



**FJÖLMENNINGARSETUR**  
MULTICULTURAL AND INFORMATION CENTRE

[www.mmc.is](http://www.mmc.is)

2021



## **Work**

Information for people who have just been granted the status of  
refugees in Iceland

## **Working and jobs in Iceland**

The employment rate (the proportion of people who work) in Iceland is very high. In most families, both adults usually have to work so as to run their home. When both work outside the home, they must also help each other to do the housework and bring up their children.

Having a job is important, and not just because you earn money. It also keeps you active, involves you in society, helps you make friends and play your part in the community; it results in a richer experience of life.

## **International protection and work permits**

If you are under international protection in Iceland, you may live and work in the country. You do not have to apply for a special work permit, and you may work for any employer.

## **Residence permits on humanitarian grounds and work permits**

If you have been granted a residence permit on humanitarian grounds (*af mannúðarástæðum*), you may live in Iceland but you are not automatically able to work here. Please note:

- You must apply to The Directorate of Immigration (*Útlendingastofnun*) for a temporary work permit. To do this, you must send in an employment contract.
- Work permits issued to foreign nationals who live in Iceland under temporary residence permits are linked to the ID (*kennitala*) of their employer; if you have this type of work permit, you may only work for that employer. If you want to work for a different employer, you will have to apply for a new work permit.
- A first temporary work permit is valid for a maximum of one year. You must renew it when you renew your residence permit.
- Temporary work permits may be renewed for up to two years at a time.
- After being domiciled (having *lögheimili*) in Iceland for three continuous years, and a temporary work permit, you may apply for a permanent work permit (*óbundið atvinnuleyfi*). Permanent work permits are not linked to any particular employer.

## **The Directorate of Labour (*Vinnumálastofnun*; *VMS*)**

There is a special team of staff at the directorate to advise and help refugees with:

- Looking for work
- Advice on opportunities for study (learning) and work
- Learning Icelandic and learning about Icelandic society
- Other ways of staying active

- Work with support

VMS is open Monday-Friday from 09-15. You can phone and book an appointment with a counsellor (advisor). VMS has branches all over Iceland. See here to find the one nearest you:

<https://www.vinnumalastofnun.is/um-okkur/thjonustuskristofur>

- Kringlan 1, 103 Reykjavík

Tel.: 515 4800

- Krossmói 4a – 2nd floor, 260 Reykjanesbær

Tel.: 515 4800

### **Labour exchanges (Job-finding agencies; employment agencies)**

There is a special team of staff at VMS to help refugees find work.

There is also a list of employment agencies on the VMS website:

<https://www.vinnumalastofnun.is/storf-i-bodi/adrar-vinnumidlanir>

You can also find job vacancies advertised here:

[www.storf.is](http://www.storf.is)

[www.storf.is](http://www.storf.is)

[www.alfred.is](http://www.alfred.is)

[www.job.visir.is](http://www.job.visir.is)

[www.mbl.is/atvinna](http://www.mbl.is/atvinna)

[www.reykjavik.is/laus-storf](http://www.reykjavik.is/laus-storf)

<https://www.stjornarradid.is/efst-a-baugi/laus-storf-a-starfatorgi>

### **Evaluation and recognition of foreign qualifications**

- ENIC/NARIC Iceland provides help with the recognition of qualifications (examinations, degrees, diplomas) from outside Iceland, but it does not issue operating licences.  
<http://www.enicnaric.is>
- IDAN Education Centre (IDAN fræðslusetur) evaluates foreign vocational qualifications (except for electrical trades): <https://idan.is>
- Rafmennt handles evaluation and recognition of electrical trade qualifications:  
<https://www.rafmennt.is>
- The Directorate of Public Health (*Embætti landlæknis*), the Directorate of Education (*Menntamálatofnun*) and the Ministry of Industries and Innovation (*Atvinnuvega- og nýsköpunarráðuneytið*) grant operating licences for the professions and trades under their authority.

A counsellor at VMS can explain to you where and how to have your qualifications or operating licences evaluated and recognised in Iceland.

## Taxes

- Iceland's welfare system is financed by the taxes that we all pay. The state uses the money paid in tax to meet the costs of public services, the school system, the healthcare system, building and maintaining roads, making benefit payments, etc.
- Income tax (*tekjuskattur*) is deducted from all wages and goes to the state; municipal tax (*útsvar*) is a tax on wages that is paid to the local authority (municipality) where you live.

