup>3)</sup> Act No. 90/2004, Article 5. <sup>4)</sup> Regulation No. 1218/2008.

### [Article 15. a.

#### *Corrections to payments from the Maternity/Paternity Leave Fund.*

If changes have taken place in the income tax levied on a parent in respect of income on which payments from the Maternity/Paternity Leave Fund are based, *cf.* paragraph 3 of Article 15, [the Directorate of Labour]<sup>1)</sup> shall correct payments from the Maternity/Paternity Leave Fund in accordance with the tax levied by the tax authorities.

If a parent has received higher payments from the Maternity/Paternity Leave Fund than she/he should have received according to the tax levied by the tax authorities, or for other reasons, then she/he shall pay back the excess with a 15% supplement. The supplement according to this paragraph shall be waived if the parent is able to present arguments showing that she/he was not to blame for the errors that resulted in the decision by [the Directorate of Labour].<sup>1)</sup>

Under the Income ...<sup>2)</sup> Tax Act, No. 90/2003, excess payments made from the Maternity/Paternity Leave Fund may be offset against the parent's credit balance arising from excess payments of tax, child benefit and interest benefit. The Minister of Finance shall set more detailed rules<sup>3)</sup> in a regulation on the offsetting of sums owed and their order of priority.

The collection of excess payments from the Maternity/Paternity Leave Fund shall be subject to Article 111 of the Income ...<sup>2)</sup> Tax Act, No. 90/2003. [Minister of Social Affairs and Social Security]<sup>4)</sup> may, however, entrust a special collection agent with the collection of these payments.

If a parent has received lower payments from the Maternity/Paternity Leave Fund than she/he should have received according to the tax levied by the tax authorities, then [the Directorate of Labour]<sup>1)</sup> shall pay the parent the amount owed with interest for the period during which the money was in the keeping of the Maternity/Paternity Leave Fund. This interest shall be equivalent to the rate determined by the Central Bank of Iceland and published at any given time under paragraph 1 of Article 8 of the Interest and Indexation Act, No. 38/2001. The same shall apply when the conclusion reached by the Maternity/Paternity and Parental Leave Appeal Committee is that the parent was entitled to payments from the Maternity/Paternity Leave Fund but was either denied such payments or was awarded lower payments. Where the payments from the Maternity/Paternity Leave Fund were too low due to a lack of information, interest shall be waived.

[The decisions by the Directorate of Labour on recourses of excess payments from the Maternity/Paternity Leave Fund under paragraph 2 are enforceable]<sup>5)</sup> <sup>6)</sup>

<sup>1)</sup> Act No. 155/2006, Article 4. <sup>2)</sup> Act No. 129/2004, Article 139. <sup>3)</sup> Regulation No. 990/2001, cf. No. 347/2006; Regulation No. 555/2004, cf. No. 346/2006. Regulation No. 1218/2008. <sup>4)</sup> Act No. 74/2008, Article 12. <sup>5)</sup> Act No. 134/2009, Article 30. <sup>6)</sup> Act No. 90/2004, Article 6.

[Article 15. b.

*Monitoring.*

[The Directorate of Labour shall be responsible for monitoring the application of the Act. However, the Minister of Social Affairs and Social Security may issue regulations determining a different arrangement.]<sup>1)</sup>

[The tax authorities shall provide the Directorate of Labour with the information necessary for monitoring the application of the Act, providing that the applicant has been informed of this.]<sup>1)</sup>

[The Minister of Social Affairs and Social Security]<sup>1)</sup> shall set further rules<sup>2)</sup> on monitoring in the form of a regulation.]<sup>3)</sup>

<sup>1)</sup> Act No. 74/2008, Article 13. <sup>2)</sup> Regulation No. 1218/2008. <sup>3)</sup> Act No. 90/2004, Article 6.

## SECTION V

### **Exceptional circumstances.**

#### Article 16

##### *Multiple births.*

Parents shall have a joint right to the extension of maternity/paternity leave by three months for each child after the first in a multiple birth [that is born live.]<sup>1)</sup>

[Parents who adopt, or take into permanent foster care, more than one child at the same time, shall have a joint right to extend maternity/paternity leave by three months in respect of each child after the first.

