

*This is a translation of the authoritative Icelandic text. In the event of any discrepancies between the translation and the original Icelandic text, the original text shall prevail.*

# Government Employees Act

No. 70/1996

[Translation 30.08.2022]

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**Entered into force 1 July 1996.** As amended by: [Act No. 150/1996](#), [Act No. 15/1998](#), [Act No. 23/1999](#), [Act No. 155/2000](#), [Act No. 93/2002](#), [Act No. 96/2002](#), [Act No. 72/2003](#), [Act No. 76/2005](#), [Act No. 46/2006](#), [Act No. 47/2006](#), [Act No. 108/2006](#), [Act No. 88/2008](#), [Act No. 136/2009](#), [Act No. 86/2010](#), [Act No. 126/2011](#), [Act No. 82/2015](#), [Act No. 85/2015](#), [Act No. 61/2016](#), [Act No. 130/2016](#), [Act No. 37/2017](#), [Act No. 95/2017](#), [Act No. 15/2019](#), [Act No. 71/2019](#), [Act No. 79/2019](#), [Act No. 141/2019](#), [Act No. 150/2020](#), [Act No. 29/2021](#), [Act No. 69/2021](#), [Act No. 80/2021](#).

Where mention is made in this Act of ‘the Minister’ or ‘the Ministry’ without further specification or reference to the portfolio involved, this shall be understood to mean the Minister of Finance and Economic Affairs or the Ministry of Finance and Economic Affairs, which administers this Act. Information on ministerial portfolios as determined by presidential decree is available [here](#).

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## Part I

### General Provisions

#### Chapter I

##### Scope

##### ■ Article 1

- This Act shall apply to any person appointed, appointed in an acting capacity, or hired into the service of the government for a period exceeding one month, irrespective of trade union membership, as long as the job is deemed to be the person’s main occupation.
- The provisions of Part II of this Act shall, however, apply only to civil servants, cf. Article 22, and the provisions of Part III shall apply only to other government employees.
- Unless otherwise stated, the term “job” shall apply to any job in government service to which this Act applies, whereas the term “post” shall apply only to civil service posts to which persons are appointed, cf. Article 22.

##### ■ Article 2

- This Act does not apply to the President of Iceland, to Ministers of the Icelandic Government or Members of the Althingi. As applicable, the Act applies to Justices of the Supreme Court, [judges of the Court of Appeals] <sup>1)</sup> and district court judges.
- This Act does not apply to the following employees:
  1. employees of limited liability companies or other types of companies or societies governed by civil law, even if fully owned by the government.
  2. employees of entities partially or fully owned by parties other than the government, including non-profit institutions, even when their operation is fully financed by government appropriations.

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<sup>1)</sup> [Act No. 117/2016, Article 12.](#)

### ■ Article 3

Special statutory provisions which state otherwise regarding the rights and duties of individual groups of employees shall remain in force.

### ■ Article 4

Any dispute as to the scope of this Act shall be resolved by [the Minister]. <sup>1)</sup> Any employee or other interested party unwilling to abide by the Minister's decision may refer the matter to the courts.

<sup>1)</sup> [Act No. 126/2011, Article 224.](#)

## Chapter II

### Appointment and hiring

### ■ Article 5

Which governmental authority makes a staff appointment shall be governed by statutory provisions.

Absent such a statutory prescription, the Minister under whose administrative authority an agency falls shall appoint that agency's head and, where applicable, other civil servants at the agency, whereas other staff at the agency shall be hired by its head.

### ■ Article 6

To qualify to be appointed or hired, the general requirements are as follows:

1. Having attained eighteen years of age. Exceptions from this minimum age may be made for employment under study contracts, for cleaning jobs, messenger jobs or similar jobs. Any specific statutory provisions setting other age limits shall remain in force.
2. Legal capacity. Nonetheless, this requirement for legal capacity shall not apply when an exception is made under Point 1 above.
3. Being of sound mind and body as needed to perform the work at hand at any given time.
4. ... <sup>1)</sup>
5. A general education and, in addition, any specific training statutorily required or demanded by the nature of the job so that its duties can be flawlessly discharged.
6. Capacity to manage one's own financial affairs if the job involves handling finances, such as the work of cashiers or collections agents, or if statutorily required or where special reasons for such a requirement are deemed to exist.

Any job applicant who has been sentenced for a criminal offence such as is referred to in Paragraph 1, Article 68 of the Penal Code shall be deemed ineligible for employment.

[Women, men, and persons whose gender is registered as neutral in Registers Iceland shall have an equal right to public employment at equal pay for equivalent work.

In advertising or publishing an advertisement for a vacant position, any suggestion that an one gender is preferred over another for the position is prohibited. The provision of the first sentence shall not apply if the advertiser's aim is to promote a more equal representation of women and men within an occupational sector, in which case this aim shall be stated in the

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advertisement. The same shall apply if valid reasons exist for advertising for a person of a specific gender only.]<sup>2)</sup>

<sup>1)</sup>[Act No. 15/2019, Article 1.](#) <sup>2)</sup>[Act No. 150/2020, Article 35.](#)

## ■ Article 7

Vacant civil service posts shall be advertised in the Legal Gazette (*Lögbirtingablað*), and the deadline for applications shall be no sooner than two weeks from the date of publication. It shall, however, be permissible to make an appointment or an acting appointment to a post pursuant to Paragraph 2, Article 23, [or to make an acting appointment by reason of absence pursuant to the first sentence of Article 24]<sup>1)</sup>, or to transfer a person between posts pursuant to Article 36, without advertising the post as a vacancy open for application.

