

Agreement

between

Federation of General and Special Workers in Iceland

and

The Farmers Association of Iceland

**regarding wages and terms of employment for employees engaged in general farm
work on farms**



Starfsgreinasamband Íslands

Valid 1 May 2008 till 30 November 2010

Agreement between Federation of General and Special Workers in Iceland and The Farmers Association of Iceland regarding wages and terms of employment for employees engaged in general farm work on farms according to Article 1 of the agreement

Article 1 Scope of agreement

This agreement covers employees performing general farm work on farms, see appendix I. In addition, home help is covered by this agreement. This agreement does not cover employees working in tourism or in other activities not covered by the above definition. Employees working to a limited extent in tourism may however be covered by this agreement on condition that this has been agreed by the appropriate union.

The collective agreement between the Confederation of Icelandic Employers (SA) and the Federation of General and Special Workers in Iceland (SGS) concerning the work of employees in catering and accommodation and analogous services shall apply for farm vacation operators.

Article 2 Wages

Wages shall follow grade 10 in the wages table from the Confederation of Icelandic Employers and the Federation of General and Special Workers in Iceland.

When calculating the length of service for wage purposes, having reached the age of 22 shall be considered equivalent to one year's service. When determining a position in a wages table, years of service shall also be used to increase wages.

	Start	1 year	3 years	5 years	7 years
Grade 10	152,711	154,500	156,316	158,159	160,030
Day rate	881,04	891,36	901,84	912,47	923,27
Overtime	1585,90	1604,48	1623,34	1642,48	1661,91
Major public holiday rate	2099,78	2124,38	2149,35	2174,69	2200,411

These pay rates are for the day rate.

Active working hours per week at the day rate shall be 37 hours and 5 minutes and the work shall be organised as follows:

- a) 07:55 – 17:00 Mondays to Fridays.
- b) 07:30 – 16:35 Mondays to Fridays.

Overtime according to the agreement begins when the agreed day hours are completed, 7 hrs and 25 minutes of active work in the periods defined above. Overtime rates are paid for work on Saturdays, Sundays and other official holidays covered by the agreement. Work in excess of 173.33 day hours per month shall be

paid at the overtime rate. Work on major public holidays as defined in the collective agreement between SGS and SA shall be paid at the major public vacation rate.

It is permitted to arrange day hours in another manner, see Chapter 5 of company participation in the main collective agreement between SGS and SA, if the employer and employee come to an agreement on the arrangement. But the day working hours for any employee shall be continuous each day and shall never commence before 07:00.

In particular cases it is permitted to agree on breaking the working day into parts if the organisation of farm activities so requires, see paragraph 2 of Article 12. In such cases, the day hours shall not commence before 07:00 and shall not extend beyond 19:00. Day hours may not exceed 7 hours 25 minutes (active working hours) during this period.

The commencement of day work for each employee shall be specified in his contract of employment and shall not be changed without it being revoked or without an agreement.

Age steps for young workers under 18 years of age are calculated on the basis of the year of birth.

The young workers' basic pay shall be as follows:

17 years ISK 145,075 per month, or 95% of the starting rate.

16 years ISK 137,440 per month, or 90% of the starting rate.

15 years ISK 114,533 per month, or 75% of the starting rate.

14 years ISK 99,262 per month, or 65% of the starting rate.

Article 3 December- and vacation supplements

The December supplement for each calendar year is:

In 2008 ISK 44,100.

In 2009 ISK 45.600.

In 2010 ISK 46.800.

The vacation supplement for each vacation year (1 May – 30 April) on the basis of fulltime employment is:

In the vacation year commencing 1 May 2008 the vacation supplement will be ISK 24,300.

In the vacation year commencing 1 May 2009 the vacation supplement will be ISK 25,200.

In the vacation year commencing 1 May 2010 the vacation supplement will be ISK 25,800.

It is however permitted to pay the December and vacation supplements continuously should the employee so request, and given that it is specified in his contract of employment. In addition to monthly wages a proportion of the December and vacation supplements shall be paid, calculated on full time work of 173.33 hours per month.

In 2008 ISK 38.00 per hour.

In 2009 ISK 39.33 per hour.

In 2010 ISK 40.33 per hour.

On termination of employment the accumulated December and vacation supplements shall be paid.

For other issues relating to December and vacation supplements, reference is made to the collective agreement between SGS and SA.

Article 4 Wage increases

Wages shall increase in a similar manner as prescribed in the main collective agreement between SGS and SA. On May 1 the wages table increases by ISK 13,500 and again on 1 January 2010 by ISK 6,500.

For other issues reference is made to the articles in the collective agreement between SGS and SA that deal with wages development insurance and wage changes.

Article 5 Vacations

The minimum shall be 24 working days for fulltime employment on an annual basis. vacation pay shall be 10.17% of all wages, for both day hours and overtime.

An employee who has worked for 5 years in the same company or 10 years in the same work shall have the right to 24 working days vacation and vacation pay of 10.64%. In the same way workers who have worked for 10 years in the same company gain the right to 29 working days vacation and vacation pay of 12.55% (these rights take effect 1 May 2008 such that a higher vacation pay percentage is paid from that time and the day is part of the vacation year that commences on 1 May 2008). On 1 May 2010 the right is lengthened after 10 years' employment in the same company to 30 days and the vacation pay will be 13.04%.