Payments shall be in accordance with Article 13.]<sup>1)</sup>

<sup>1)</sup> Act No. 90/2004, Article 7.

## Article 17

### *Illness of a child or its mother.*

Should a child need to stay in hospital for more than seven days directly following the birth, it is permitted to extend the parents' joint right to maternity/paternity leave by the number of days the child has to stay in hospital, prior to its first homecoming, by up to four months.

It is also permitted to extend the parent's joint right to maternity/paternity leave by up to three months in the case of a serious illness of the child which requires more intensive parental attention and care.

It is permitted to extend the mother's maternity leave by up to two months due to a serious illness suffered by her in connection with the birth.

Should it become necessary for a pregnant woman to cease paid employment for the sake of her health more than a month prior to the expected birth of her child, she shall be entitled to payment during her maternity leave during this period, though not for more than two months. Should the birth occur prior to the expected birth date of the child, the authorization for extension under this provision shall cease to apply from that time. The Minister shall issue a regulation<sup>1)</sup> on further conditions regarding the application of this provision.

The need for the extension of maternity/paternity leave under paragraphs 1–4 shall be established by a [medical specialist.]<sup>2)</sup> [The Directorate of Labour may request comments from another [medical specialist]<sup>2)</sup> as to whether the extension of maternity/paternity leave under this paragraph is necessary. Appeals may be lodged with the Maternity/Paternity and Parental Leave Complaints Board, *cf.* Article 5, against refusals by the Directorate of Labour to grant extensions of maternity/paternity leave.]<sup>3)</sup>

The application for the extension of maternity/paternity leave under paragraph 4 shall be accompanied by a certificate from the employer. In this certification, it shall be stated when wage payments were discontinued.

Payments shall be effected under Article 13.

<sup>1)</sup> Regulation No. 1218/2008. <sup>2)</sup> Act No. 74/2008, Article 14. <sup>3)</sup> Act No. 155/2006, Article 5.

## SECTION VI

### **Parents not active in the labour market or attending full-time educational programmes.**

#### Article 18

##### *Maternity/paternity grants to a parent who is not active in the labour market.*

Parents who are not active in the labour market, or who are employed in less than 25% of a full employment position, shall each have a separate entitlement to a maternity/paternity grant for up to three months in connection with a birth, primary adoption or reception of the child in permanent foster care. This entitlement shall not be assignable. In addition, parents shall have a joint entitlement to a maternity/paternity grant for an additional three months, which either parent may draw in its entirety or the parents may divide between them. The right to a maternity/paternity grant [in connection with the birth of a child]<sup>1)</sup> shall lapse when the child reaches the age of 18 months.

[Without prejudice to paragraph 1, a parent who is outside the labour market, or in less than 25% of full employment each month, shall acquire the right to a maternity/paternity grant for up to nine months if the other parent has died during the gestation period of the child and the child has been born live.]<sup>2)</sup>

[The maternity/paternity grant shall be ISK 40,409 per month. A parent must be domiciled in Iceland at the time of the birth of a child, adoption or beginning of permanent foster care, and must have been domiciled in Iceland for the 12 months preceding that date.

[If the parent was legally domiciled in Iceland for at least the last month preceding the birth of the child, the Directorate of Labour shall, to the extent necessary, take account of her/his periods of residence in another member state of the Agreement on the European Economic Area, the Nordic Agreement on Social Security, the Convention on the European Free Trade Association or the Agreement between Iceland, on the one hand, and the government of Denmark and the home-rule administration of the Faroe Islands, on the other, during the entitlement period when assessing whether the parent meets the conditions regarding domicile laid down in paragraph 3, providing that the parent was insured at the same time in that state and that not more than one month has elapsed since the end of the insurance period according to the laws of that state. The parent shall submit the required certificates demonstrating her/his period of residence and insurance in the other state in

question in accordance with the provisions of the agreements, together with her/his application for payments from the Maternity/Paternity Leave Fund under Article 23.]<sup>2)</sup>