[The temporary or permanent transfer of an employee hired on an indefinite basis between governmental authorities may be decided upon without advertising a vacancy open for application, provided that the consent of the governmental authority concerned and that of the employee have been obtained.]<sup>2)</sup>

Other jobs shall be publicly advertised in accordance with rules <sup>3)</sup> to be issued by [the Minister].<sup>4)</sup> The head of an agency may issue special rules for the advertising of vacancies at the agency, as long as such rules are made public and are approved by [the Minister].<sup>4)</sup> Rules pursuant to this Paragraph may provide that vacancies requiring no particular specialisation or specific training need not be advertised publicly.

Public access to information on the names and occupation of applicants is obligatory once the deadline for application has passed.

<sup>1)</sup>[Act No. 150/1996, Article 7.](#) <sup>2)</sup>[Act No. 82/2015, Article 10.](#) <sup>3)</sup> *Regulation 1000/2019.* <sup>4)</sup>[Act No. 126/2011, Article 224.](#)

## Chapter III

### Rights

## ■ Article 8

Information on their terms of appointment shall be provided to employees when they are appointed or hired. [The Minister]<sup>1)</sup> shall issue more specific rules<sup>2)</sup> on the implementation of this provision.

Anyone who appoints or hires staff may issue to the employee a terms of reference document; such instructions shall in all cases be issued to an employee upon request, whether these apply to the job in general or to a particular aspect or aspects of it.

<sup>1)</sup>[Act No. 126/2011, 224.](#) <sup>2)</sup> *Regulatory Act No. 351/1996. Regulatory Act No. 413/1996.*

## ■ Article 9

Employees shall be entitled to pay for their work in accordance with [any special legal provisions],<sup>1)</sup> cf. Article 39, [in accordance with decisions made by the Minister, the Minister concerned, the Speakers' Committee or the Board concerned, cf. Article 39 a, unless otherwise provided by law],<sup>2)</sup> or in accordance with collective bargaining agreements, cf. Article 47.

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Salary supplemental to the basic pay contracted in accordance with Paragraph 1 may be awarded by the decision of agency heads to individual employees, [other than to civil servants or persons [whose pay is [determined by special legal provisions]<sup>1)</sup> or whose pay is decided<sup>3)</sup> by [the Minister, the Minister concerned, the Speakers' Committee or the Board concerned]<sup>2)</sup>], for a particular competency relevant to the job, for a special work load, or for job performance. Such decisions may be changed at any time. Employees have the right to resign by reason of such a change, provided that they inform the agency head of their decision within one month of the date when they were notified of the change. Should such a change disfavour an employee, it shall not take effect until the employee's period of notice has expired, cf. Article 46.

Decisions made by heads of agencies pursuant to Paragraph 2 shall be made in accordance with rules issued by [the Minister];<sup>4)</sup> such rules shall, among other things, provide that [staff of different genders]<sup>5)</sup> shall have equal opportunity to receive supplemental salary. [The Minister]<sup>4)</sup> shall supervise the implementation of these rules. On the Minister's own initiative, the Minister may, among other things, change any supplemental salary decisions that are at variance with these rules, and may withdraw the authority of individual heads of agencies to award supplemental salaries to staff should agency operational expenditure or financial performance fail to conform with the national budget.

<sup>1)</sup>[Act No. 79/2019, Article 21.](#) <sup>2)</sup>[Act No. 130/2016, Article 8.](#) <sup>3)</sup>[Act No. 150/1996, Article 8.](#) <sup>4)</sup>[Act No. 126/2011, 224.](#) <sup>5)</sup>[Act No. 150/2020, Article 35.](#)

## ■ Article 10

Base salaries shall be paid on the first working day of the following month. The term "base salary" in this Act means basic pay for day-time work, excluding any supplemental salary awarded pursuant to Paragraph 2, Article 9.

Persons whose employment begins after the first day of the month shall receive salary in direct proportion with the number of days remaining in that month.

## ■ Article 11

Employees shall be entitled to annual leave as prescribed by law and, where applicable, as decided or contracted in the same manner as pay, cf. Paragraph 1 of Article 9.

The head of an agency decides in consultation with employees when they are to take annual leave.

Employees are obligated to take annual leave.

## ■ Article 12

Employees shall be entitled to pay during sick leave and maternity/paternity leave as prescribed by law and, where applicable, as decided or contracted in the same manner as salaries, cf. Paragraph 1, Article 9.

## ■ Article 13

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Employees shall have a right to flexible working hours. The head of an agency should accede to the wishes of employees in this respect as far as possible, cf. Paragraph 1 of Article 17, provided that this does not impair the agency's services to the public.

If the head of an agency rejects the request of an employee under Paragraph 1, this decision may be referred to the Minister concerned.

#### ■[Article 13a

An employee may not be made to suffer for disclosing to the appropriate entities any infringements of law or codes of conduct of which the employee has become aware through work.]<sup>1)</sup>

<sup>1)</sup>[Act No. 86/2010, Article 4.](#)

## Chapter IV

### Duties

#### ■Article 14

Employees are obliged to conduct their work with diligence and care in every respect. In their work, they shall take care to show tact, approachability, and fairness. Whether at work or outside the workplace, employees shall avoid any activity that redounds to their discredit or harms their reputation, or may reflect unfavourably on their work or occupation.

