

An aerial photograph of a waterfall cascading over a rocky cliff into a turquoise sea. The water is white and frothy as it falls, creating a stark contrast with the dark, moss-covered rocks. The sea is a vibrant blue-green color. The text "Working in the Faroe Islands" is overlaid in white, bold, sans-serif font. A solid red horizontal bar is positioned to the left of the text.

Working in the **Faroe** **Islands**

Welcome to the Faroe Islands

This booklet contains information for anyone planning to work in the Faroe Islands. It includes relevant and practical information about what you can expect in terms of your work permit, employment contract, pay, accommodation and other practical information about living and working in the Faroe Islands.

It is important that you read this information. It is your responsibility to understand your rights, responsibilities, rules, and conditions in relation to your work permit and to appreciate what to expect whilst living and working in the Faroe Islands.





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Important information

Before you travel to the Faroe Islands

Work permit for one year

Work permits are granted for up to one year, but unforeseen circumstances or changes at the company can lead to redundancies. You are therefore not guaranteed a job for the entire year and may need to return to your home country sooner than expected.

Travel and administrative costs

It can be expensive to travel to the Faroe Islands. Before you travel, have a clear agreement with your employer about who pays for the travel expenses to and from the Faroe Islands and any administrative costs associated with your permit and travel arrangements.

Travel insurance

You must have had a registered address in the Faroe Islands for a minimum of 6 weeks in order to receive free medical treatment at the hospital unless it is a medical emergency.

It is recommended that you buy travel insurance, which covers the six-week period in case of illness or injury. The Faroe Islands are not part of the European Union and therefore the European Health Insurance Card is not valid in the Faroe Islands.

Finding a place to live

Finding a place to live in the Faroe Islands can be difficult. Employers are not obliged to provide accommodation for you, though some employers may choose to help. If accommodation is not part of your contract, you will need to find a place to live by yourself.

Your contract and work permit

To work in the Faroe Islands, you need an employment contract and a work permit. The contract outlines the work conditions agreed between you and your employer.

Contract

Your salary and terms of employment must meet Faroese standards as a minimum including alignment to collective bargaining agreements in the Faroe Islands. You and your employer can apply for a work permit when the contract is completed.

The contract must be dated and include the following information:

- Name and address of employer and wage/salary earner
- Location and type of work
- Job title
- Date of commencement of employment
- Duration of employment, in the case of temporary work
- Paid holiday entitlements
- Notice period for dismissal and resignation
- Agreed salary to which the employee is entitled when work starts
- Allowances and other possible salary components such as pension benefits, accommodation, and sustenance

- When and how often the salary will be paid
- Ordinary working hours
- Which collective agreement regulates working conditions

If you are granted a work permit, you will receive a letter from the Immigration Office containing the terms and conditions for your stay in the Faroe Islands. Please remember to save the work permit letter from the Immigration Office as it is a legal document proving your right to work and reside.

The duration of your residence permit in the Faroe Islands is based on the dates stated in your employment contract. For example, if your work is seasonal from May to September, then your permit is valid from May to September. Your work contract may not have an end date.



A work permit is only valid for a maximum of one year at a time. If you intend to extend your employment beyond the end date of your work permit, you must apply to extend your work permit *no more than two months before it expires*.

For more detailed information on work permits, please see www.utlendingastovan.fo

Work hours and income

There are two main conditions you must meet to keep your permit valid: work hours and income.

- **Work hours:** Under the Fast Track scheme for third country nationals (i.e. non-European Union), you must work a minimum of 40 hours a week. Under the EU scheme, you must work a minimum of 30 hours a week.
- **Income:** Your income must not be below the minimum wages outlined in the collective agreements between the employers' organisations and the unions. You can work additional hours, but you must not work fewer hours than the specified requirements for each scheme unless you have legal absence from work due to, for example, illness or pregnancy or other mitigating circumstances.

When you can start work

When you can start work depends on the type of work permit you have. It is important to know the difference.

EU citizens who come to work for a pre-approved employer can start working immediately on these conditions:

1. The employer must hold a valid pre-approval issued by the Immigration Office.
2. The employee must have been offered a job for at least 30 hours per week.
3. The employee can start working on the condition that the application form AR8, has been completed and submitted to either the Immigration Office or the police station on the first day of work.

Applicants under the **Fast Track Agreement** and other work permit applicants (for citizens from outside the EU) cannot start working until the work permit has been issued.

Sideline employment

Your work permit only applies to the company you are working for. Holding a work permit does not mean you have permission to work for more than one company. If you are interested in working for a different company simultaneously, you must apply for a sideline employment permit. This work must relate to your main job. Access to sideline employment permits is limited.