The amount of the maternity/paternity grant shall be revised in connection with the enactment of the Fiscal Budget every year to take account of trends in wages, price levels and the economy. However, the [Minister of Social Affairs and Social Security]<sup>2)</sup> shall be authorized, with the approval of the government, to raise this amount if significant changes in wage trends and conditions in the national economy take place after the enactment of the Fiscal Budget. When the aforementioned conditions result in an increase in the amount of the maternity/paternity grant, the [Minister of Social Affairs and Social Security]<sup>2)</sup> shall change the amount by means of a regulation.<sup>3)</sup><sup>1)</sup>

Regarding adoption, or permanent foster care of a child, the payment of the maternity/paternity grant to the parents shall be made on the basis of the time when the child enters the home, providing this is confirmed by the child welfare committee in question, or other competent bodies. If the parents have to fetch the child from another country, the payment of the maternity/paternity grant could start at the beginning of the journey, providing the relevant authorities or institute have confirmed that permission has been granted for the adoption of a child. [The right to a maternity/paternity grant in connection with adoption or permanent foster care shall expire 18 months after the child enters the home.]<sup>1)</sup>

A parent's rights to a maternity/paternity grant shall be conditional on the fact that the parent himself/herself has custody of the child, or has joint custody with the other parent when the payment of the maternity/paternity grant has begun, [see, however, paragraph 8.]<sup>2)</sup>

[A non-custodial parent shall be entitled to a maternity/paternity grant if the consent of the parent exercising custody is obtained, authorising the non-custodial parent to have access to the child during the period covered by the payment of the maternity/paternity grant.]<sup>2)</sup>

Payments of a maternity/paternity grant to a parent shall be made in retrospect, on the first working day of each month, covering the previous month.

If one of the parents exercises part of the parents' joint right to a maternity/paternity leave, and receives payment from the Maternity/Paternity Leave Fund under Article 13, the period of payment of the maternity/paternity grant shall be shortened accordingly.

[If either parent dies before the child reaches the age of 18 months, any entitlement to a maternity/paternity grant that the deceased parent has not already used shall revert to the surviving parent. In the case of adoption or permanent foster care, the time references stated in [paragraph 6]<sup>2)</sup> shall apply regarding the expiry of rights. In the event of the reversion of rights, the rights of the deceased parent shall become the rights earned by the surviving parent under this Act.]<sup>1)</sup>

[A parent who, due to illness, the consequences of an accident or the service of a prison sentence, is unable to care for the child during the first 18 months after the child's birth, may assign her/his unused entitlement to a maternity/paternity grant to the other parent, in part or in its entirety. The same shall apply in cases when, for the same reasons, a parent is unable to attend to a child during the first 18 months after the child arrives in the home under primary adoption or permanent foster-care. This shall apply irrespective of whether or not the parents have joint custody of the child. Exemption may be granted from the requirement that a parent give consent for the assignment of entitlement in cases where the parent is incapable of giving consent due to illness or the consequences of an accident, in which case the Directorate of Labour shall assess whether the conditions for the assignment of entitlement have been met. The fact that, due to illness or the consequences of an accident, a parent is in a condition in which she/he is incapable of looking after the child during the period stated above, or of giving consent for the assignment of entitlement, shall be attested by a medical certificate issued by the specialist attending her/him. The prison authorities shall issue a certificate stating that the parent is to serve a prison sentence during the aforementioned period. When assignment takes place, the entitlement of the assigning parent shall become an entitlement which the other parent has acquired under this Act.

The Minister may issue regulations containing further provisions on the application of this provision.]<sup>2)</sup>

<sup>1)</sup> Act No. 90/2004, Article 8. <sup>2)</sup> Act No. 74/2008, Article 15. <sup>3)</sup> Regulation No. 1218/2008.