Employees are obliged to render to persons who turn to them any needed assistance and guidance, including, where applicable, by indicating where such persons should turn with their requests or communications.

#### ■Article 15

Employees are obliged to comply with lawful orders given by their superiors concerning their work.

[[The Minister]<sup>1)</sup> shall approve a general code of conduct<sup>2)</sup> for government staff. Should the heads of agencies, other than ministries, choose to elaborate on the code more specifically, they must consult the employees affected and their associations. Codes of conduct shall be officially published in an accessible manner.

The Speaker of the Althingi shall approve the code of conduct for Althingi employees and its agencies.

[The Judicial Administration]<sup>3)</sup> shall approve the code of conduct for court employees.]<sup>4)</sup>

<sup>1)</sup>[Act No. 126/2011, Article 224.](#) <sup>2)</sup>[Code of Conduct. 491/2013.](#) <sup>3)</sup>[Act No. 117/2016, Article 13.](#) <sup>4)</sup>[Act No. 86/2010, Article 5.](#)

#### ■Article 16

Employees shall arrive for work punctually, whether in the morning or after a break. A time registration system may be established for the purpose of recording the time when employees arrive for work.

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An employee who has been absent from work without a valid reason shall be subject to docking of pay by up to double the time of the employee's absence from work.

### ■ Article 17

The head of an agency shall set the work hours of its employees within the limits prescribed by law or collective bargaining agreements.

Employees are obliged to work overtime as deemed necessary by the head of their agency. Nonetheless, no employees, apart from those engaged in policework or other security services, shall be obliged to work more overtime each week than one-fifth of their legally prescribed weekly work-hours.

### ■ Article 18

Every employee shall be bound by confidentiality in accordance with Chapter X of the Administrative Procedures Act.<sup>1)</sup>

<sup>1)</sup>[Act No. 71/2019, Article 5.](#)

### ■ Article 19

Employees are obliged to accept changes in the nature or scope of their work over the time since the time their employment began. An employee may choose to resign by cause of such changes, as long as the employee informs the Minister or the agency head within one month from the time the employee was notified of the changes. If such changes entail reduced **rights or remuneration**, the employee's rights and remuneration shall remain unchanged throughout the remainder of the employee's term of appointment, or for a period equal to the remainder of the employee's contractual notice period, cf. Article 46.

### ■ Article 20

Any employee who plans, concurrently with their job, to take up a paid job in the service of another entity, to join the board of an enterprise, or to establish an enterprise, has a duty to first inform the governmental authority that provided them with their job. Within two weeks, the employee shall be informed as to whether the planned activity is deemed incompatible with their job and may not be undertaken. Such a prohibition may be referred to the Minister concerned.

An employee may rightfully be prohibited from engaging in activity of the type described in Paragraph 1 if its incompatibility with the employee's government service is subsequently demonstrated.

### ■ Article 21

An employee who has shown unpunctuality or other negligence in the discharge of their work duties, has demonstrated insubordination against a superior's lawful instruction to do or refrain from doing something, has shown a lack of job proficiency or carefulness, whose work has failed to produce adequate results, who has been inebriated at work, or whose comportment or conduct within or outside the workplace is otherwise deemed unseemly, improper or

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incompatible with the job shall be given a written reprimand by the head of the agency. If possible, the employee shall, however, first be given the opportunity to be heard.

## **Part II**

### **Provisions specific to civil servants**

#### **Chapter V**

##### **Appointment or acting appointment to civil service posts**

###### **■ Article 22**

Under the present Act, only the following government employees shall be deemed to be civil servants:

1. The Secretary General of the Althingi, the Auditor General, and the Althingi Ombudsman.
2. The Chief of Staff to the President of Iceland, Permanent Secretaries and Directors-General in the [Government Offices of Iceland, and Ambassadors]<sup>1)</sup> in the Foreign Service.
3. [Justices of the Supreme Court, the Secretary to the Supreme Court, judges of the Court of Appeals, the Secretary to the Court of Appeals, district court judges, and the Director of the Judicial Administration.]<sup>2)</sup>
4. [...]<sup>3)</sup>
5. The Director of Public Prosecutions, the Deputy Director of Public Prosecutions, and prosecutors.
6. The Attorney General, the State Conciliation and Mediation Officer, and the Ombudsman for Children.
7. [District Commissioners, the National Police Commissioner, [deputy national police commissioners, police commissioners and deputy police commissioners],<sup>4)</sup> ...<sup>5)</sup> [the Director of the Directorate of Immigration]<sup>6)</sup> and police officers.]<sup>7)</sup>
8. [[The Director General of Customs]<sup>8)</sup> and customs officers.]<sup>9)</sup>
9. [The Director General of the Prison and Probation Administration, prison directors and prison officers.]<sup>7)</sup>
10. [The Director of Internal Revenue, [the Director of Tax Investigations]<sup>10)</sup> and full-time members of the Internal Revenue Board.]<sup>11)</sup>
11. [Full-time members of independent complaints boards.]<sup>11)</sup>
12. [The Chief Veterinary Officer.]<sup>12)</sup>
13. Heads of state agencies and state enterprises not listed above.]<sup>7)</sup>
14. [Full-time members of the Welfare Appeals Committee.]<sup>13)</sup>

[The Minister]<sup>14)</sup> shall determine which employees fall under [Point 13, Paragraph 1 of this Article],<sup>7)</sup> and shall no later than 1 February each year publish a list of such civil servants in the Legal Gazette.

