

Employment termination because of covid-19 What to do?



Termination of Employment



The Icelandic Labour laws apply now as before:

- ❑ The employment-termination notice must always be in writing
 - ❑ Employment terminations shall be in the same language as the employee's employment contract
 - ❑ The employee has the right to an interview regarding the end of his employment and the reasons for the termination. (Ask for a meeting or written explanation within 4 days from receiving the termination letter)
 - ❑ Employee has a right to his full salary during the notice-period.
-

Termination of Employment



- ❑ It is not permitted to terminate contracts for workers, who are on partial unemployment benefits due to the Covid-19 pandemic.
- ❑ **The purpose of the partial unemployment benefits is to maintain the employment relation.**



Notice period according to the Efling agreement with SA



- ❑ During the first two weeks of employment, there is no employment-termination notice.
 - ❑ After two weeks of consecutive employment with the same employer: 12 calendar days
 - ❑ After 3 months of consecutive employment with the same employer: 1 month as of the beginning of the month
 - ❑ After 2 years of consecutive employment with the same employer: 2 months as of the beginning of the month
 - ❑ After 3 years of consecutive employment with the same employer: 3 months as of the beginning of the month
-

Notice period according to the Efling agreement with SA



- ❑ At the end of the notice period the employer should pay out earned holiday allowance and December and vacation bonus in accordance with working hours and percentage of employment.



Employment protection



Certain categories of workers enjoy protection against termination of their employment by their employers.

This applies to:

- Trade Union representatives and Work safety representatives.
- Pregnant women and workers who have given notice of intended maternity/paternity leave or parental leave, or during their maternity/paternity leave or parental leave.
- A worker may not be dismissed solely due to family responsibilities he bears. (sick child, spouse or close relative)



Employment termination due to company bankruptcy



- ❑ In the event of a company going bankrupt the Efling member can turn to the union's office which makes the claim for him to the company's insolvent estate.
- ❑ Wages are however not paid out from the Wage Guarantee Fund until the company is formally declared bankrupt by authorities.

The Wage Guarantee Fund guarantees to pay wages, holiday allowance, benefits due to work accidents and pension fund contribution.

Unemployment benefits



- ❑ You apply for unemployment benefits at The Directorate of Labour/Vinnumálastofnun.
<https://www.vinnumalastofnun.is/en/application/apply-for-unemployment-benefits>
 - ❑ Income-related unemployment benefit is 70% of your average gross income, based on the six-month period ending two months before you became unemployed. (maximum of income-related unemployment benefit is ISK 456.404 per month.)
 - ❑ Minimum unemployment benefit is ISK 289.510 per month (100% entitlement).
-

**In case of unlawful termination,
contact the union immediately.**

**Tel: 510 7510
kjaramal@efling.is**