For other issues regarding vacations reference is made to the main collective agreement between SGS and SA.

Article 6 Farm manager/deputy work

If an employee is given responsibility for managing farm operations a special agreement shall be made with him regarding wages and terms.

Should an employee stand in for a superior on a temporary basis an agreement shall be made with him on extra pay for increased responsibility. This applies e.g. to deputising e.g. in the case of vacation or illness of a superior.

Article 7 Young workers using work vehicles or machinery

The employer assures that young workers will only be allocated tasks for which they have age, competence and rights to perform. He shall acquaint young workers with the health and accident risks that may follow the tasks and shall ensure that the employees receive the necessary instruction and training that enable him to perform his tasks without risk to his health and safety”

Young workers shall have attended courses in treatment and operation of the work machinery they are required to work with. For work of children and young people see regulation no. 426/1999.

Article 8 Vacations

An employee has a right to 8 free days per month, of which at least 2 are at weekends. For other related issues reference is made to the laws and regulations governing rest periods for employees.

Article 9 Food and board

As a rule, staff shall be housed in single rooms. Rooms shall be sufficiently large, lockable, with good ventilation and well heated. Each room shall have, in addition to general equipment, a reading light above the bed and opaque curtains. Each employee shall have a lockable cupboard/locker for clothes and other personal effects, access to bath/shower and toilet facilities, a place to keep protective clothing and facilities for drying working clothes. The accommodation building shall have been accepted by the building authorities as residential.

The accommodation shall be constructed and maintained, cleaned and tidied such that those who dwell in it will not suffer damage to their health or discomfort, see also laws no. 7/1998, on health practices and pollution control with subsequent amendments and regulation no. 941/2002 on health practices.

Should an employee have food, lodging and services at the farm in question, an agreement on this shall be included in his contract of employment and this cost shall be deducted from his net wages. The same rule applies where an employee or home help has a child/children with him at the farm in question, 12 years of age or younger.

The maximum fee for this service shall be published with in the wages table at any given time, see appendix II.

Article 10 Vocational training

The parties agree on the importance of increasing the vocational training of those employees covered by this agreement. Each party will nominate two members to a committee that will see to the implementation of this Article. The employer shall pay 0.2% of their employees’ wages as a vocational training fee to Landsmennt, which is the vocational training programme for workers and employers in the country areas, or to Starfsafl, which is the vocational training programme for The Confederation of

Icelandic Employers (SA) and the Trade Union Organisation of unskilled labour in Reykjavík area (Flóabandalagið).

Article 11 Equipment and security at the workplace

The employer shall provide employees with work clothes and footwear as required and as appropriate for the work in question.

Regarding safety equipment, equipment and health issues reference is made to chapter 7 of the collective agreement between SGS and SA, to the laws on equipment and health and safety in the workplace and to the regulations and rules based on these laws.

Article 12 Contract of employment

A written contract of employment shall be made with all employees who are employed according to this agreement, within one month from their being hired, where the duration of their employment is greater than one month. Changes to terms of employment shall be endorsed in the same manner.

The contract of employment shall state if a special agreement has been made on hours of work, see 2. Article 2. The contract of employment shall state if it is part time employment or if the organisation of the farm work requires that an agreement be reached on splitting the working day. The December and vacation supplements shall be paid in accordance with the employee's percentage employment. Where an agreement is made on splitting the working day, this does not limit the employee's rights to the December and vacation supplements.

For other issues regarding the contract of employment reference is made to the main collective agreement between SGS and SA.

Article 13 Rehabilitation fund

The employer commits to paying special 0.13% wages related fee, rehabilitation fee, of the same principal as for pension contributions, from 1 June 2008. In other respects reference is made to declarations of SA and ASÍ regarding the Rehabilitation fund from 17 February 2008.

Article 14 Disputes

Should a dispute arise regarding a matter in this agreement, it shall be referred to the Farmers Association of Iceland and to the Federation of General and Special Workers in Iceland for solution.

Article 15 Other matters

The provisions of the main collective agreement between SGS and SA shall apply with regards to rights and obligations of employers and employees for matters other than those prescribed in this agreement.

Article 16 Period of Validity

This agreement is valid from 1 May 2008 until 30 November 2010 and is then void without any requirement for notice of termination.

Should the main collective agreement between SGS and SA terminate during this period, see conditions of agreement according to Article 21 of the collective agreement between SGS and SA dated 17 February 2008, then this agreement terminates automatically.

Reykjavík, 28 May 2008.

**p.p. Federation of General and Special Workers in Iceland
With standard reservations**

**p.p. The Farmers Association of Iceland
With standard reservations**

Appendix I

The term farming covers the rearing of any kind of farm animals, arable farming, forestry, nursery gardening and greenhouse production. The following activities are also covered, should they take place on a registered farm: rearing or catching freshwater fish, the use of natural resources (benefits), production and service.

Appendix II

The parties to the above agreement agree that the maximum fee for full board for the duration of the agreement be as follows:

18 and older	Food and board	1,739 ISK/day
16 – 17 years	Food and board	1,348 ISK/day
15 years	Food and board	1,145 ISK/day
14 years	Food and board	1,077 ISK/day

Maximum deduction for child accompanying house help/employee 1 – 13 years:

One child	Food and board	607 ISK/day
Two children	Food and board	995 ISK/day
Three children	Food and board	1,372 ISK/day