<sup>1)</sup>[Act No. 130/2016, Article 8.](#) <sup>2)</sup>[Act No. 117/2016, Article 14.](#) <sup>3)</sup>[Act No. 153/2019, Article 20.](#) <sup>4)</sup>[Act No. 46/2006, Article 10.](#) <sup>5)</sup>[Act No. 61/2016, Article 6.](#) <sup>6)</sup>[Act No. 96/2002, Article 59.](#) <sup>7)</sup>[Act No. 150/1996, Article 9.](#) <sup>8)</sup>[Act No. 141/2019, Article 58.](#) <sup>9)</sup>[Act No. 155/2000, Article 23.](#) <sup>10)</sup>[Act No. 29/2021, Article 39.](#) <sup>11)</sup>[Act No. 136/2009, Article 83.](#) <sup>12)</sup>[Act No. 76/2005, Article 53.](#) <sup>13)</sup>[Act No. 85/2015, Article 13.](#) <sup>14)</sup>[Act No. 126/2011, Article 224.](#)

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### ■ Article 23

Civil servants shall be appointed for a limited term, for five years at a time, unless otherwise statutorily provided.

Persons who were appointed to a post pursuant to Paragraph 1 shall be notified no later than six months before the expiration of their term of appointment as to whether their post is to be advertised as a vacancy open for application. Failing this, their term of appointment to the post shall be automatically extended by five years, unless they request release from their posts in the manner provided for in Paragraph 1, Article 37.

### ■ Article 24

Upon the death, or the extended absence by cause of illness or other reasons, of the person appointed to a civil service post, the appointing authority may appoint another person to the post in an acting capacity, for up to one year. [For a trial period before appointment, furthermore, a person may be appointed to a post in an acting capacity, one year at a time, for up to two years.]<sup>1)</sup> As applicable, the acting appointee shall enjoy the rights and be subject to the obligations set out in Chapters VI and VII.

<sup>1)</sup>[Act No. 150/1996, Article 10.](#)

### ■ Article 25

Once appointed or given an acting appointment to a post, a person should be deemed to occupy the post until one of the following situations arises:

1. the person commits a breach of duty meriting dismissal;
2. the person no longer fulfils the requirements of Article 6;
3. the person is released from the post at their own request, cf. Article 37;
4. the person is released from the post by reason of ill-health, cf. Article 30;
5. the person has attained the maximum age, cf. Article 33;
6. the person's term of appointment pursuant to Article 23 has expired, unless the provision of Paragraph 2 applies;
7. the person's term of acting appointment pursuant to Article 24 has expired;
8. the person is transferred to another post, cf. Article 36;
9. the post is eliminated, cf. Article 34;
10. [a severance agreement is concluded with the person, cf. Article 39 c].<sup>1)</sup>

<sup>1)</sup>[Act No. 130/2016, Article 8.](#)

## Chapter VI

### Release from a civil service post

### ■ Article 26



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The governmental authority that appointed a person to a post may also suspend the person from duty.

A civil servant who has shown unpunctuality or other negligence in the discharge of their duties, has demonstrated insubordination against a superior's lawful instruction to do or refrain from doing something, has shown a lack of job proficiency or carefulness, whose work has failed to produce adequate results, cf. for instance Article 38, who has been inebriated at work, or whose comportment or conduct within or outside the workplace is otherwise deemed unseemly, improper or incompatible with the post occupied, may rightfully be suspended from duty.

A civil servant in charge of finances or accounting may be suspended from duty if there is reason to believe or if it is deemed certain that accounts or finances are in disorder, or if the civil servant has been subjected to bankruptcy proceedings or has sought composition with creditors. The same shall apply if a civil servant is suspected of conduct that would lead to a deprivation of rights pursuant to Article 68 of the Penal Code.

Suspension from duty shall in all cases be communicated in writing with stated causes. A civil servant who is suspended from duty for causes set out in Paragraph 2 must first be given a reprimand in accordance with Article 21 and be given the opportunity to amend their conduct. This apart, the civil servant need not be given an opportunity to be heard concerning the causes for the suspension before it takes effect.

At the civil servant's request, reasoning for the suspension shall be provided. If a governmental authority other than a minister has taken such a decision, it may be referred to the Minister concerned.

## ■ Article 27

Where a civil servant has been suspended for alleged misconduct in office, the case shall immediately be investigated by a committee of specialists so as to elucidate whether the person should be dismissed or should resume duty. The governmental authority or the employee may always refer the case to [police] <sup>1)</sup> investigation.

A committee that is to investigate the case of a civil servant in accordance with Paragraph 1 shall include three persons with specialised knowledge of public administration. [The Minister]<sup>2)</sup> shall appoint the committee; the chair and alternate chair for a term of four years. Other committee members shall serve on the committee case by case; one nominated by the Minister in charge and the other jointly by the confederations of government employees. If the confederations fail to agree on a nominee, the Minister shall appoint the committee member without nomination. The committee shall deliver a reasoned opinion as to whether the civil servant's suspension was rightful.

<sup>1)</sup>[Act No. 88/2008, Article 234.](#) <sup>2)</sup>[Act No. 126/2011, Article 224.](#)

## ■ Article 28

While suspended from duty, a civil servant shall receive half the base salary attendant upon their post. The civil servant shall retain any official housing or farm, provided that the assessed value of such perquisites is accounted for among the remuneration received.