Permit extension

If you plan to work beyond your work permit's stated duration, you must apply for an extension. It is your responsibility to apply for an extension before your permit expires. Failing to apply for an extension before the expiration date means that your work permit will expire.

You must fulfill the two main conditions of work hours and income to renew your work permit. You will find guidelines in your permit on how to apply for an extension.

Changes to your job

In certain situations, you must apply for a new work permit or inform the Immigration Office of your changed circumstances. Examples of changed circumstances are:

- **New position in the same company:** If your work differs from what is stated in your contract, you must apply for a new work permit even though you are working for the same company.
- **New job at a different company:** If you find a new job with a different company, you must apply for a new work permit.
- **Dismissal:** If you are dismissed from your job, you must inform the Immigration Office of your changed circumstance. The Immigration Office will send you a letter which specifies a departure date by which you must leave the country because the basis on which your permit was granted no longer exists. You can look for a new job and apply for a new permit prior to the departure date. When you apply for a new permit, the same conditions apply for work hours, income, and start date (p.8).

Permanent residence permit

A work permit allows a maximum of one year's residence in the Faroe Islands, which you must renew annually. In contrast, a permanent residence permit does not require annual renewal and you can work for the employer of your choice.

To be eligible to apply for a permanent residence permit as a work permit holder, you must have worked continuously in the same industry for 7 years. This means your employment falls within the same line of work, and you must not have switched to unrelated jobs or had any gaps in employment during the 7-year period. For example, working at a fish factory one year and working at a grocery store another year will not be considered as work in the same industry.

You must also attend an integration interview conducted by the Faroese police to demonstrate your Faroese language skills and your connection to Faroese society.

For more information, contact the Immigration Office www.utlendingastovan.fo.

Things to do once you arrive

Register at your local municipality

When you have been granted a work permit and have arrived in the Faroe Islands, you must register your Faroese address at your local municipality to receive a civil registration number – known as a *p-tal* in Faroese. You must have a *p-tal* in order to open a bank account and to receive wages or salary through the Faroese tax system and to access social welfare and health services.

Open a bank account

You must have a Faroese bank account to receive your wage or salary and pension payment. Please see more on p.20 related to pension payment exemption applications.

Apply for a bank account as soon as you have your *p-tal*. You have four different banks to choose from: *Føroya Banki*; *Betri Banki*; *Norðoya Sparikassi*; and *Suðuroyar Sparikassi*.

Go to a bank and bring copies of the following: work permit; civil registration number certificate (*p-tals váttan*); personal ID (e.g., passport, driver's licence, birth certificate); and personal ID number from your home country (if applicable). The bank may also ask for other documents they deem necessary.

Your bank cards will be sent to you by mail. Remember to put your name on your mailbox or your mail may be returned to sender.

Ask the bank about their online banking app (*netbankin*). You will need a digital log-in called *Samleikin* to use online banking (see below).

Register to use Samleikin, a digital login and signature app

Samleikin is used to log-on to digital services such as *Vangin* (public institutions and municipalities) and *Borgaragluggin* (the online tax portal) as well as online banking. It can also be used to provide a digital signature.

You must register to use *Samleikin*. Contact Talgildu Føroyar for an in-person registration in Tórshavn on 1881 or write to 1881@talgildu.fo.

People with foreign passports can also register for *Samleikin* in the app, but, in addition, you will need a witness to confirm your identity. For more information visit www.samleikin.fo.

Subscribe to a mobile phone plan

Mobile phone roaming charges can be high in the Faroe Islands, so, it is a good idea to subscribe to a local mobile phone plan or buy a pre-paid SIM card as soon as you arrive. Contact one of the two local telecom companies *Føroya Tele* (www.ft.fo) or *Nema* (www.nema.fo) for further information.

Bringing your spouse and children to the Faroe Islands

If you want to bring your spouse and any children to the Faroe Islands, and they do not have a work and residence permit, they must each apply for a permit as an accompanying family member. As the sponsor, you are required to document that you can financially support your family members when they apply. For more information about permits as an accompanying family member and financial support requirements, visit: www.utlendingastovan.fo.

It is recommended that you contact the Integration Counsellor at the Immigration Office for advice and guidance on settling in the Faroes Islands, learning the language, schooling and other practical matters before bringing your family to the Faroe Islands. Ask for an appointment at info@utlendingastovan.fo.

Finding a place to live

If your employer does not provide accommodation for you, you can find rooms or apartments to rent on for example mark.fo, bustadir.fo, kitt.fo or vert.fo or on local Facebook groups. When you have found a suitable place, you will need to discuss the terms, conditions, duration, and the total price of the lease with the owner.

