

# HOW TO READ THE SALARY STATEMENT

Many nurses turn to the Icelandic Nurses' Association for assistance with interpreting their salary statements. Here is a sample salary statement typical for a nurse working shifts. The employment ratio of this particular individual is 99.3% of full-time work. The statement was issued by the Icelandic Treasury's financial management division and is published here with explanations in English. This is an authentic salary statement, but all personal information and detail has been erased. Each item is numbered and carries the Icelandic wording with explanations in English as well as calculations where applicable. The payment date of this salary statement was 1 July 2006 and the owner of this statement is employed at one of the wards at Landspítali University Hospital.

Article 16.1.1 of the salary settlement between the Association and the Minister of Finance states the following: "An employee has the right to receive a personalised salary statement concurrent with the payment of his/her monthly salary. The salary statement shall detail the employee's basic salary for the period for which payment is being made, the number of overtime hours, holiday rights and itemisation of individual income and deductible items which make up the salary paid."

The Icelandic Nurses's Association recommends that its members keep all salary statements and work reports. The salary statement is proof of employment for the period in question as well as being a confirmation of pension fund contributions and association dues on behalf of the employee.

## SALARY STATEMENT - EXPLANATIONS

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| <p>(1) Reikningsnúmer: The employee's bank-account number.</p> <p>(2) Útborgun: Number of salary payments during the year.</p> <p>(3) Kjarasamningur: The salary agreement on which payment is based.</p> <p>(4) Kennitala: The employee's national ID number.</p> <p>(5) Employee's name and address.</p> <p>(6) Útborgun, útborgunardagur: Date of salary payment.</p> <p>(7) Útborgun, upphæð kr.: Salary forwarded on payment date, i.e. net payment (cf. the explanation of Laun og aðrar greiðslur samtals) excluding deductible items (cf. the item Frádráttur samtals below).</p> <p>(8) Útborgun frá áramótum, upphæð kr.: Salary paid from the beginning of the year, in this example only as of 1 July 2006.</p> <p>(9) Employee's workplace.</p> <p>(10) Launategund: Details of income and deductions.</p> <p>(11) Lfl.: "Launaflokkur" – payment category (salary bracket). The number 661 represents the salary agreement for the Icelandic Nurses' Association, 036 stands for salary bracket 03 and horizontal placement 6, or 15% extra pay added to the basic salary. For further information, see the salaries table of 1 May 2006.</p> <p>(12) Greiðslutímabil, frá - til: Period for which salary is paid. Payments are made on the first working day of each month. Payments include basic salary plus any supplementary payments and overtime. Basic salary is paid as of the first day of the month to the last day of the month, whereas supplementary pay, standby and overtime is paid from the 16th day of the previous month to the 15th day of the month that has just ended. Salaries are paid on the basis of each employee's work report.</p> <p>(13) Einingarverð: Pay per unit, such as basic salary, hourly pay for overtime, daytime work and shift supplement.</p> <p>(14) Einingafjöldi: Total number of completed work units. The calculation normally represents the actual number of hours, such as for shifts and</p> | <p>overtime. Monthly salary 100.00 refers to full-time work, 90.00 to 90% work, etc.</p> <p>(15) Afgreitt nú kr.: Salary based on work units, see below.</p> <p>(16) Frá áramótum kr.: From the beginning of the year. In this example, however, only as of 1 July 2006.