## Article 19

### *Maternity/paternity grant to parents attending full-time educational programmes.*

[Parents who were occupied in full-time studies for at least six months during the twelve months immediately preceding the birth, primary adoption or reception of a child in permanent foster-care, and demonstrated satisfactory academic achievement, shall each have a separate independent entitlement to a maternity/paternity grant for up to three months in view of the birth, primary adoption or reception of the child in permanent foster-care. This entitlement is not assignable. In addition, the parents shall have a joint entitlement to a maternity/paternity grant for an additional three months, which either parent may draw in its entirety or the parents may divide between them. Parents shall submit a certificate from the relevant educational institution stating that she/he has been registered in a full-time programme of studies and demonstrated satisfactory academic achievement. Pursuit of studies, rather than academic achievement, during the academic semester in which the child is born, may be taken into account. Entitlement to maternity/paternity grants expires when the child reaches the age of 18 months.]<sup>1)</sup>

[Without prejudice to paragraph 1, a parent who was occupied in full-time studies for at least six months during the twelve months immediately preceding the birth, primary adoption or reception of a child in permanent foster-care, and demonstrated satisfactory academic achievement shall acquire an entitlement to a maternity/paternity grant for up to nine months if the other parent died during the gestation period of the child and the child was born live.]<sup>1)</sup>

[The maternity/paternity grant to a parent in a full-time programme of studies shall be ISK 91,200 per month. Normally, the parent shall be domiciled in Iceland at the time of the birth, adoption or beginning of the period of permanent foster care and shall have been domiciled in Iceland for the last 12 months preceding that date. Exemptions from the condition regarding domicile may be granted, however, if the parent has transferred her/his domicile temporarily in connection with studies overseas, providing that the parent was domiciled in Iceland continuously for at least five years before the transfer. [The same shall apply when the parent has changed her/his legal domicile on a temporary basis and is pursuing studies at an Icelandic educational institution by distance learning, providing that she/he has been domiciled in Iceland continuously for at least five years prior to the change and meets the other conditions applying to maternity/paternity grants to parents in full-time study programmes.]<sup>1)</sup> If the parent receives payments in connection with the same birth, adoption or permanent foster care in the country where she/he is domiciled, these shall be deducted from the maternity/paternity grant, *cf.* paragraph 3 of Article 33.

[If a parent was legally domiciled in Iceland for at least the last month preceding the date of birth of the child, the Directorate of Labour shall, to the extent necessary, take account of the parent's periods of residence in another member state of the Agreement on the European Economic Area, the Nordic Agreement on Social Security, the Convention on the European Free Trade Association or the Agreement between Iceland, on the one hand, and the government of Denmark and the home-rule administration of the Faroe Islands, on the other, during the entitlement acquisition period when assessing whether the parent meets the domicile requirements of paragraph 3, providing that the parent was insured at the same time in the other state and that not more than one month has elapsed since the end of the insurance period according to the laws of that state. The parent shall submit the required certificates demonstrating her/his period of residence and insurance in the other state in question in accordance with the provisions of the agreements, together with her/his application for payments from the Maternity/Paternity Leave Fund under Article 23.]<sup>1)</sup>

The amount of the maternity/paternity grant shall be revised in connection with the enactment of the Fiscal Budget every year to take account of trends in wages, price levels and the economy. However, the [Minister of Social Affairs and Social Security]<sup>1)</sup> shall be authorized, with the approval of the government, to raise this amount if significant changes in wage trends and conditions in the national economy take place after the enactment of the Fiscal Budget. When the aforementioned conditions result in an increase in the amount of the maternity/paternity grant, the [Minister of Social Affairs and Social Security]<sup>1)</sup> shall change the amount by means of a regulation.<sup>2)3)</sup>

Regarding adoption, or permanent foster care of a child, the payment of the maternity/paternity grant to the parents shall be made on the basis of the time when the child enters the home, providing this is confirmed by the child welfare committee in question, or other competent bodies. If the parents have to fetch the child from another country, the payment of the maternity/paternity grant may begin

at the start of the journey, providing the relevant authorities or institute have confirmed that permission has been granted for the adoption of a child. [The right to a maternity/paternity grant in connection with adoption or permanent foster care shall expire 18 months after the child enters the home.]<sup>1)</sup>

