

# Iceland<sup>248</sup>

**Ásdís A. Arnalds, Guðný Björk Eydal and Ingólfur V. Gíslason** (University of Iceland)

April 2026

For comparisons with other countries in this review on leave provision and early childhood education and care services, please see the [cross-country tables](#) at the front of the review (also available individually on the [Leave Network website](#)). To contact authors of country notes, see the [members page](#) on the Leave Network website.

## 1. Current leave and other employment-related policies to support parents

**Note on terminology:** The term *fæðingarorlof* (literally 'birth leave') is used in law to refer to paid Parental leave; there is no separate Maternity or Paternity leave. Indeed, the law was changed in 2006 to address parents without mentioning the sex of the parent, in order to avoid discriminating on the basis of gender or sexual orientations. LGBT couples have the same rights as heterosexual couples in all areas. Sometimes the term *feðraorlof* (Paternity leave) is used in day-to-day conversations about the non-transferable individual rights that fathers are entitled to (the father's quota) even though the law does not make such distinction between the Parental leave of fathers and mothers.

*Foreldraorlof* refers to the unpaid leave included in section 1d under the heading of 'Childcare leave', though it translates literally into 'Parental leave'.

### a. Maternity leave (*fæðingarorlof*) (responsibility of the Ministry of Social Affairs and Labour)

- There is no separate Maternity leave, but it is obligatory for a parent that has given birth to take 2 weeks Parental leave after delivery and 1 month may be taken before the expected birth date (see 1c).
- Additional leave is possible if healthy working conditions for a pregnant person cannot be ensured or if a pregnant person has to stop working sooner than one month before expected birth due to health issues related to the pregnancy.

---

<sup>248</sup> Please cite as: Arnalds, A. A., Eydal, G.B. and Gíslason, I.V. (2026) 'Iceland country note', in Dobrotić, I., Arnalds, A.A., Dobrotić, I., Kaufmann, G., Koslowski, A., Moss, P. and Valentova, M. (eds.) *International Review of Leave Policies and Research 2024*. Available at: <https://www.leavenetwork.org/annual-review-reports/>

**b. Paternity leave (*fæðingarorlof*) (responsibility of the Ministry of Social Affairs and Labour)**

No statutory entitlement. See 'Note on terminology' at start of Part 1.

**c. Parental leave (*fæðingarorlof*) (responsibility of the Ministry of Social Affairs and Labour)** (see note on terminology at the start of Part 1)

*Length of leave (before and after birth)*

- 6 months per parent.
- Leave is an individual entitlement, 6 weeks of which is transferable to the other parent.
- It is obligatory for the parent giving birth to take 2 weeks of leave following the birth and 1 month may be taken before the expected birth date (see 1a).

*Payment, funding and taxation*

- 80 per cent of the individual's average total earnings for a 12 month period ending 6 months before birth, up to an upper limit of ISK900,000 [€6,284.92]<sup>249</sup> per month.
- The minimum payment to a parent working shorter, part-time hours (i.e., between 25 and 49 per cent of full-time hours) is ISK207,708 [€1,450.47] per month; and the minimum payment for a parent working 50 to 100 per cent of full time-hours is ISK275,688 [€1,925.20] per month.
- For those working under 25 per cent of full-time hours, and those outside the labour market, the amount is ISK131,260 [€916.62] per month. Students/pupils (75 to 100 per cent of full-time studies) receive a flat-rate payment of ISK262,061 [€1,830.03] per month. As a frame of reference, the minimum wage in Iceland in 2024 was ISK457,616 [€3,195.64] per month.
- Payments are taxed.
- Non-employed parents are not entitled to any pension credits while caring for their child. Employed parents taking leave continue to accumulate their pension entitlements (and in indeed all other entitlements) as if they were at work.
- Funded by the Maternity/Paternity Leave Fund, which is financed by an insurance levy paid by employers.

*Flexibility in use*

- Leave can be used until 24 months after the birth.
- Parents can choose to take leave on a full-time or part-time basis. It is also possible to take leave in one continuous period or as several periods of time (i.e., leave can be 'uninterrupted' or 'interrupted'). This must be negotiated with the employer.
- Parents can be on leave together, part of the time or for the whole period.

---

<sup>249</sup> Conversion of currency undertaken for 20 July 2026, using: <https://data.ecb.europa.eu/currency-converter>.

*Eligibility (e.g., related to employment or family circumstances)*

- All biological or adoptive parents have individual rights to 6 months paid Parental leave, regardless of sexuality or marital status; 6 weeks are transferable to the other parent. A non-custodial parent has a right to Parental leave if the custodial parent agrees to its access to the child while on leave or if courts decide on access.
- Icelandic citizenship is not required, but activity in the Icelandic labour market for 6 consecutive months is usually required. Those outside the labour market must have had permanent residence in Iceland for 12 months prior to the birth of the child.

