



## VELFERÐARRÁÐUNEYTIÐ

*Ministry of Welfare*

**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, No. 134/2009, No. 162/2010, No. 126/2011, No. 136/2011, No. 143/2012, No.  
140/2013, No. 85/2015 and No. 88/2015.

### 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.*

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

<sup>1)</sup> Act No. 126/2011, Article 310.

##### 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].<sup>3)</sup> [However, the Minister may decide on another arrangement.]<sup>4)</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]<sup>3)</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]<sup>3)</sup> shall submit to [the Minister in charge of financial accounts of the state]<sup>5)</sup> 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. 162/2010, Article 22. <sup>4)</sup> Act No. 90/2004, Article 1. <sup>5)</sup> Act No. 126/2011, Article 310.

Article 5  
[Appeal.]<sup>1)</sup>

...<sup>1)</sup>

[The Welfare Appeals Committee shall]<sup>1)</sup> deliver rulings on disputes which may arise under this Act.

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

...<sup>1)</sup>

Costs of the Appeals Committee's activities shall be paid by the State Treasury.

<sup>1)</sup> Act No. 85/2015, Article 13. <sup>2)</sup> Act No. 134/2009, Article 28.

Article 6  
[Procedure of the Welfare Appeals Committee.]<sup>1)</sup>

...<sup>1)</sup>

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...<sup>1)</sup>

[The Directorate of Labour]<sup>2)</sup> shall provide [the Welfare Appeals Committee]<sup>1)</sup> with all data relevant to each case, in addition such information and explanation which the Appeals Committee considers necessary to obtain from the Institute.

...<sup>1)</sup>

...<sup>1)</sup>

[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.* the sixth paragraph of Article 15 a).]<sup>3)</sup>

<sup>1)</sup> Act No. 85/2015, Article 13. <sup>2)</sup> Act No. 155/2006, Article 2. <sup>3)</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.*

Parents (*cf.* the first paragraph of Article 1) shall each have an independent entitlement to maternity/paternity leave for up to [three]<sup>1)</sup> 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]<sup>1)</sup> months, which either parent may draw in its entirety or the parents may divide between them. ... <sup>2)</sup>

The right to maternity/paternity leave shall be established upon the birth of a child. However, [a parent]<sup>3)</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 24 months.]<sup>4)</sup><sup>2)</sup>

[A mother]<sup>5)</sup> shall take maternity leave for at least the first two weeks after the birth of her child.

[Without prejudice to the first paragraph, a parent (*cf.* the first paragraph of Article 1) shall acquire the right to up to [nine]<sup>1)</sup> months' maternity/paternity leave if the other parent dies during the gestation period of the child and the child is born live.]<sup>3)</sup> [The same shall apply in the case of a single mother who has undergone assisted fertilisation or a single parent who has adopted a child or taken a child into permanent foster care.]<sup>4)</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. [In cases where the child enters the home for a trial period before adoption or permanent foster care can proceed, the time-reference may be based on the beginning of this period, providing that the arrangement is approved by the child protection committee or other competent parties.]<sup>6)</sup> 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 [24 months after the child arrives in the home.]<sup>4)</sup><sup>2)</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, [the seventh paragraph]).<sup>6)</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 [24]<sup>4)</sup> months],<sup>6)</sup> 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 shall be based on [[24]<sup>4)</sup> months after the child enters the home].<sup>6)</sup> 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>2)</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 [[24]<sup>4)</sup> months]<sup>6)</sup> 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 [[24]<sup>4)</sup> months]<sup>6)</sup> 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>3)</sup>

<sup>1)</sup> Act No. 140/2013, Article 25. <sup>2)</sup> Act No. 90/2004, Article 2. <sup>3)</sup> Act No. 74/2008, Article 5. <sup>4)</sup> Act No. 143/2012, Article 1. <sup>5)</sup> Act No. 65/2006, Article 33. <sup>6)</sup> Act No. 136/2011, Article 1.

## 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.* the second paragraph 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, the third paragraph 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 the second paragraph, 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.* the second paragraph 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].<sup>2)</sup>

Those changes, which are considered necessary in a woman's working conditions and/or working time (*cf.* the first paragraph), 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. 162/2010, Article 22.