A parent's rights to a maternity/paternity grant shall be conditional on the fact that the parent herself/himself has custody of the child, or has joint custody with the other parent when the payment of the maternity/paternity grant is begun, [see, however, paragraph 8.]<sup>1)</sup>

[A non-custodial parent shall be entitled to a maternity/paternity grant if the consent of the parent exercising custody is obtained, authorising the non-custodial parent to have access to the child during the period covered by the payment of the maternity/paternity grant.]<sup>1)</sup>

Payments of a maternity/paternity grant to a parent shall be made in retrospect, on the first working day of each month, covering the previous month.

If one of the parents exercises part of the parents' joint right to a maternity/paternity leave, and receives payment from the Maternity/Paternity Leave Fund under Article 13, the period of payment of the maternity/paternity grant will be shortened accordingly.

[The maternity/paternity grant as provided for under paragraph 1 may be paid to a parent even though the condition regarding a continuous full-time programme of study during at least six months out of the 12 months preceding the birth, first adoption or period of permanent foster care is not met, providing that the parent was in continuous employment on the domestic labour market for at least six months preceding the date on which the programme of studies began.

Furthermore, a parent may be paid a maternity/paternity grant as a student when the parent has completed at least one term of studies under paragraph 1 and has been on the labour market continuously thereafter. The condition is that the programme of studies and employment shall have lasted for at least six continuous months.

[A maternity grant may be paid to a mother under paragraph 1 even though she does not meet the requirement regarding satisfactory academic achievement and/or pursuit of studies, providing that she was not able to pursue studies during the pregnancy due to health reasons. The mother shall submit a medical certificate from the specialist who attended her during the pregnancy in confirmation of this, together with a certificate from the educational institution stating that she was registered in a full-time programme of studies. The Directorate of Labour may request a comment from another medical specialist.]<sup>1)</sup>

If either parent dies before the child reaches the age of 18 months, any entitlement to a maternity/paternity grant that the deceased parent has not already used shall revert to the surviving parent. In the case of adoption or permanent foster care, the time references stated in [paragraph 6]<sup>1)</sup> shall apply regarding the expiry of rights. In the event of the reversion of rights, the rights of the deceased parent shall become the rights earned by the surviving parent under this Act.

[A parent who, due to illness, the consequences of an accident or the service of a prison sentence, is unable to care for her/his child during the first 18 months after the child's birth, may assign her/his unused entitlement to a maternity/paternity grant to the other parent, in part or in its entirety. The same shall apply in cases when, for the same reasons, a parent is unable to attend to a child during the first 18 months after the child arrives in the home under primary adoption or permanent foster-care. This shall apply irrespective of whether or not the parents have joint custody over the child. Exemption may be granted from the requirement that a parent give consent for the assignment of entitlement in cases where the parent is incapable of giving consent due to illness or the consequences of an accident, in which case the Directorate of Labour shall assess whether the conditions for the assignment of entitlement have been met. The fact that, due to illness or the consequences of an accident, a parent is in a condition in which she/he is incapable of looking after the child during the period stated above, or of giving consent for the assignment of entitlement, shall be attested by a medical certificate issued by the specialist attending her/him. The prison authorities shall issue a certificate stating that the parent is to serve a prison sentence during the aforementioned period. When assignment takes place, the entitlement of the assigning parent shall become an entitlement which the other parent has acquired under this Act.]<sup>1)</sup>

The Minister may issue a regulation<sup>2)</sup> containing further provisions on the application of this provision.]<sup>3)</sup>

<sup>1)</sup> Act No. 74/2008, Article 16. <sup>2)</sup> Regulation No. 1218/2008. <sup>3)</sup> Act No. 90/2004, Article 9.

#### Article 20

*The right to payment of a maternity/paternity grant in the event of a stillbirth or a miscarriage.*

Parents have a joint right to a maternity/paternity grant for up to three months in the event of a stillbirth after 22 weeks of pregnancy. In the event of a miscarriage after 18 weeks of pregnancy, the parents shall have joint right to maternity/paternity grant of up to two months.

