



# Workers from the EEA-area - for workers and employers to take into consideration



**Citizens from the following countries have the right to work in Iceland and do not need neither residence- or work permit:**

Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Greece, Holland, Ireland, Italy, Croatia, Cyprus, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, Portugal, Poland, Romania, Spain, Slovakia, Slovenia, United Kingdom, Sweden, Czech Republic, Hungary, Germany, Switzerland and the Faroe Islands.

**EQUAL  
RIGHTS**  
- NO EXCEPTIONS!

## **Registration**

EES citizens must register their domicile in Iceland if they intend to work here longer than 3 months or look for a job longer than 6 months.

Longer stay without registration of domicile is prohibited and can lead to deportation.

Domicile should be registered within 7 days from entering the country or as soon as the individual meets the conditions e.g. within a week from signing a contract of employment, but never later than 6 months after first entering the country.

Individuals must apply for registration of domicile and permanent ID number in person and must have proof of employment (i.e. signed contract) or other means of support. Rights, such as to health insurance are based on this registration.

Employers can apply for a temporary ID number for their employees in order to pay salaries and income taxes. However, temporary ID does not provide the individual with any rights. Therefore, it is important that employers encourage their employees to register their domicile as stated above. For further information: [www.skra.is](http://www.skra.is)

## **Healthcare insurance**

Foreign citizens who are resident in Iceland and have been so for six months (counting from the day of registration) are covered by public health care in Iceland. EEA citizens are covered as soon as they register their domicile and submit an E-104 certificate from their home country. It is also recommended that EEA citizens carry their European health insurance card while they await registration. For further information [www.sjukra.is](http://www.sjukra.is)

## **Employment contract**

It is important to sign an employment contract with foreign workers as soon as possible so they can apply for an ID number and registration of domicile. Employers are required to sign a written contract with their employee no later than within two months from their recruitment.

Employment contracts in Icelandic and English can be accessed from The Directorate of Labour: <https://vinnumalastofnun.is/media/1603/radningasamningur2015.pdf>



## Personal tax credit

Employees of foreign companies have tax liabilities in Iceland for all work carried out in the country. This is the main rule unless the company has an accepted exemption from the Directorate of Internal Revenue (RSK).

Personal tax credit is a tax deduction for employees to lower the tax withdrawn from their salaries. The personal tax credit is 51.920 ISK per month in the year 2016. Foreign workers are entitled to personal tax credit in accordance with their time of residence in Iceland. In order to have the correct amount of tax deducted, employees must inform their employers whether or not they wish to use their personal tax credit. Without permission from the employer the employer must deduct full tax from the salary, without any tax credit. Those who receive payments from more than one employer can divide their personal tax credit between the employers to enjoy their full deduction. Information regarding one's own personal tax credit can be seen at RSK's users' login at [www.skattur.is](http://www.skattur.is).

It is very important that those who work in Iceland temporarily file a tax return to the tax authorities no later than one week before leaving the country. The tax form is accessible in English, Polish, Russian and Spanish on [www.rsk.is](http://www.rsk.is) and can be submitted electronically.

## Wages and other wage terms

Icelandic collective agreements, laws and rules apply equally to foreign and native workers in Iceland. Information on the current collective agreement, rights and obligations on the labour market can be accessed on ASI's homepage [www.asi.is](http://www.asi.is) and at the relevant trade union.

## Qualification and work experience

Qualification and work experience obtained in another country within the European Economic Area is fully valid and should be taken into consideration when salaries are determined.

According to the law on craftsmanship nr. 42/1978 it is prohibited to work in a certified trade in Iceland without having been issued a license. Foreign workers that intend to work in a certified trade need to obtain a verification of their education and qualification in Iceland

## Recognition of foreign vocational training

Application should be sent to Iðann ([www.idan.is](http://www.idan.is)) in case of a craftsmanship. But to Fræðsluskrifstofu rafiðnaðarins ([www.rafnam.is](http://www.rafnam.is)) in case of electrical trades. These institutions then submit the application to Menntamálastofnun ([www.mms.is](http://www.mms.is)) which in turn issues the recognition of foreign vocational training. Landlæknir administers recognition of qualification in the healthcare sector and the ENIC / NARIC office handles academic qualification. For further information <http://europass.is/vidurkenning-a-erlendri-starfsmenntun/>

## The U1 certificate

The U1 certificate which confirms periods of employment in Iceland is issued by The Directorate of Labour. The certificate confirms enhanced rights to unemployment benefits in the workers home country, due to work carried out in Iceland. The certificate can be accessed at: [www.vinnumalastofnun.is/eydublöð](http://www.vinnumalastofnun.is/eydublöð)

## Workplace ID cards

Most workers are obliged to carry Workplace ID card. Except workers in fish industry and service workers in petrol stations. For further information see: [www.skirteini.is](http://www.skirteini.is)

## Posted workers and Temporary Work Agencies

Direct employment is the main principle on the Icelandic labour market.

### Posted workers

Foreign companies that post workers temporarily in Iceland and intend to provide services here for a total of more than 10 days, are obliged to provide the Directorate of Labour with information about their operation, i.e. a list of their employees as well as employment contracts. An Icelandic user undertaking that makes use of a foreign company's services is obliged to request a written confirmation that the service company has met its obligation to provide this information. Exemption from the obligation to provide the Directorate of Labour with the above stated information applies in cases involving services that consist of specialist assembly, installation, monitoring or repairs of equipment, which is not intended to take more than four weeks.

According to the law on posted workers (nr. 45/2007) employees of foreign contractors or service providers are entitled to salaries according to Icelandic collective agreement.

If a company provides services for more than 4 weeks, it shall have a representative in Iceland.

### Temporary-Work Agencies

Registration of temporary work agencies (TWA) should be submitted to the Directory of Labour from the start of the operation or business. If the TWA intends to provide services in Iceland for a total of more than ten days, they are obliged to provide the Directorate of Labour with a list of their employees, employment contracts along with name and ID number of the user undertaking. An Icelandic user undertaking that makes use of the services of a TWA must request a written confirmation that the TWA has provided this information. If a company provides a service for more than 10 days, it shall have a representative in Iceland.

Employees of temporary work agencies shall (according to law nr. 139/2005) have at least the same salaries and labour conditions as if they had been hired directly by the user company. They should also have the same access to any kind of equipment and joint facilities in the user undertaking. It is prohibited to limit employees' right to take up employment with the user undertaker.

For further information: <https://vinnumalastofnun.is/en/foreign-workers/foreign-service-companies-and-temporary-work-agencies>