</p> <p>(17) Mánaðarlaun: Monthly salary to the amount of ISK 253,575 pr. month in salary bracket 03 and horizontal category 6, or 15% supplementary pay. This employee's work ratio is 99.3% so the monthly salary is ISK 253,575 * 0.993 = 251,800.</p> <p>(18) Yfirvinna: Overtime. The ratio is 1.0385% of the monthly salary for each hour of overtime. In this example, the hourly overtime rate is 1.0385% of ISK 253,575 = ISK 2,633 pr. overtime hour. The employee has completed 30.68 hours of overtime so the pay for this will be ISK 2,633 * 30.68 = ISK 80,792.</p> <p>(19) Dagvinna kaffitímar vaktavinnumanna: Daytime coffee breaks for shift workers. Coffee breaks are paid as overtime to employees in full-time positions (100% employment) but as a percentage of the monthly salary of part-time employees, i.e. for daytime work. The ratio for daytime work is 0.615% of the basic salary. In this example the hourly pay is 0.615% of ISK 253,575 = ISK 1,559.48. There is a total of 5 hours for daytime coffee breaks, or 1,559.48 * 5 = ISK 7,797 for the period.</p> <p>Vaktaálag: Shift work supplement. This is paid as a supplement to daytime work for regular shift duty outside normal daytime hours, or from 08:00 to 17:00. A supplement of 33.33% is calculated for work carried out between 17:00 and 24:00, Monday to Thursday; a 55% supplement is calculated for work between 00:00 and 08:00 on weekdays; a 55% supplement is paid for work from 17:00 on a Friday to 08:00 on a Monday and during special holidays. For work between 00:00 and 24:00 on public holidays there is a 90% supplement. Shift supplement is calculated as a ratio of basic salary. In the sample salary statement, the</p> | <p>33.33% supplement is ISK 519.78 pr. hour, the 55% supplement is ISK 857.72 pr. hour and the 90% supplement is ISK 1,403.54 pr. hour.</p> <p>(20) Vaktaálag I: 33.33% shift supplement. The sample salary statement shows a total of 8 hours in supplement bracket I, thus giving a total of ISK 519.78 * 8 = 4,158.</p> <p>(21) Vaktaálag II: 55% shift supplement. The sample salary statement shows a total of 93.25 hours in supplement bracket II, thus giving a total of ISK 857.72 * 93.25 = 79,982.</p> <p>(22) Vaktaálag III: 90% shift supplement. The sample salary statement shows a total of 9.75 hours in supplement bracket III, thus giving a total of ISK 1,403.54 * 9.75 = 13,685.</p> <p>Orlofslaun: Holiday bonus. State employees in Iceland receive a special holiday bonus amounting to 10.17% calculated on all overtime and supplementary payments. This ratio increases to 11.59% at the age of 30 and then to 13.04% when the employee reaches the age of 38. In the sample salary statement, the employee is under 30 and thus receives a 10.17% holiday bonus calculated on overtime and supplementary pay.</p> <p>(23) Orlof af dagvinnu: Holiday bonus as a ratio of basic salary. In the sample salary statement, the daytime supplement is ISK 7,797 (see daytime coffee breaks for shift workers, item 19 above). 10.17% of ISK 7,797 is ISK 793 to be part of this month's salary.</p> <p>(24) Orlof af vaktaálagi: Holiday bonus as a ratio of shift supplement payments. In the sample salary statement the shift supplement totals ISK 97,825 (Shift supplement I = 4,158; shift supplement II = 79,982; shift supplement III = 13,685, see items 20-22 above). 10.17% of ISK 97,825 makes ISK 9,949 to be part of this month's salary.</p> <p>(25) Orlof af yfirvinnu: Holiday bonus as a ratio of overtime pay. In the sample salary statement the overtime pay is ISK 80,792 (see item 18 above). 10.17% of ISK 80,792 makes ISK 8,217 to be part of this month's salary.</p> |
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# Launaseðill



Reikningsnúmer 1 0000-00-00000 2 06.200 3 Útborgun Kjarasamningur Félág íslenskra hjúkrunarfræðinga 4 Kennitala 999999-9999