If one of the parents takes maternity/paternity leave under Article 12 and receives payment from the Maternity/Paternity Leave Fund under Article 13, the period of payment of the maternity/paternity grant shall be shortened accordingly.

#### Article 21

*Multiple births.*

[Parents shall be entitled to a joint maternity/paternity grant for an additional three months for each child born live after the first in a multiple birth.

Parents who adopt or take into permanent foster care more than one child at the same time shall have a joint entitlement to a maternity/paternity grant for an additional three months for each child after the first.]

If one of the parents takes maternity/paternity leave under Article 16 and receives payment from the Maternity/Paternity Leave Fund under Article 13, the period of payment of the maternity/paternity grant shall be shortened accordingly.

<sup>1)</sup> Act No. 74/2008, Article 17.

#### Article 22

*Illness of a child or its mother.*

Should a child need to stay in hospital for more than seven days directly following the birth, it shall be permitted to extend the parents' joint right to maternity/paternity grant by the number of days the child has to stay in hospital, prior to its first homecoming, by up to four months.

It shall also be permitted to extend the parents' joint right to maternity/paternity grant by up to three months in the case of a serious illness of the child which requires more intensive parental attention and care.

It shall be permitted to extend the mother's right to a maternity grant by up to two months due to a serious illness suffered by her in connection with the birth.

The need for the extension of a maternity/paternity grant under paragraphs 1–3 shall be established by a [medical specialist.]<sup>1)</sup> [The Directorate of Labour may request comments from another [medical specialist]<sup>1)</sup> as to whether the extension of maternity/paternity leave under this paragraph is necessary. Appeals may be lodged with the Maternity/Paternity and Parental Leave Complaints Board, *cf.* Article 5, against refusals by the Directorate of Labour to grant extensions of maternity/paternity leave.]<sup>2)</sup>

If one of the parents takes maternity/paternity leave under Article 17, and receives payment from the Maternity/Paternity Leave Fund under Article 13, the period of payment of the maternity/paternity grant shall be reduced accordingly.

<sup>1)</sup> Act No. 74/2008, Article 18. <sup>2)</sup> Act No. 155/2006, Article 6.

#### Article 23

*Applications to [the Directorate of Labour].<sup>1)</sup>*

A parent, *cf.* paragraph 2 of Article 1, shall apply to [the Directorate of Labour]<sup>1)</sup> for a maternity/paternity grant three weeks before the expected birth of the child, *cf.*, however, Article 15.

Applications shall be made in writing and shall state the intended starting date of the payment of the maternity/paternity grant and the length of the period of payment. Furthermore, the intended division of the joint maternity/paternity leave between the parents shall be stated. [The application shall be signed by the prospective parents, providing they will both exercise custody of the child.]<sup>2)</sup> The same shall apply even though one of the parents is active in the labour market, *cf.* paragraph 1 of Article 1.

The Minister may issue a regulation<sup>2)</sup> on further arrangements regarding payments by [the Directorate of Labour].<sup>1)</sup>

<sup>1)</sup> Act No. 155/2006, Article 7. <sup>2)</sup> Act No. 65/2006, Article 35. <sup>3)</sup> Regulation No. 1218/2008.

## SECTION VII

### **Parental leave.**

#### Article 24

##### *Parents' right to take parental leave.*

Parent, *cf.* paragraph 1 of Article 1, shall be entitled to parental leave for 13 weeks to care for their child.

The right to parental leave shall be established upon the birth of a child. In the event of adoption, or permanent foster care of a child, account shall be taken of the time when the child enters the home, providing this is confirmed by the child welfare committee in question, or other competent bodies. If a parent has to fetch the child from another country, parental leave may begin at the beginning of the journey, providing the relevant authorities or institute have confirmed that permission has been granted for the adoption of a child.