## 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 [from the day that stillbirth happens]<sup>1)</sup> 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 [from the day that miscarriage happens].<sup>1)</sup>

[Payments shall be effected under Article 13.]<sup>1)</sup>

<sup>1)</sup> Act No. 136/2011, Article 2.

## Article 13

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

[A parent (*cf.* the first paragraph 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.* [the second and fifth paragraphs 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.* the second paragraph of Article 8, Article 11 and the fourth paragraph 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.* the second paragraph of Article 7) during maternity/paternity leave shall amount to 80% of her/his average total wages, ...<sup>2)</sup> these being based on a continuous twelve-month period ending six months prior to [the birth month or the month]<sup>2)</sup> the child enters the home for initial adoption or permanent foster-care. "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, [payments under indents *a* and *b* of Article 5 of the Wage Guarantee Fund Act],<sup>2)</sup> *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.* indents *a-e* of the second paragraph of Article 13 a). [In the case of 100% payments during the reference period from the Maternity/Paternity Leave Fund, the Unemployment Insurance Fund or a trade union's sick-pay fund, benefits from an insurance company due to temporary loss of employment or wage-related payments to which parents are entitled under Section III of the Act on Payments to the Parents of Chronically Ill or Severely Disabled Children, the reference wages on which those payments are based shall be taken into account. If, on the other hand, the parent has chosen to spread the payments under the third sentence over a longer period concurrently with part-time employment or leave, paid or unpaid, then the reference income on which those payments are based shall be taken into account, in the same proportions as the payments were made during the reference period in question. The same shall apply if the parent has chosen to spread the payments over a longer period under the third sentence, even though he/she has not been in a contractual relationship at the same time. At no time shall payments be based on a higher sum than the reference income level to be used according to the foregoing, even if the parent has received compensation payment for the difference between the payments under the third sentence and the average total wages at the same time as receiving those payments. [Where payments under indents *a* and *b* of Article 5 of the Wage Guarantee Fund Act fall due for payment during the reference period, the reference income on which those payments are based shall be taken into account.]<sup>2)</sup> Only average total wages for those months during the reference period in which the parent was on the domestic labour market shall be taken into account (*cf.* also the second paragraph of Article 13 a), irrespective of whether wages under the second sentence or calculated remuneration under the fifth paragraph were paid. In no case shall fewer than four months be taken as a reference base when average total wages are calculated.]<sup>3)]<sup>1)</sup></sup>

Notwithstanding the provisions of the second paragraph, the monthly payment from the Maternity/Paternity Leave Fund to a worker during maternity/paternity leave may never exceed [ISK 370,000.]<sup>4)</sup>

When an employee meets the conditions of the first paragraph but has not worked on the domestic labour market during the reference period as specified in [the seventh paragraph]<sup>3)</sup>, she/he shall acquire the right to minimum payments under the sixth paragraph in accordance with her/his employment ratio.

[The Maternity/Paternity Leave Fund's monthly payment to a self-employed individual (*cf.* the third paragraph of Article 7) shall amount to 80% of her/his average calculated remuneration on which the insurance levy has been paid, ...<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 second, third and fourth paragraphs shall apply, as appropriate.]<sup>1)</sup>

[Monthly payments from the Maternity/Paternity Leave Fund to a parent who is both an employee and a self-employed individual (*cf.* the second and third paragraphs of Article 7) shall amount to 80% of the average total wages and calculated remuneration on which social insurance tax was paid ...<sup>2)</sup> If the parent in question works as an employee under the second paragraph of Article 7 in a job capacity of 50% or more, the reference period according to the second paragraph shall be used as the reference. Otherwise, the reference period according to the fifth paragraph shall be used. On other matters, the provisions of the second, third, fourth and fifth paragraphs shall apply, as appropriate.]<sup>3)</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 97,786]<sup>4)</sup>, and the monthly payment to a parent holding a 50–100% job shall never be less than [ISK 135,525].<sup>4)</sup>