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A civil servant who resumes duty following a suspension shall be held to have occupied the post without interruption, and shall receive such remuneration as had earlier been withheld pursuant to Paragraph 1.

#### ■ Article 29

A civil servant deprived of the right to occupy their post by a final court judgment shall be dismissed. Where a district court judgment has deprived a civil servant of this right, such a judgment shall specify whether the deprivation shall take effect immediately or be postponed until it becomes clear whether the case will be appealed to a higher court, or until a higher court's judgment has been handed down.

A civil servant shall be dismissed if the majority of a committee appointed pursuant to Article 27 reaches the conclusion that the civil servant was rightfully suspended from duty, unless the allegations of faults made against the civil servant have proved unfounded.

A civil servant who has confessed to punishable conduct as a result of which there would be reason to expect a deprivation of rights pursuant to Article 68 of the Penal Code shall furthermore be dismissed, without notice.

#### ■ Article 30

If a civil servant has been absent from work by reason of illness or accident for a consecutive period of one year or for a period equivalent to 1/18 of the civil servant's consecutive service with the government, should such a period exceed one year, the civil servant shall be granted release from their post by reason of ill-health. This shall not apply, however, if a physician certifies that a full recovery is likely within the next three months, provided that the civil servant will be released from the post at the end of that period if still unfit for work.

If a civil servant falls ill and a physician certifies that the civil servant's state of health is such that it is deemed unfeasible to let the civil servant work any longer, release from the civil servant's post may be granted by reason of ill-health upon the expiration of sick pay; such a decision may, however, be referred to the Minister concerned.

Civil servants released from their posts pursuant to this Article shall receive unchanged remuneration for three months. The same rule shall apply to payment to the surviving spouse of a deceased civil servant.

#### ■ Article 31

The governmental authority that appointed a person to a post may also grant release from the post unless statutory provisions specifically state otherwise. Release shall be granted in writing and the causes shall in all cases be stated, such as ill-health, particular faults, etc. The letter of release shall in all cases specify the date from which it takes effect and on which terms, such as terms relating to retirement pay, if such an entitlement exists, a pension, when a civil servant is to vacate lodgings, farm, etc., as applicable.

A civil servant who is to be dismissed shall, if possible, be given the opportunity to be heard before a decision is reached.

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### ■Article 32

- A person dismissed from a civil service post has the right to refer the matter to the courts.
- Where dismissal is adjudged wrongful, any compensation for the person will be decided by the courts, unless those concerned have agreed otherwise. In assessing compensation, account shall be taken of the civil servant's circumstances, such as age and opportunities for employment, as well as any extenuating circumstances advanced by the governmental authority that dismissed the civil servant.

### ■Article 33

- A civil servant shall be released from their post as of the end of the month in which the age of 70 is attained.
- If a person has attained the age of 65 when appointed to a post in an acting capacity pursuant to Article 23, the term of the acting appointment should be set so that the person's employment terminates as of the end of the month in which the age of 70 is attained.

### ■Article 34

- When a post is eliminated, the civil servant who occupied it shall as a rule retain the remuneration attendant upon the post unchanged for six months after leaving the post if the civil servant was in government service for less than 15 years, and otherwise for twelve months, as long as the civil servant has not by then turned down an offer for a comparable job, irrespective of whether this is with the government or with another entity.
- When a person receiving remuneration pursuant to Paragraph 1 resumes government service or takes a job with another entity before the expiration of the six- or twelve-month period, payments pursuant to this Article shall cease if the remuneration for the new job is equal to or greater than that received in the former post. If the remuneration for the new job is lower, the person shall be paid the difference in pay through the end of the six- or twelve-month period.

### ■Article 35

- When an acting appointment pursuant to Article 23 is not renewed, the acting appointee shall continue to receive the remuneration attendant upon their post unchanged for three months after leaving the post if the acting appointee had occupied it for less than 15 years, and otherwise for six months, as long the person has not by then turned down an offer for a comparable job, irrespective of whether this is with the government or with another entity.
- When a person receiving remuneration pursuant to Paragraph 1 resumes government service or takes a job with another entity before the expiration of the three or six-month period, payments pursuant to this Article shall cease if the remuneration for the new job is equal to or greater than received in the former post. If the remuneration for the new job is lower, the person shall be paid the difference in pay through the end of the three- or six-month period.

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While receiving remuneration pursuant to Paragraph 1, the recipient is obliged, upon request, to continue working and to assist their successor so as to keep to a minimum any disruption in the performance of their former duties.

### ■ Article 36

The governmental authority that appointed a person to a post may transfer the person from one post to another, provided that it administers both posts. Furthermore, the governmental authority that appointed a person to a post may consent to the person's transfer to different post under another governmental authority, as long as that other authority so requests.

[The governmental authority that appointed a person to a post may in accordance with Paragraph 2 of Article 7 transfer the civil servant to another job without advertising, provided that the civil servant has personally requested or consented to the transfer. Furthermore, the governmental authority that appointed a person to a post may consent to the civil servant's transfer to a different post under another governmental authority, as long as that other authority so requests and provided that the civil servant has personally requested or consented to the transfer.