The right to a parental leave shall lapse when the child reaches the age of eight years. [An entitlement to parental leave that expires without being used, in part or entirely, when the child reaches the age of eight years, shall become valid once again if the child is later diagnosed as suffering from a serious and chronic illness or severe disability, if this happens before the child attains, in full, the age of eighteen years.]<sup>1)</sup>

Each parent shall have an independent right to parental leave, which shall not be assignable.

Parental leave is not accompanied by payment from the Maternity/Paternity Leave Fund.

<sup>1)</sup> *Act No. 22/2006, Article 20.*

#### Article 25

##### *Structure of parental leave.*

A parent shall have the right to take parental leave in one continuous period.

However, the employee shall be permitted to make other arrangements with her/his employer for the parental leave to be divided into number of periods and/or it will be taken concurrently with a reduced worktime ratio.

The employer shall make efforts to meet the wishes of the employee regarding the structure of the parental leave.

An employee shall not be entitled to take parental leave amounting to more than 13 weeks in each 12-month period without the special approval of the employer.

#### Article 26

##### *Notification of parental leave.*

An employee shall acquire the right to parental leave when she/he has been employed for six consecutive months by the same employer.

An employee who intends to exercise her/his right to parental leave shall notify her/his employer thereof as soon as possible and at the latest six weeks prior to the intended first day of the leave. Notice of parental leave shall be given in writing and shall state the intended starting day of the leave, its length and its structure. The employer shall sign the notification with the date of receiving it and deliver a copy thereof to the employee.

The employer shall record the taking of parental leave, enabling the employee to obtain a certificate stating the number of days of parental leave if she/he wishes to do so.

#### Article 27

##### *Postponement or other changes regarding parental leave.*

If the employer is unable to grant the employee's wishes regarding the structure of the parental leave, she/he shall, in consultation with the employee, propose a different arrangement within one week from the day of reception of the notification, *cf.* paragraph 2 of Article 26. This shall be done in writing, stating the reasons therefore and, if it involves a postponement, the length of the postponement.

Such postponement shall only be permitted in the case of extraordinary circumstances in the operations of the company/institution which necessitate it. It is possible, e.g. in the case of seasonal work, or if no qualified substitute can be found, or if a considerable number of the employees apply to take parental leave simultaneously, or if the employee in question holds a key position in the top management of the company or institution.

At no time may an employer postpone parental leave by more than six months from the time it was to start according to the employee's request without the employee's approval.

Parental leave which is to be taken following directly on maternity/paternity leave, or in the case where serious illness of the child renders the parent's presence necessary, may never be postponed. Furthermore, postponement shall not be permitted when the employer has already agreed to the taking of parental leave, or the period of notice under paragraph 1 has passed without a reply being made by the employer.

If the decision of the employer on the postponement of parental leave results in the employee's not being able to complete her/his parental leave before her/his child reaches the age of eight years, the period during which the taking of parental leave is permitted shall be extended to the day when the child turns nine years of age.

#### Article 28

##### *Protection of accumulated rights.*

The rights which an employee has gained, or is gaining, at the start of parental leave shall remain unchanged until the end of the leave. At the end of the leave, these rights shall be valid, as shall any changes which may have been made on the basis of the law or wage agreements.

### SECTION VIII

#### **Common provisions.**

#### Article 29

##### *Right to employment.*

The employment relations between an employee and her/his employer shall remain unchanged during maternity/paternity leave and parental leave.

The employee shall be entitled to return to her/his job upon the completion of maternity/paternity leave or parental leave. Should this not be possible, she/he shall be entitled to a comparable position with the employer according to a contract of employment.

#### Article 30

##### *Protection against dismissal.*

It is not permitted to dismiss an employee due to the fact that she/he has given notice of intended maternity/paternity leave or parental leave under Articles 9 or 26 or during her/his maternity/paternity leave or parental leave, without reasonable cause, and in such a case, the dismissal shall be accompanied by written arguments. The same rule shall apply to pregnant women, and women who have recently given birth.

#### Article 31

##### *Liability.*

Should an employer violate any provision of this Act, she/he shall be liable under general rules.