*Variation in leave due to child or family reasons (e.g., multiple or premature births; poor health or disability of child or mother; single parent); or delegation of leave to person other than the mother*

- In the case of a miscarriage after 18 weeks, the parents are entitled to 2 months of leave each and, in the case of stillbirth after 22 weeks, each parent is entitled to 3 months of leave.
- If the mother becomes seriously ill during pregnancy and that illness continues after birth, the leave can be extended by up to 2 months.
- Parents have a shared right to 6 additional months of leave for each additional child in the case of multiple birth and the same goes for adoptions.
- If a child has to stay in hospital for more than 7 days after birth, suffers from serious illness or disability that calls for increased care by parents, it is possible to extend the leave for up to 7 months. This is a joint right, which parents can divide as they choose.
- In cases where there is only one parent (the other parent has died, in cases of artificial insemination, or an individual adopts or takes a child into their permanent foster care), the parent has a right to 12 months paid Parental leave.
- If a mother is unable to fulfil her legal duty to name the father of a child, she has a right to all 12 months.
- In special cases, if one of the parents is in prison or hospital or is unable to take care of the child due to health reasons, it is possible to transfer the rights of that parent to the other parent.
- If a parent is subject to restraining order, if either parent has no right to Parental leave, neither in Iceland nor elsewhere and if either parent will not be taking care of the child due to being prohibited access by authorities with that right or the courts the other parent has the right to all twelve months.
- If one parent is not entitled to paid Parental leave under this Act, and also has no independent entitlement to Maternity/Paternity leave or a maternity/paternity grant in another state, the other parent acquires an entitlement to a Parental leave grant for up to 12 months in connection with the birth, primary adoption or taking of a child into permanent foster care. If one parent has an independent entitlement to Maternity/Paternity leave or a maternity/paternity grant in another state, the other parent may acquire an entitlement to a maternity/paternity grant for up to twelve months, minus the entitlement which the aforementioned parent has in another state in connection with the birth, primary adoption or taking of a child into permanent foster care.

#### *Regional or local variations in leave policy*

- None.

*Additional note (e.g., if leave payments are often supplemented by collective agreements; employer exclusions or rights to postpone)*

- Some of the unions have collective agreements whereby statutory entitlements are supplemented. It is unclear how many parents benefit from this.
- Some companies also offer their employees compensation in cash or goods.
- Banks offer parents the possibility to postpone their mortgages and insurance companies offer extra insurances during pregnancy.

#### **d. Childcare leave or career breaks (*foreldraorlof*)**

- Each parent may take 4 months of non-transferable unpaid leave until the child is 8 years old.

#### **e. Other types of leave and flexible working**

##### *Adoption leave and pay*

- Regulations on paid Parental leave apply if a child is adopted before turning 8 years.

##### *Time off for the care of dependants*

- There are no legal entitlements. The Equal Status Act instructs employers to do what they can to make it possible for employees to fulfil their responsibilities towards their families, but that is all. Most or all unions have negotiated a number of leave days for when children are sick, but there seem to be no instances where unions have negotiated a right to leave in the case of any other close relative being ill.

##### *Specific provision for (breast)feeding*

- If the working situation of a pregnant woman or a breastfeeding woman can be seen as dangerous or detrimental to her health or the health of the baby, the employer is obliged to make arrangements to safeguard their health. Such arrangements may not have the effect of reducing her wages.

##### *Flexible working for carers*

- Employers are required by the Equal Status Act to make the necessary arrangements to enable both men and women to balance family life and work, including the arrangement of work in a flexible manner and parents being able to take leave from work in the case of serious or unusual family circumstances.

##### *Time off for antenatal appointments and care*

- None.

### *Other provisions of leave*

- **Bereavement leave (*sorgarorlof*).** A parent is entitled to 6 months leave following the death of a child, 3 months following a stillbirth and 2 months following a miscarriage, with payment as for Parental leave.

## **2. Relationship between leave policy and early childhood education and care policy**

The maximum period of post-natal leave is 20 months when there are two parents, 12 months of well-paid leave and then each parent has 4 months of unpaid leave. There is no legal entitlement to ECEC. However, most municipalities offer ECEC for children but, due to a gap still existing between the end of Parental leave and admission to public ECEC services in many municipalities, parents need to seek other solutions to bridge the gap. The municipalities subsidize private childminders, but they are few so many parents need to bridge the gap without public support. A few municipalities offer cash for care if there is no room in playschools after the parental leave.

For ECEC attendance levels, see 'relationship between leave and ECEC entitlements' in the [cross-country tables](#) at the front of the review.

## **3. Changes in policy since April 2025 (including proposals currently under discussion)**

The 3 month shared extension of leave for each additional child in the case of multiple birth has been increased to 6 months. This will apply to all parents whether the children are born to them, adopted or taken into permanent foster. If the mother becomes seriously ill during pregnancy and that illness continues after birth, the leave can be extended by up to 2 months. This used to apply only to mothers whose illness was related to the delivery, but now it also applies to cases where the mother becomes ill due to pregnancy.

It has been made clear that an unemployed person can take up to 10 days holiday abroad and still be seen as actively searching for a job, which is a prerequisite for the time being counted as participation in the labour market when applying for paid Parental leave. It has also been clarified how to calculate earnings (for leave payments) for people who have worked less than 4 months in Iceland but have worked in other European countries.

## **4. Uptake of leave**

### **a. Maternity leave**

In 2023 (the last year for which final figures are available) 95 per cent of women applying for leave used at least the 4.5 months which are available only to mothers. For more details, see Section 4c.

### **b. Paternity leave**

See 4c.

**c. Parental leave** (i.e., parents' joint rights)

In total, 92 per cent of fathers of children born in 2023 applied for parental leave (which could involve using a part or all of their individual right to 6 months, of which 4.5 months are non-transferable), taking an average of 130 days' leave (compared to 219 for mothers).

As has been mentioned earlier, 6 weeks of leave are transferable from one parent to the other. In 2023, 76 per cent of parents did that; 4 per cent transferred from the mother to the father while 72 per cent transferred from the father to the mother.