5 Nafn  
Kennitala  
Heimilisfang  
Póstn

Útborgun

6 Útborgunardagur 01.07.2006	7 Upphæð kr. 291.496	8 Útborgun frá áramótum Upphæð kr. 291.496
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10 Launategund	11 Lf.	12 Greiðslutímabil frá - til	13 Einingaverð	14 Einingafjöldi	15 Afgreitt nú kr.	16 Frá áramótum kr.
<b>LSH deild</b>						
Vaktaálag III	661-036	010606-150606	1.403,54	9,75	13.685	13.685
Mánaðarlaun	661-036	010606-300606	253.575	99,30	251.800	251.800
Yfirvinna	661-036	160506-150606	2.633,38	30,68	80.792	80.792
Dagvinna kaffitímar vaktavinnumanna	661-036	160506-150606	1.559,49	5,00	7.797	7.797
Vaktaálag I	661-036	160506-150606	519,78	8,00	4.158	4.158
Vaktaálag II	661-036	160506-150606	857,72	93,25	79.982	79.982
Orlof af dagvinnu	661-036	160506-150606	10,17%	7,797	793	793
Orlof af vaktaálagi	661-036	160506-150606	10,17%	97,825	9.949	9.949
Orlof af yfirvinnu	661-036	160506-150606	10,17%	80,792	8.217	8.217
Yfirvinna	661-B11-1		2.552,74	0,00	0	0
Dagvinna kaffitímar vaktavinnumanna	661-B11		1.534,41	0,00	0	0
Mánaðarlaun	661-B11-1		245,810	0,00	0	0
Orlofsuppbót	661-199		1.866,67	0,00	0	0
Vaktaálag I	661-B11		511,42	0,00	0	0
Vaktaálag II	661-B11		843,93	0,00	0	0
Orlof af vaktaálagi	661-B11		10,17%	0,00	0	0
Orlof af yfirvinnu	661-B11-1		10,17%	0,00	0	0
<b>26 Laun og aðrar greiðslur samtals</b>					<b>457.173</b>	<b>457.173</b>
					<b>27 438.887</b>	<b>438.887</b>
					<b>28 161.159</b>	<b>161.159</b>
					<b>29 29.029</b>	<b>29.029</b>
					<b>30 3.906</b>	<b>3.906</b>
					<b>31 18.286</b>	<b>18.286</b>
					<b>32 11.355</b>	<b>11.355</b>
					<b>33 132.130</b>	<b>132.130</b>
<b>34 Frádráttur samtals</b>					<b>165.667</b>	<b>165.667</b>
Skattstofn			36,72%			
Reiknaður skattur			100%			
Frá dregst persónuafsláttur						
Frádráttur						
Félagsgjald Félág íslenskra hjúkrunarfræðinga						
Líf.sj starfsmanna ríkisins A-deild						
Orlof í banka						
Staðgreiðsla						

(26) Laun og aðrar greiðslur samtals: Salary and other payments, i.e. gross salary, see items 17 – 25.

(27) Skattstofn: Tax base. This is gross salary minus pension fund payments, including private pension savings. The premium for an employee in the A-ward of Landspítali University Hospital is 4% of gross salary. In the sample salary statement, 4% of the gross salary of ISK 457,173 is ISK 18,286. The tax base is thus ISK 457,173 – 18,286 = 438,887. Please note that this employee is not contributing to a private pension savings account.

(28) Reiknaður skattur: Calculated tax. The current tax rate as determined by the tax authorities is 36.72%, thus bringing the calculated tax of ISK 438,887 to ISK 161,159.

(29) Frá dregst persónuafsláttur: 100% personal allowance as determined by Icelandic tax authorities is ISK 29,029.

(30) Félagsgjöld: Association dues payable to the Icelandic Nurses' Association are fixed at 1.5% of basic monthly salaries for daytime work. The employee in the sample salary statement receives ISK 251,800 (basic pay) + 7,797 (daytime breaks) + 793 (daytime holiday bonus). This makes ISK 260,390 \* 1.5% = 3,906 payable to the Association.

(31) Líf.sj. starfsmanna ríkisins A-deild: Pension fund for State Employees, A-Division. The premium for an employee in the A-ward of Landspítali University Hospital is 4% of gross salary. In the example, 4% of a gross salary of ISK 457,173 is ISK 18,286.

(32) Orlofslaun lögð á reikning hjá SPRON: Holiday bonus deposited with SPRON savings bank. This is total holiday bonus minus tax, association dues and pension premiums on shift supplement payments. In the sample salary statement this amount is ISK 11,355.

(33) Staðgreiðsla skatta: Pay as you earn tax system. Calculated tax minus personal allowance of ISK 29,029. The tax payment is thus ISK 161,159 – 29,029 = 132,130.

(34) Frádráttur samtals: The sum of all deductions, cf. items 30 – 31.

Lífeyrissjóður - séreignarsjóður viðkomandi: Pension fund – private pension scheme. Contributions to a private pension scheme are optional. These usually amount to 2% - 4% of gross pay, but may be higher as requested by the employee. The Treasury's reciprocal contribution can, however, never exceed 4%. Please note that the employee in this example has not selected this option.