The amount of maximum payments under the third paragraph and minimum payments under [the seventh paragraph]<sup>3)</sup> 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]<sup>5)</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]<sup>5)</sup> shall change the amount by means of a regulation.<sup>6)</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 the second or fifth paragraph 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 the first paragraph shall be entitled to a maternity/paternity grant under Article 18 (*cf.* however [the twelfth paragraph 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 birth month or the month]<sup>2)</sup> when 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 rights acquisition period under the first paragraph, the Directorate of Labour shall, to the extent necessary, take account of his/her working periods as an employee or a self-employed individual in another Member State of the Agreement on the European Economic Area, the Nordic Countries' 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 rights acquisition period, providing that the parent's work conferred rights on him/her under the legislation of the state in question regarding maternity/paternity leave. [If, on the other hand, the parent worked on the domestic labour market for less than the last month of the rights acquisition period under the first paragraph, then the Directorate of Labour shall assess whether the parent in question is to be regarded as having worked on the domestic labour market for the purposes of this Act with the consequence that account is to be taken, to the extent necessary, of his/her working periods as an employee or a self-employed individual in another Member State of the Agreement on the European Economic Area, the Nordic Countries' 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 rights acquisition period, providing that the parent's work conferred rights on him/her under the legislation of the state in question regarding maternity/paternity leave.]<sup>3)</sup> 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]<sup>5)</sup> may issue regulations<sup>6)</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 [the tenth paragraph.]<sup>3)</sup><sup>1)</sup><sup>7)</sup>

<sup>1)</sup> Act No. 74/2008, Article 8. <sup>2)</sup> Act No. 143/2012, Article 2. <sup>3)</sup> Act No. 136/2011, Article 3. <sup>4)</sup> Act No. 140/2013, Article 26. <sup>5)</sup> Act No. 162/2010, Article 22. <sup>6)</sup> Regulation No. 1218/2008, *cf.* 632/2009, 573/2011 and 1213/2014. <sup>7)</sup> Act No. 90/2004, Article 4.

#### [Article 13 a

##### *Participation in the labour market.*

[For the purposes of Section IV, 'participation in the domestic labour market' shall mean work as an employee (*cf.* the second paragraph of Article 7) or a self-employed individual (*cf.* the third paragraph of Article 7). A full-time position for an employee is taken as being 172 working hours per month; however, the figures laid down in collective agreements shall always be taken into account when defining full-time employment. Full employment for a self-employed individual shall be based on the person in question having paid monthly tax, deducted at source, on calculated remuneration equivalent to at least the minimum amount laid down by the Director of Internal Revenue for the occupation in question.]<sup>1)</sup>

The following shall also be regarded as constituting participation in [the domestic]<sup>1)</sup> 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 Health Insurance Administration according to the Act on Health Insurance and act on occupational injury insurance from social security],<sup>2)</sup> 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.* indent *b* of the second paragraph).

[The Health Insurance Administration shall assess, on the basis of Act on Health Insurance and act on occupational injury insurance from social security],<sup>2)</sup> whether a parent would have been entitled to *per diem* payments for illness and accident injury if the parent had applied for them prior to the period in question (*cf.* indent *c* of the second paragraph).

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 [prior to the period in question (*cf.* indent *e* of the second paragraph).]<sup>1)3)</sup>

<sup>1)</sup> Act No. 136/2011, Article 4. <sup>2)</sup> Act No. 88/2015, Article 25. <sup>3)</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 the first and second paragraphs 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.* the first paragraph 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.* the second paragraph 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 the seventh paragraph of Article 8. This shall also apply even though one of the parents is outside the labour market or is involved in studies (*cf.* the second paragraph 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 [the second, fifth and sixth paragraphs]<sup>3)</sup> 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 the second paragraph 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>4)</sup>

The Minister may issue a regulation<sup>5)</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. 136/2011, Article 5. <sup>4)</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.* the third paragraph 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 in charge of procuring income of the state]<sup>3)</sup> shall set more detailed rules<sup>4)</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. [The Minister]<sup>5)</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 the first paragraph of Article 8 of the Interest and Indexation Act, No. 38/2001. The same shall apply when the conclusion reached by [the Welfare Appeals Committee]<sup>6)</sup> 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 the second paragraph are enforceable.]<sup>7)</sup><sup>8)</sup>

<sup>1)</sup> Act No. 155/2006, Article 4. <sup>2)</sup> Act No. 129/2004, Article 139. <sup>3)</sup> Act No. 126/2011, Article 310. <sup>4)</sup> Regulation No. 990/2001, *cf.* 347/2006. Regulation No. 555/2004, *cf.* 346/2006. Regulation No. 1218/2008. <sup>5)</sup> Act No. 162/2010, Article 22. <sup>6)</sup> Act No. 85/2015, Article 13. <sup>7)</sup> Act No. 134/2009, Article 30. <sup>8)</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]<sup>1)</sup> may issue regulations determining a different arrangement.]<sup>2)</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>2)</sup>

