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## **Iceland 2012 - Revised law on paid parental leave**

*The Icelandic parliament voted just before Christmas in favour of a bill presented by the government, which begins the restoration of the economic compensation during parental leave and the gradual extension of the leave from 9 to 12 months. The government had suggested a 4-4-4 model but this was changed to 5-2-5, i.e. 5 months for the father and 5 for the mother and then 2 that they can share as they like. The bill was accepted unanimously.*

### *Law from 2000: Entitlements of fathers and mothers to paid parental leave*

In the year 2000 a law providing equal entitlements to parental leave to both parents was enacted in Iceland. The stated aim of the 2000 legislation was twofold: to ensure that children receive care from both parents; and to enable both women and men to coordinate family life and work outside the home (Act on Maternity/Paternity and Parental Leave no. 95/2000). The leave was gradually extended from 6 to 9 months, economic compensation tied to salary and the months divided between the parents.

Table 1. Number of months of paid parental leave according to the law from 2000

	Number of months
Mother	3
Father	3
Joint entitlements	3

The payment was originally 80% of previous wages but in 2004 a very high ceiling was implemented, affecting less than 4% of parents. The entitlements could be used until the age of the child was 18 months. The individual leave entitlements of mothers and fathers were non-transferable. All parents are entitled to paid parental leave whether they are custodial parents or are sharing residency with the child. If the parents are not sharing the custody an agreement on access rights has to exist for the non-custodial parent to take parental leave (Eydal and Gíslason, 2008; Gíslason and Eydal, 2011; Eydal and Rostgaard; 2011).

### *Changes during the aftermath of the 2008 crisis*

After the crisis hit Iceland in 2008 the left of centre coalition government was forced to take some austerity measures. The ceiling of payments was reduced three times

from the amount of 480.000 ISK per month to 300.000 ISK and parents with monthly wages of 200.000- 300.000 got 75% instead of earlier 80% of their previous income (Þingskjal 375, 2008-2009; Þingskjal 155, 2009; Þingskjal 496, 2009-2010). This meant that almost half the fathers and around 20% of mothers were affected by the ceiling. The period that parents could use their entitlement was also extended from 18 to 36 months.

*2012: Restoration and expansion of the leave period*

In autumn 2012 the government proposed in Alþingi (the Icelandic parliament) a bill on revisions of the law from 2000. The bill proposed that parental leave should be gradually extended from 9 to 12 months.

Table 2. Original proposal of the governmental bill: Number of months of paid parental leave

	Number of months
Mother	4
Fathers	4
Joint entitlements	4

(Þingskjal 638, 2012).

The bill also proposed that the ceiling on economic compensation should be lifted to 350.000 ISK and all parents should be paid 80% of their previous income like before the crisis. Furthermore it is stated in the bill that the amount shall be restored the same level as in 2008 within the period of two years. It was also suggested that the period for use should be reduced from 36 to 18 months.

During the parliamentary procedure the bill was changed and the final proposal-enacted into law 22 of December 2012 - suggested the following division of the paid parental leave:

Table 3. Law from 22.12.2012: Number of months of paid parental leave

	Number of months
Mother	5
Fathers	5
Joint entitlements	2

(Þingskjal 877, 2012).

The Alþingi voted in favour of the bill 22 of December 2012. The changes will be enacted gradually as table 4 shows.

Table 4. How the law from 22.12.2012 will be enacted: Number of months of paid parental leave

	2013	2014	2015	2016
Mother	3	3.5	4	5
Fathers	3	3.5	4	5
Joint entitlements	3	3	3	2
Total	9	10	11	12

(Þingskjal 877, 2012).

Alþingi also changed the time limits for use from the suggested 18 months to 24.

The entitlements are the same for all parents, regardless of if they hold custody or live with their children and regardless of sexual orientation. However the revised law enact a new article that allows, lone parents where there is no other parent (e.g. a lone mother that undergoes an artificial insemination or a lone adoptive parent) to take the paid parental leave that would otherwise been given to the second parent. Importantly this only applies if there clearly is only one parent, thus non-custodial parents that do not share residency with their children are entitled to their individual non-transferable entitlements if an agreement on access rights exists between the parents.

### *References*

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