##### [Article 31 a.

##### *Fines.*

Violations of this Act shall be punishable by fines, which shall be paid to the State Treasury.]<sup>1)</sup>

<sup>1)</sup> Act No. 90/2004, Article 10.

#### Article 32

##### *Lapse of parental rights.*

The rights of parents, *cf.* paragraph 1 of Article 1, to maternity/paternity leave and parental leave shall lapse from the day the parent gives away the child for adoption, upbringing or foster care. The same shall apply to parents' rights, *cf.* paragraph 2 of Article 1, to the payment of maternity/paternity grants.

In cases under paragraph 1, the natural parents, *cf.* paragraph 1 of Article 1, shall have the joint right to a two-months maternity/paternity leave after the birth of a child. Also, parents, *cf.* paragraph 2 of Article 1, shall have the joint right to the payment of a maternity/paternity grant for two months after the birth of a child.

If one of the parents exercises part of the parents' joint right for a maternity/paternity leave, under paragraph 3, and receives payments from the Maternity/Paternity Leave Fund, under Article 13, the payment period of the maternity/paternity grant shall be reduced accordingly.

#### Article 33

##### *Incompatible rights.*

A parent shall not be entitled to unemployment benefit under the Unemployment Insurance Act.

[A parent who receives payments during maternity/paternity leave shall not be entitled to *per diem* payments ...<sup>1)</sup> accident injury under the Social Insurance Act.]<sup>2)</sup>

Payments from other states concerning the same birth, and for the same period, are deducted from payments out of the Maternity/Paternity Leave Fund under Article 13, and concerning the payment of maternity/paternity grants under Articles 18 and 19.

<sup>1)</sup> Act No. 112/2008, Article 69. <sup>2)</sup> Act No. 74/2008, Article 19.

[Article 33 a.

##### *Attachment not permitted.*

Attachment may not be made in payments from the Maternity/Paternity Leave Fund or maternity/paternity grants under this Act that have not been paid to a parent. Furthermore, it shall not be permitted to take payments from the Maternity/Paternity Leave Fund or maternity/paternity grants for the payment of public dues other than for the payment at source of public dues.]<sup>1)</sup>

<sup>1)</sup> Act No. 74/2008, Article 20.

#### Article 34

##### *International agreements.*

When this Act is applied, attention shall be given to international agreements in the field of social security and social affairs to which Iceland is a party.

#### Article 35

##### *Authorisation for the issue of regulations.*

The [Minister of Social Affairs and Social Security]<sup>1)</sup> may issue regulations<sup>2)</sup> on the further application of this Act.

<sup>1)</sup> Act No. 74/2008, Article 21. <sup>2)</sup> Regulation No. 591/2000. Regulation No. 592/2000. Regulation No. 831/2000. Regulation No. 862/2001. Regulation No. 526/2002. Regulation No. 440/2003. Regulation No. 782/2004. Regulation No. 13/2006. Regulation No. 646/2008. Regulation No. 647/2008. Regulation No. 1218/2008, cf. 632/2009. Regulation No. 29/2009. Regulation No. 420/2009. Regulation No. 524/2009. Regulation No. 833/2009. Regulation No. 994/2009.

### SECTION IX

#### **Commencement.**

#### Article 36

##### *Commencement.*

This Act shall take effect immediately. The provisions on maternity/paternity leave shall take effect as of 1 January 2001 ... The provisions on maternity/paternity leave shall cover children who are born, adopted or taken into permanent foster care, on 1 January 2001 or thereafter.

Notwithstanding the wording of Article 8, a father's independent right to paternity leave shall be one month as of 1 January 2001, two months as of 1 January 2002 and three months as of 1 January 2003.

The provisions on parental leave grants the parents of children who are born, adopted or taken into permanent foster care on 1 January 1998 or thereafter the right to parental leave.

### SECTION X

#### **Amendments to other Acts.**

#### Article 37

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Article 38

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*[This translation is published for information only.  
The original Icelandic text is published in the Law Gazette.  
In case of a possible discrepancy, the original Icelandic text applies.]*