[The Minister]<sup>1)</sup> shall set further rules<sup>3)</sup> on monitoring in the form of a regulation.]<sup>4)</sup>

<sup>1)</sup> Act No. 162/2010, Article 22. <sup>2)</sup> Act No. 74/2008, Article 13. <sup>3)</sup> Regulation No. 1218/2008. <sup>4)</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.*

[Parents' joint right to maternity/paternity leave may be extended by up to seven months in the event of the child's being seriously ill or seriously disabled in a way that demands more intensive parental care than is usual. The reasons for an extension of maternity/paternity leave shall be substantiated by a certificate from a medical specialist. The Directorate of Labour shall assess whether the extension of maternity/paternity leave is necessary, and may request the opinion of a second medical specialist in the course of making the assessment.]<sup>1)</sup>

...<sup>1)</sup>

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 [providing that, during her maternity leave, she has been unable, in the opinion of a medical specialist, of caring for the child due to her illness].<sup>2)</sup>

Should it become necessary for a pregnant woman [in the opinion of a medical specialist to give up paid employment or withdraw from participation in the labour market under indent *b* of the second paragraph of Article 13 a]<sup>2)</sup> 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>3)</sup> on further conditions regarding the application of this provision.

The need for the extension of maternity/paternity leave under the first, second, third and fourth paragraphs shall be established by a [medical specialist].<sup>4)</sup> [The Directorate of Labour may request comments from another [medical specialist]<sup>4)</sup> as to whether the extension of maternity/paternity leave under this paragraph is necessary. Appeals may be lodged with [the Welfare Appeals Committee]<sup>5)</sup> (*cf.* Article 5) against refusals by the Directorate of Labour to grant extensions of maternity/paternity leave.]<sup>6)</sup>

The application for the extension of maternity/paternity leave under the fourth paragraph shall be accompanied by a certificate from the employer [and/or the Directorate of Labour as appropriate].<sup>2)</sup> In this certification, it shall be stated when [payments]<sup>2)</sup> were discontinued.

Payments shall be effected under Article 13.

<sup>1)</sup> Act No. 143/2012, Article 3. <sup>2)</sup> Act No. 136/2011, Article 6. <sup>3)</sup> Regulation No. 1218/2008. <sup>4)</sup> Act No. 74/2008, Article 14. <sup>5)</sup> Act No. 85/2015, Article 13. <sup>6)</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]<sup>1)</sup> 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]<sup>1)</sup> 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>2)</sup> shall lapse when the child reaches [the age of 24 months].<sup>3)</sup>

[Without prejudice to the first paragraph, 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]<sup>1)</sup> months if the other parent has died during the gestation period of the child and the child has been born live.]<sup>4)</sup> [The same shall apply in the case of a single mother who has undergone assisted fertilisation or a single parent who has adopted a child or taken a child into permanent foster care.]<sup>3)</sup>

[The maternity/paternity grant shall be [ISK 59,137]<sup>1)</sup> 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 some time during the last month preceding the birth of the child, or the date on which the child entered the home in the case of a primary adoption or the taking of the child into permanent foster care],<sup>5)</sup> 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, ...<sup>5)</sup> when assessing whether the parent meets the conditions regarding domicile laid down in the third paragraph, 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 ...<sup>5)</sup> under Article 23.]<sup>4)</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]<sup>6)</sup> shall be authorised, 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]<sup>6)</sup> shall change the amount by means of a regulation.<sup>7)</sup><sup>2)</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. [In cases where the child enters the home for a trial period before adoption or permanent foster care can proceed, the time-reference may be based on the beginning of this period, providing that the arrangement is approved by the child protection committee or other competent parties.]<sup>5)</sup> 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 [24 months]<sup>3)</sup> after the child enters the home.]<sup>2)</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, [(cf., however, the eighth paragraph).]<sup>4)</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>4)</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 [the sixth paragraph]<sup>4)</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>2)</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>4)</sup>

<sup>1)</sup> Act No. 140/2013, Article 27. <sup>2)</sup> Act No. 90/2004, Article 8. <sup>3)</sup> Act No. 143/2012, Article 4. <sup>4)</sup> Act No. 74/2008, Article 15. <sup>5)</sup> Act No. 136/2011, Article 7. <sup>6)</sup> Act No. 162/2010, Article 22. <sup>7)</sup> Regulation No. 1218/2008, cf. 573/2011 and 1213/2014.