If a person is transferred pursuant to paragraph 1 or 2 to a lower-paid post or job, the person shall receive the difference in pay through any remainder of their term of appointment.] <sup>1)</sup>

<sup>1)</sup>[Act No. 130/2016, Article 8.](#)

### ■ Article 37

A civil servant who wishes to tender a request for release shall do so in writing with three months' notice, unless unforeseeable circumstances have rendered the civil servant incapable of discharging the duties of the post or the governmental authority that is to grant the release agrees to a shorter period.

A request for release must be granted if legally tendered. However, release need not be granted as of the time requested if so many persons request release simultaneously or at a similar time within the same occupation that an absence of its performance would be in prospect if each resignation were to be accepted. In such a case the governmental authority may extend the period of notice to at most six months, during which time the civil servant shall retain unchanged rights and remuneration. The civil servant must be notified of such a decision as soon as possible, and no later than when six weeks remain of the original notice period.

## Chapter VII

### Special Duties

### ■ Article 38

A terms of reference document <sup>1)</sup> shall be issued by a Minister to each agency head, setting out the agency's main goals and tasks, both in the long and short term.

Agency heads shall be responsible for ensuring that the agencies they direct function in accordance with legislation, regulatory acts, and the terms of reference document issued pursuant to Paragraph 1. Agency heads shall also be responsible for the conformity with the national budget of agency operational expenditure and financial performance, and for the

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effective use of funds. If expenditure exceeds budgetary allocations, if an agency's functions fail to be duly discharged, or if its services are deemed unacceptable, the Minister may reprimand its head pursuant to Article 21 or may, pursuant to Chapter VI, dismiss an agency head who has demonstrated repeated or gross negligence in the manner described above.

<sup>1)</sup> Notice 905/2000.

## ■ Article 39

The salary and other compensation of civil servants for whom these are not set [by special statutory provisions] <sup>1)</sup> shall be governed by Article 39 a. [The salary and other compensation of Directors-General and Ambassadors at the Government Offices of Iceland, police officers, the [Director General of Customs], <sup>2)</sup> [the Director of Tax Investigations], <sup>3)</sup> customs officers and prison officers shall be governed by collective bargaining agreements concluded with the state by trade unions or federations of trade unions, cf. Article 47.]<sup>1)</sup>

[The Minister may issue general rules<sup>4)</sup> on the terms of employment for persons paid pursuant to special statutory provisions] <sup>1)</sup>

<sup>1)</sup> [Act No. 79/2019, Article 22.](#) <sup>2)</sup> [Act No. 141/2019, Article 59.](#) <sup>3)</sup> [Act No. 69/2021, Article 17.](#) <sup>4)</sup> [Regulatory Act No. 490/2019, cf. Regulatory Act No. 962/2020. Regulatory Act No. 491/2019.](#) <sup>5)</sup> [Act No. 130/2016, Article 8.](#)

## ■ [Article 39a

[The Minister shall determine the basic pay for day-time work in accordance with the basic job evaluation for the agency directorship in question, along with the pay differentials attendant upon the job. The Minister shall establish the criteria underlying basic job evaluations, giving primary consideration to scope and responsibility. The Minister shall also establish the criteria for supplemental salaries. Furthermore, the Minister shall determine the terms of employment for agency heads. The Minister concerned, or, as the case may be, the Board concerned, shall decide on awarding any supplemental salary, within the framework of the general criteria established by the Minister. In determining terms of employment pursuant to the present Article, special care shall be taken to ensure consistency with any terms of governmental employment based on collective bargaining agreements, and account shall always be taken of general trends in the labour market. The Association of Directors of Government Institutions shall be consulted concerning the criteria underlying basic job evaluations, pay differentials, and supplemental salaries, and shall be given an opportunity to monitor and address on behalf of agency heads any issues that may arise. The National Treasury shall provide to the Association a special contribution to defray costs arising from engaging in proceedings concerning any issues relating to the implementation of the present Article. This contribution shall comprise 0.7% of the total compensation of those agency heads to whom the present Article applies.

... <sup>1)</sup> [Taking into account the criteria established pursuant to the present Article],<sup>1)</sup> the Board of the Judicial Administration shall, [within the framework of the general criteria established by the Minister],<sup>1)</sup> determine the basic pay for day-time work in accordance with the basic job evaluation for the Director of the Judicial Administration, the Secretaries to the Supreme Court and the Court of Appeals, along with pay differentials, supplemental salaries, and terms of employment, [within the framework of the general criteria established by the Minister].<sup>1)</sup> In determining compensation pursuant to the present paragraph, the considerations set out in

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Paragraph 1 shall be observed, and the decision shall be accompanied by reasoning and notified to the Minister, who shall make it public in accordance with Paragraph 4.

Before deciding upon a change in a basic job evaluation, pay differentials, or supplemental salary, any needed data and information shall be gathered, and the Minister, the Minister concerned or the Board concerned may require from the parties verbal or written reports. Such reports shall, among other things, provide information concerning secondary jobs and any benefits and perquisites attendant upon the jobs. A decision on supplemental salary, cf. Paragraphs 1 and 2, shall apply for a limited period of time not to exceed two years. A request for the award of supplemental salary may be considered at the request of the agency head concerned. The Minister shall monitor the practice concerning supplemental salary, and shall, in the event of considering this to be at variance with the criteria established for supplemental salary in accordance with Paragraph 1, make this clear to the Minister concerned or the Board concerned. The Association of Directors of Government Institutions may request from the Minister a synopsis of the implementation of the present paragraph.

