



Iceland: Equal pay certification



Public Procurement Principle: **Balance, Integrity, Capacity**



Procurement Stage: **Pre-tendering, Tendering**



Audience: **Procuring entity, Policy makers, Private sector**

Description

Iceland's equal pay certification legislation, passed in 2017, is aimed at closing the gender pay gap. All companies with 25 employees or more are obliged to obtain certification from a certifying body of Icelandic Standard ÍST 85 to prove that women and men receive equal pay for equal work. The Centre for Gender Equality oversees the certification process. Companies that do not meet the government requirements are fined. The Icelandic Act on Public Procurement allows for requirements of certification or equivalent. The purpose of the obligatory equal pay certification is to enforce the current legislation prohibiting discriminatory practices based on gender and requiring that women and men working for the same employer shall be paid equal wages and enjoy equal terms of employment for the same jobs or jobs of equal value.

A bill of law (amendments to the Gender Equality Act No. 10/2008) was passed by the Parliament on June 1st, 2017 and came into force on January 1st, 2018. Companies and institutions employing 25 or more workers, on annual basis, are required to obtain equal pay certification of their equal pay system and the implementation thereof. In accordance to the legislation, certification shall meet the requirements of the Standard ÍST 85, Equal Wage Management System – Requirements and guidance (normally called The Equal Pay Standard). Equal pay certification under the Standard ÍST 85 is designed to confirm that when decisions on wage are taken they are based only on relevant consideration. The Standard ÍST 85 is a management requirement standard and can be used by all companies and institutions regardless of the size of the workplace, operation, role or gender balance amongst staff.

The Standard ÍST 85 ensures professional working methods in order to prevent direct or indirect discrimination. The Standard ÍST 85 can be purchased at Icelandic Standards (Staðlaráð Íslands). Accredited certification bodies shall confirm that a company's or institution's equal pay system and its implementation thereof meet the requirements of the Standard ÍST 85.

Source: Iceland Act on Public Procurement, no. 120/2016 (Art. 50); Iceland Act 10/2008

<https://www.jafnretti.is/en/vinumarkadur/equalpay-certification/equal-pay-certification>

OECD (2021) Promoting gender equality through public procurement: Challenges and good practices

<https://doi.org/10.1787/5d8f6f76-en>

