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TRYGGINGAMÁLARÁÐUNEYTIÐ

Ministry of Social Affairs and Social Security

**Holiday Allowance Act, No. 30/1987,
as amended by Act No. 92/1991, No. 127/1993 and No. 88/2003.**

Article 1

All those who are in the paid employment of others, whether reimbursed by money or other valuables, shall have the right to holidays, and a holiday allowance, according to the rules contained in this Act.

Article 2

This Act shall not reduce more comprehensive or more advantageous holiday rights under other laws, agreements or customs.

Any agreements on lesser rights for wage earners than those stipulated in this Act shall be invalid.

Article 3

Two days' holiday shall be granted for each working month during the past holiday allowance year, two weeks or more constituting one month in this respect, shorter periods not being counted. If a person is absent from work due to illness or accident while he is receiving wages, or is on holiday, this shall constitute working hours for the purpose of this article. Sundays and other public holidays shall not count as holidays in this respect, nor the first five Saturdays during holidays.

The holiday allowance year shall be reckoned from 1 May to 30 April.

Article 4

Under this Act, a continuous holiday shall be granted during the period 2 May to 15 September. Under union wages and terms agreements shorter holidays may be specified during the above-mentioned period; however, a 14-day holiday shall be granted during the summer holiday season. If a recipient of holiday is not entitled to longer holidays than those specified under this Act, the part of the holidays taken outside the holiday period shall be extended by one fourth, if the holidays are taken outside the holiday season at the request of the employer.

In employment in agriculture and herring fishing, up to one half of holidays may be granted outside the holiday season.

By mutual agreement, parties may make an exception to the rules in this article on the division of the holiday period. However, holidays shall always be taken before the end of the holiday allowance year.

Article 5

An employer shall, in consultation with his employees, decide when holidays are to be granted. He shall comply with the wishes of his employees, to the extent possible, as to when holidays are granted, taking into account the operations of his company. After the employer has ascertained the wishes of his employee, he shall, as soon as possible and at the latest one month before the beginning of the holidays, announce when they are to begin, unless special circumstances make this impossible.

Article 6

If an employee cannot take his holidays at the time determined by his employer, according to the provisions of Article 5, he shall submit proof of his inability to do so by presenting a medical certificate to this effect. The employee may then demand to be granted holiday at another time than that stipulated in Article 4, but not later than will enable him to complete his holidays before the next 31 May.

If an employee is unable to take his holidays before this time, due to illness, he shall be entitled to the payment of his holiday allowance if he is able to submit proof of his illness as mentioned above.

Article 7

Wage earners shall be entitled to a holiday allowance consistent with holiday rights accrued during the past holiday allowance year.

Holiday allowance shall be calculated at the time of each wage payment, with a minimum of 10.17% of the holiday allowance being calculated based on the minimum holiday period under Article 3. Calculated holiday allowance for each wage period shall be related to wages with the amount of accrued holiday allowance being divided by the employee's daytime wage. Accordingly, the holiday allowance for each wage period shall be calculated in daytime working hours and stated specifically on the pay slip at the time of each wage payment, both the total of accrued holiday allowance from the beginning of the year and holiday allowance for the period in question.

According to the above, the accrued holiday allowance shall be paid to the wage earner on the last workday before the beginning of his holidays, consistent with the daytime wages of the employee on the first day of his holidays.

Notwithstanding the provision of paragraph 3, holiday allowance may be paid out to employees receiving a monthly salary at the same time as regular wage payments are made, if the majority of the wage earners in question agree to this. Also, unions may agree to have the holiday allowance paid regularly into a special holiday allowance account in the name of the employee at a commercial or savings bank. Under such an agreement, it shall be ensured that the party undertaking to safeguard the holiday allowance will pay the accrued holiday allowance to the employee in question, i.e. the principal along with interest, at the beginning of his holidays. A copy of any such agreement shall be submitted without delay to the Ministry of Social Affairs, which shall also be notified of its cancellation.

Holiday allowance shall not be calculated in respect of holiday allowance.

Article 8

Should the contract of employment between an employee and an employer be terminated, the employer shall, at the end of the period of employment, pay to the employee all his accrued holiday allowance according to the provision in paragraph 2 of Article 7.

Article 9

If the operations of the company in question cease during the holidays, due to the employees' being granted holidays at the same time, employees who are not entitled to holidays for the whole holiday period may not demand wages or a holiday allowance for the days which they have not worked.

Article 10

The Minister of Social Affairs shall issue rules on the calculation of the holiday allowance of employees who do not receive wages directly from their employer, but are paid by means of a service charge or in another manner that is different from the usual manner of wage payment.

Article 11

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¹⁾ Act No. 88/2003, Article 28.

Article 12

No person shall be permitted to work for pay in his field of work, or related fields of work, while he is on holiday; further provisions on this matter may be issued by regulation.

Article 13

The assignment of holiday allowance, or its transfer between holiday allowance years, shall be prohibited.

Article 14

Under this Act, claims against employers shall expire according to the same rules as wage claims made under the Debts and Claims Expiry Act, No. 14 of 20 October 1905.

Article 15

This Act shall come into force on 1 May 1988. ...

Interim Provision.

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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.]*