## Tax and personal tax credit

- You have to pay tax on all your earnings and any other financial assistance that you receive.
- Everyone is given a **personal tax credit** (*persónuafsláttur*). This was ISK 56,447 per month in 2020. This means that if your tax is calculated as ISK 100,000 per month, you will only pay ISK 43,523. Couples can share their personal tax credits.
- You are responsible for how your personal tax credit is used.
- Personal tax credits cannot be carried over from one year to the next.
- Your personal tax credit takes effect from the date on which your domicile (legal address; *lögheimili*) is registered in the National Registry. If, for example, you earn money starting in January, but your domicile is registered in March, you must make sure that your employer does not think you have a personal tax credit in January and February; if this happens, you will end up owing money to the tax authorities. You must be particularly careful about how your personal tax credit is used if you work in two or more jobs, if you receive payment from the Parental Leave Fund (*fæðingarorlofssjóður*) or from the Directorate of Labour or financial assistance from your local authority.
- If, by mistake, more than 100% personal tax credit is applied to you (for example, if you work for more than one employer, or receive benefit payments from more than one institution), you will have to pay money back to the tax authorities. You must tell your employers or other sources of payment how your personal tax credit is being used and make sure the right proportion is applied.

## Tax returns (*skattaskýrslur, skattframtal*)

- Your tax return (*skattframtal*) is a document showing all your income (wages, pay) and also what you own (your assets) and what money you owed (liabilities; *skuldir*) during the previous year. The tax authorities must have the right information so that they can calculate what taxes you should pay or what benefits you should receive.
- You must send in your tax return on-line at <http://skattur.is> at the beginning of March each year.

- You log in to the tax website with a code from RSK (the tax authority) or using electronic ID.
- Icelandic Revenue and Customs (RSK, the tax authority) prepares your on-line tax return, but you must check it over before it is approved.
- You can go to the tax office in person in Reykjavík and Akureyri for help with your tax return, or get help by phone at 422-1000.
- RSK does not provide interpreters. (If you do not speak Icelandic or English you will need to have your own interpreter).
- Instructions in English about how to send in your tax return:  
[https://www.rsk.is/media/baeklingar/rsk\\_0812\\_2020.en.pdf](https://www.rsk.is/media/baeklingar/rsk_0812_2020.en.pdf)

### **Trade unions**

- The main role of trade unions is to make agreements with employers regarding the wages and other terms (vacations, working hours, sick leave) that union members will receive and to defend their interests on the labour market.
- Everyone who pays dues (money each month) to a trade union earns rights with the union and can accumulate more extensive rights as time goes on, even over a short time at work.

### **How your trade union can help you**

- With information about your rights and duties on the labour market.
- By helping you calculate your wages.
- Helping you if you suspect that your rights are being violated.
- Various types of grants (financial help) and other services.
- Access to vocational rehabilitation if you fall ill or have an accident at work.
- Some trade unions pay part of the cost if you have to travel between different parts of the country for an operation or medical examination prescribed by a doctor, but only if you have first applied for assistance from the Social Insurance Administration (*Tryggingarstofnun*) and your application has been turned down.

### **Financial help (grants) from trade unions**

- Grants for you to attend workshops and study together with your job.
- Grants for help you improve and look after your health, e.g. to pay for cancer testing, massage, physiotherapy, fitness classes, glasses or contact lenses, hearing aids, consultations with psychologists/psychiatrists, etc.
- *Per diem* allowances (financial support for each day if you fall ill; *sjúkradagpeningar*).
- Grants to help meet expenses because your partner or child is ill.

- Vacation grants or payment of the cost of renting summer holiday cottages (*orlofshús*) or apartments available for short rentals (*orlofsíbúðir*).

### **Being paid under the table (*svört vinna*)**

When workers are paid for their work in cash and there is no invoice (*reikningur*), no receipt (*kvittun*) and no pay-slip (*launaseðill*), this is called 'payment under the table' (*svört vinna, að vinna svart* – 'working black'). It is against the law and it weakens the healthcare, social welfare and educational systems. If you accept payment 'under the table' you will also not earn rights in the same way as other workers.

- You will have no pay when you are on vacation (annual holiday)
- You will have no pay when you are ill or cannot work after an accident
- You will not be insured if you have an accident while you are at work
- You will not be entitled to unemployment benefit (pay if you lose your jobs) or parental leave (time off work after the birth of a child)

### **Tax fraud (tax avoidance, cheating on tax)**

- If, on purpose, you avoid paying tax, you will have to pay a fine of at least twice the amount you should have paid. The fine can be as much as ten times the amount.
- For large-scale tax fraud you may go to prison for as long as six years.