## 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 met the requirements regarding academic progress during that period],<sup>1)</sup> shall each have a separate independent entitlement to a maternity/paternity grant for up to [three]<sup>2)</sup> 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]<sup>2)</sup> 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 met the requirements regarding academic progress during that period].<sup>1)</sup> 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 [24]<sup>3)</sup> months.]<sup>4)</sup>

[Without prejudice to the first paragraph, 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 met the requirements regarding academic progress during that period]<sup>1)</sup> shall acquire an entitlement to a maternity/paternity grant for [up to nine]<sup>2)</sup> months if the other parent died during the gestation period of the child and the child was born live.]<sup>4)</sup>

[The same shall apply in the case of a single mother who has undergone assisted fertilisation or a single parent who has adopted a child or taken a child into permanent foster care.]<sup>3)</sup>

[The maternity/paternity grant to a parent in a full-time programme of studies shall be [ISK 135,525]<sup>2)</sup> 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>4)</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.* [the fifth paragraph]<sup>1)</sup> of Article 33).

[If a parent was legally domiciled in Iceland [for at least some time during the last month preceding the birth of the child, or the date on which the child entered the home in the case of a primary adoption or the taking of the child into permanent foster care],<sup>1)</sup> 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, ...<sup>1)</sup> when assessing whether the parent meets the domicile requirements of the third paragraph, 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 ...<sup>1)</sup> under Article 23.]<sup>4)</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]<sup>5)</sup> shall be authorised, 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]<sup>5)</sup> shall change the amount by means of a regulation.<sup>6)7)</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. [In cases where the child enters the home for a trial period before adoption or permanent foster care can proceed, the time-reference may be based on the beginning of this period, providing that the arrangement is approved by the child protection committee or other competent parties.]<sup>1)</sup> 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 [24]<sup>3)</sup> months after the child enters the home.]<sup>4)</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, [*cf.*, however, the eighth paragraph].<sup>4)</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>4)</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 the first paragraph may be paid to a parent even though the condition regarding [full-time]<sup>1)</sup> studies during at least six months out of the 12 months preceding the birth, primary adoption or period of permanent foster care is not met, providing that the parent was [continuously]<sup>1)</sup> 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 the first paragraph and has been on the [domestic]<sup>1)</sup> 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 the first paragraph even though she does not [meet the requirement regarding academic progress]<sup>1)</sup> 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>4)</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 [the sixth paragraph]<sup>4)</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>4)</sup>

The Minister may issue a regulation<sup>6)</sup> containing further provisions on the application of this provision.]<sup>7)</sup>

<sup>1)</sup> Act No. 136/2011, Article 8. <sup>2)</sup> Act No. 140/2013, Article 28. <sup>3)</sup> Act No. 143/2012, Article 5. <sup>4)</sup> Act No. 74/2008, Article 16. <sup>5)</sup> Act No. 162/2010, Article 22. <sup>6)</sup> Regulation No. 1218/2008, cf. 573/2011 and 1213/2014. <sup>7)</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 [from the day that stillbirth happens]<sup>1)</sup> 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 [from the day that miscarriage happens].<sup>1)</sup>

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.

<sup>1)</sup> Act No. 136/2011, Article 9.

## 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.]<sup>1)</sup>

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.*

[Parents' joint right to maternity/paternity grant may be extended by up to seven months in the event of the child's being seriously ill or seriously disabled in a way that demands more intensive parental care than is usual. The reasons for an extension of maternity/paternity grant shall be substantiated by a certificate from a medical specialist. The Directorate of Labour shall assess whether the extension of maternity/paternity grant is necessary, and may request the opinion of a second medical specialist in the course of making the assessment.]<sup>1)</sup>

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 [providing that, during her reception of maternity grant, she has been unable, in the opinion of a medical specialist, of caring for the child due to her illness].<sup>2)</sup>

The need for the extension of a maternity/paternity grant under the first, second and third paragraphs<sup>3)</sup> shall be established by a [medical specialist].<sup>4)</sup> [The Directorate of Labour may request comments from another [medical specialist]<sup>4)</sup> as to whether the extension of maternity/paternity leave under this paragraph is necessary. Appeals may be lodged with [the Welfare Appeals Committee]<sup>5)</sup> (cf. Article 5) against refusals by the Directorate of Labour to grant extensions of maternity/paternity leave.]<sup>6)</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 [under the first, second and third paragraphs<sup>3)</sup>] shall be reduced accordingly.