Cases pursuant to Paragraph 1, 2 or 3 shall be opened for consideration when requested by the head of an agency, the Minister concerned, the Board concerned or the Association of Directors of Government Institutions, or as deemed necessary, and whenever there have been substantial changes in national wage levels or directorship jobs. At least once yearly, the Minister shall evaluate whether there is reason to reassess monetary amounts in line with the wage policies jointly adopted by collective bargaining parties or in line with other measures of general labour market wage trends. Decisions pursuant to Paragraphs 1, 2 and 3 shall be accompanied by reasoning and shall be made public.

The Minister shall annually compile and make public itemised information on the total compensation of [nationally elected representatives, judges, prosecutors, police chiefs, permanent secretaries of ministries, central bank directors, and the State Conciliation and Mediation Officer], <sup>2)</sup> those agency heads to whom the present Article applies, and the directors of companies in which the state holds majority ownership. The boards of companies in which the state owns a majority holding have an obligation to provide to the Minister itemised information on the total compensation of their directors.

Decisions pursuant to the present Article are not subject to appeal to another governmental authority.] <sup>3)</sup> <sup>4)</sup>

<sup>1)</sup>[Act No. 80/2021, Article 36.](#) <sup>2)</sup>[Act No. 79/2019, Article 23.](#) <sup>3)</sup>[Act No. 95/2017, Article 1.](#) <sup>4)</sup>[Act No. 130/2016, Article 8.](#)

## ■[Article 39b

The Minister concerned or the Board concerned may entrust to a special three-member assessment committee the task of providing an assessment of the qualifications of applicants for agency directorships, the conclusion of which shall be advisory. The Minister in charge of government personnel shall issue rules on assessment committees, addressing among other things committee appointments, the eligibility of committee members, their tasks and procedure. The cost of the work of assessment committees shall be borne by the Minister or Board in question.]<sup>1)</sup>

<sup>1)</sup>[Act No. 130/2016, Article 8.](#)

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#### ■[Article 39c

The Minister shall establish a comprehensive management policy. The Minister shall provide assistance and advice on the implementation of the management policy and shall establish procedural rules and guidelines of potential importance for its implementation, concerning, among other things, the general elements of qualifications to be emphasised, the implementation of performance reviews and professional development planning, ... <sup>1)</sup> and the definition of measures for a basic evaluation of agency operations.] <sup>2)</sup>

The head of an agency may, in consultation with the Minister concerned, conclude severance agreements with agency employees. The Minister shall issue further rules identifying the situations in which the head of an agency may enter into a severance agreement, along with the chief elements of such agreements.<sup>2)</sup>

<sup>1)</sup>[Act No. 95/2017, Article 2.](#) <sup>2)</sup>[Act No. 130/2016, Article 8.](#)

#### ■Article 40

Civil servants may not instigate or participate in a strike or other similar action.

### Part III

#### Provisions specific to government employees other than civil servants

#### Chapter VIII

#### Hiring

#### ■Article 41

Government employees, other than civil servants, shall be hired on an indefinite basis with a mutual notice period. Upon the completion of a trial period such a period of notice shall be three months, unless otherwise agreed upon in a collective bargaining agreement.

An employee may be hired on a fixed-term basis; such an employment contract may provide that the contract may be terminated by either party before the automatic termination of employment at the expiry of the contract. A fixed-term contract may, however, never extend continuously beyond two years.

#### ■Article 42

A written employment contract stating, among other things, the terms of appointment, shall be concluded between the head of an agency and its employee.

[The Minister] <sup>1)</sup> shall establish rules <sup>2)</sup> regarding the form of hiring contracts pursuant to Paragraph 1.

<sup>1)</sup>[Act No. 126/2011, Article 224.](#) <sup>2)</sup> *Regulatory Act No. 351/1996.*

### Chapter IX

#### Cessation of employment

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#### ■Article 43

- An agency head has the right to terminate the employment of employees as provided for in their employment contracts. The employment of a person hired on a fixed-term basis pursuant to Paragraph 2 of Article 41 shall expire without notice at the end of the term.
- Employment shall, however, in all cases be terminated as of the end of the month after the employee attains the age of 70.

#### ■Article 44

- Before their employment is terminated, employees must be given a reprimand in accordance with Article 21 and be given an opportunity to amend their conduct if the termination stems from causes set out in that Article. This apart, employees need not be given an opportunity to be heard concerning the causes for the termination before it takes effect; this includes termination for other reasons, such as a reduction in the number of employees due to a reorganisation of an agency.
- At the employee's request, reasoning for termination shall be provided in writing. If the termination stems from causes set out in Article 21, it may be referred to the Minister concerned.

#### ■Article 45

- Employees deprived of the right to hold their job by a final court judgment shall be dismissed without notice. Where a district court judgment has deprived an employee of this right, such a judgment shall specify whether the deprivation shall take effect immediately or be postponed until it becomes clear whether the case will be appealed to a higher court, or until a higher court's judgment has been handed down.
- An employee who has confessed to punishable conduct as a result of which there would be reason to expect a deprivation of rights pursuant to Article 68 of the Penal Code shall be dismissed without notice.

#### ■Article 46

- Employees shall have the right to resign from their jobs in accordance with the terms of their employment contract.
- The head of an agency may, however, extend the period of notice to at most six months if so many persons at the agency request release simultaneously or at a similar time in the same occupation that an absence of its performance would be in prospect if each resignation were to be accepted. In the meantime, the resigning employees shall keep unchanged rights and remuneration, including any supplemental salary pursuant to Paragraph 2, Article 9. This decision must be communicated to such employees as quickly as possible, and no later than when six weeks remain of the original notice period. In cases when the notice period is shorter, the decision shall be communicated as soon as the resignation is tendered.