<sup>1)</sup> Act No. 143/2012, Article 6. <sup>2)</sup> Act No. 136/2011, Article 10. <sup>3)</sup> Now the first and second paragraphs. <sup>4)</sup> Act No. 74/2008, Article 18. <sup>5)</sup> Act No. 85/2015, Article 13. <sup>6)</sup> Act No. 155/2006, Article 6.

## Article 23 *Applications to [the Directorate of Labour].<sup>1)</sup>*

A parent (cf. the second paragraph 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 parents' joint right to maternity/paternity grant]<sup>2)</sup> 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>3)</sup> The same shall apply even though one of the parents is active in the labour market (cf. the first paragraph of Article 1).

The Minister may issue a regulation<sup>4)</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. 136/2011, Article 11. <sup>3)</sup> Act No. 65/2006, Article 35. <sup>4)</sup> Regulation No. 1218/2008.

## SECTION VII

### Parental leave.

#### Article 24

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

Parent (*cf.* the first paragraph of Article 1) shall be entitled to parental leave for [four months]<sup>1)</sup> 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>2)</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. 136/2011, Article 12, *cf.* also Article 16 of the same Act. <sup>2)</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 [four months]<sup>1)</sup> in each 12-month period without the special approval of the employer.

<sup>1)</sup> Act No. 136/2011, Article 12, *cf.* also Article 16 of the same Act.

#### 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. [This shall apply irrespective of whether the employee was engaged on a permanent or a temporary basis.]<sup>1)</sup>

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.

<sup>1)</sup> Act No. 136/2011, Article 13.

#### 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.* the second paragraph 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 the first paragraph 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.* the first paragraph 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.* the second paragraph of Article 1) to the payment of maternity/paternity grants.

In cases under the first paragraph, the natural parents (*cf.* the first paragraph of Article 1) shall have the joint right to a two-months maternity/paternity leave after the birth of a child. Also, parents (*cf.* the second paragraph 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 the third paragraph, 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, who receives payments from Unemployment Insurance Fund under the Unemployment Insurance Act, may not during the same period exercise his/her right to maternity/paternity grant, to payments from the Maternity/Paternity Leave Fund or to parental leave under this Act.

A parent, who receives *per diem* payments for accident injury under the act on [occupational injury insurance from social security],<sup>1)</sup> *per diem* payments for illness under the Act on Health Insurance or rehabilitation pension under the Social Assistance Act, may not during the same period exercise his/her right to maternity/paternity grant or to payments from the Maternity/Paternity Leave Fund under this Act.

A parent, who receives payments under Act on Payments to Parents of Chronically Ill or Severely Disabled Children, may not during the same period exercise his/her right to maternity/paternity grant or to payments from the Maternity/Paternity Leave Fund under this Act.

A parent, who receives holiday allowance or payments due to termination of employment, may not exercise his/her right to maternity/paternity grant or to payments from the Maternity/Paternity Leave Fund under this Act, during the period covered by those payments.]<sup>1)</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. 88/2015, Article 25. <sup>2)</sup> Act No. 136/2011, Article 14.

### [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]<sup>1)</sup> may issue regulations<sup>2)</sup> on the further application of this Act.

<sup>1)</sup> Act No. 162/2010, Article 22. <sup>2)</sup> Regulation No. 1218/2008, *cf.* 632/2009, 573/2011 and 1213/2014. Regulation No. 442/2012. Regulation No. 860/2012. Regulation No. 617/2013. Regulation No. 1098/2013.

**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.**  
Articles 37 and 38

...

**[Temporary Provisions.**

...<sup>1)2)</sup>

<sup>1)</sup> Act No. 140/2013, Article 29. <sup>2)</sup> Act No. 143/2012, Article 7.

*[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.]*