### Chapter X

#### Special rights



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#### ■Article 47

Trade unions and their federations shall enter into collective bargaining agreements with the government on wages and pay terms for their members as further specified by law.

#### ■Article 48

Under the conditions and within the limits set out in the Act on Collective Bargaining of Civil Servants (*lög um kjarasamninga opinberra starfsmanna*), the Trade Union and Labour Disputes Act (*lög um stéttarfélög og vinnudeilur*), and other acts of law, trade unions may strike against the government in order to further their demands in a collective bargaining dispute.

### Part IV

#### Other provisions

#### Chapter XI

#### Miscellaneous special provisions

#### ■Article 49

Decisions taken by governmental authorities pursuant to this Act shall not be subject to appeal to any higher governmental authority unless otherwise provided in specific provisions of the Act.

#### ■Article 50

Agency heads may delegate the powers accorded to them by this Act to other administrators at their respective agencies, provided that this is done in writing and is communicated to the employees of the agencies.

Directors of state enterprises shall in all respects enjoy the same legal position as do the heads of agencies under this Act, even if not specifically stated.

#### ■Article 51

The Speaker of the Althingi shall head its administration vis-à-vis its employees and shall make decisions on their rights and duties in the same manner as do the Minister or the heads of agencies under this Act. The Speaker of the Althingi shall hold vis-à-vis the employees of the Althingi the authority vested in [the Minister]<sup>1)</sup> by Paragraph 3 of Article 9 and Paragraph 2 of Article 27.

The Permanent Secretaries of ministries shall head the administration of ministries vis-à-vis ministry employees and shall make decisions regarding their rights and duties in the same manner as do the heads of agencies under Articles 9, 11, 13, 17 and 21. The Secretary General of the Althingi shall similarly head its administration vis-à-vis the employees of the Althingi, as shall the Auditor General and the Althingi Ombudsman vis-à-vis the employees of their respective agencies.

<sup>1)</sup>[Act No. 126/2011, No. 224.](#)

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## ■Article 52

In formulating or revising regulatory acts under the present Act, other than operational procedures, the Federation of State and Municipal Employees (*BSRB*), the Icelandic Confederation of University Graduates (*BHM*), and the Icelandic Confederation of Labour (*AST*) shall be given the opportunity to be informed and to address on behalf of their members any points of contention that may arise.

## ■Article 53

Violations of Article 40 shall be subject to fines, unless heavier penalties are specified in other legislation.

## Chapter XII Entry into force and transitional matters

## ■Article 54

This Act shall enter into force on 1 July 1996.

## ■Articles 55–56 ...

### Interim Provisions

Notwithstanding the provisions of Paragraph 1 of Article 10 of the present Act, government employees who receive their pay in advance at the time of entry into force of the present Act shall retain that right.

Notwithstanding the provisions of Article 12 of the present Act, Regulatory Act No. 410/1989 concerning government employee leave due to childbirth and Regulatory Act No. 411/1989 concerning government employee sick leave, shall remain in effect regarding government employees who were appointed or hired into government service before the entry into force of the present Act and to whom Act No. 38/1954 has applied, until the time when sick pay and maternity/paternity leave have been decided or agreed upon through collective bargaining, cf. Paragraph 1 of Article 9.<sup>1)</sup> The same shall apply to persons who will be hired for the same or equivalent jobs during this period on the basis of the present Act. Until otherwise agreed upon, the provisions of Article 21 of Act No. 38/1954 shall also apply to the employees in question, with the exception of civil servants as defined in Article 22 of the present Act.

Regarding the cessation of employment of those government employees who were appointed or hired on an indefinite basis before the entry into force of this Act, without a mutual notice period, the provisions of Article 25 and Chapter VI of the present Act shall apply as applicable; cf., however, Paragraph 4.

In the case of those government employees to whom Paragraph 3 applies and who are not deemed to be civil servants as defined in Article 22 of the present Act, provisions in collective bargaining contracts on the termination of employment by reason of ill-health shall apply instead of Article 30 of this Act.

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Upon the elimination of the job of an employee who was appointed or hired into government service before the entry into force of the present Act and to whom Act No. 38/1954 has applied, but who is not considered a civil servant as defined in Article 22 of the present Act, the employee shall be entitled to severance compensation corresponding to pay for a period of six months if the person was employed by the government for less than 15 years, and otherwise for twelve months. In other respects, the provisions of Article 34 shall apply regarding any right to severance compensation and its amount.

If a job was eliminated before the entry into force of the present Act, employees who held the job and to whom Act No. 38/1954 applied shall retain any priority right to such jobs pursuant to Paragraph 2 and 3 of Article 14 of that Act for a period of five years from the time when the job was eliminated.

[...](#)

[Diplomatic representatives appointed prior to the entry into force of the present Act shall continue to enjoy the same rights and be subject to the same duties as do civil servants under Part II of this Act.]<sup>2)</sup>

...<sup>3)</sup>

<sup>1)</sup>See Notice No. 122/2002. <sup>2)</sup>[Act No. 130/2016, Article 8.](#) <sup>3)</sup>[Act No. 95/2017, Article 3.](#)