Your rights as a renter are protected by the Rent Act if you and the owner sign an official lease agreement and a standard escrow agreement approved by the Rent Board. You can find more information about your rights at: <https://www.leigunevndin.fo/fo/almenn-skjoel/download-documents-in-english>.

Please be aware that there is currently a housing shortage in the Faroe Islands and suitable accommodation can be difficult to find and expensive.



Overview of the Faroese labour Market

The Faroese labour market is divided into a private and a public sector. Terms, benefits, and conditions of wages or salaries and employment for workers are set out in collective agreements, which the parties draw up after negotiations.

In the private sector, the Faroese Employers' Association, *Føroya Arbeiðsgevarafelag*, has the overall responsibility for negotiations on behalf of all employers apart from the owners of fishing vessels.

In the public sector, the Ministry of Finance, *Fígjarmálaráðið*, and the Municipal Employers' Association, *Kommunala Arbeiðsgevarafelagið*, negotiate on behalf of the public and municipal employers.

The trade unions are responsible for negotiating with both the private and public sectors on behalf of their members.

When the negotiating parties have signed a wage agreement, the terms and conditions of the agreement come into effect at an agreed date. Some workers' rights in the Faroe Islands are governed by law such as parental leave, sick leave, gender discrimination, and work safety.

Joining a trade union

Nearly every type of work in the Faroe Islands falls under a specific trade union. Unions play an important role in negotiating wage agreements and securing workers' rights and work conditions.

In the Faroe Islands, it is common for both employees and employers to be a member of a union or association and the level of trust in unions is generally high.

You have the right to choose if you want to join a union or not – it is not mandatory.

You can apply to be a member of a union by paying a fee. As a union member, you may be entitled to certain benefits such as free legal advice, workers' compensation insurance, and access to an illness fund. Different unions may have different benefits.

The Faroese Workers' Association has a website in English - union.fo. It contains useful information for both members and non-members on workers' rights in the Faroe Islands.

The largest trade unions are:

- **Føroya Arbeiðarafelag**
(Faroese General Workers' Union)
- **Havnar Arbeiðarafelag**
(Tórshavn General Workers' Union)
- **Havnar Arbeiðskvinnufelag**
(Tórshavn Women's Workers' Union)
- **Klaksvíkar Arbeiðsmannafelag**
(Klaksvík General Workers' Union)
- **Klaksvíkar Arbeiðskvinnufelag**
(Klaksvík Women's Workers' Union)
- **Føroya Handverkarafelag**
(Confederation of Faroese Unions for Craftsmen)
- **Landsfelag Handverkaranna**
(Faroese National Union for Craftmen)
- **Samverk**
(Office and Retail Workers' Union)
- **Føroya Fiskimannafelag**
(The Faroese Fishermen's Union)
- **Føroya Skipara- og Navigatørfelag**
(The Faroese Union of Shipmasters and Navigators)
- **Maskinmeistarafelagið**
(The Faroese Engineers' Union)



Your rights at work

Below you will find a general overview of your rights at work. Please ask your employer or union about further information about your rights.

Working hours

Generally, the number of weekly working hours is defined in collective agreements between the parties in the labour market. Full-time working hours are around 40 hours per week in both the private and public sectors. Normal working hours and conditions concerning lunch breaks and other breaks are usually defined in agreements between the union and the employers.

Appointments during work hours

While you must work the specified hours of your work permit, you may need to attend appointments or meetings during work hours. For example, you may have a doctor's appointment or a parent-teacher meeting at your child's school, which you are expected to attend. You need to let your employer know in advance about your planned absence. Ask your employer what the rules and expectations are in your workplace and whether you need to work extra hours to make up for any lost time.

Annual leave and holiday pay or allowance

In general, the annual leave entitlement is five weeks, in addition to public holidays. Employees not only

have the right to annual leave but also have the duty to use it. Every worker accumulates a right to a certain number of annual leave days, with or without pay/allowance. Employers decide, in consultation with wage earners, when holidays must be taken and shall give reasonable notice of their decision. Employers have the final say over when holidays must be taken.

The legislation regulating holidays on the labour market does not apply to fishermen or sailors. Another scheme is applicable here. For more information visit: fiskimannafelag.fo.

Termination of employment

Termination of employment conditions are agreed in the collective agreements. The notice period and conditions are different depending on the relevant agreement. Notice of termination of employment must be presented in writing, whether by the employer or the employee. Remember that even though you have been granted a work permit for up to one year, you are not guaranteed a job for one year.

Sick leave

Conditions concerning sick leave are usually defined in agreements between the union and the employers.

If you or your child get sick, you may be entitled to paid sick leave. If you are not entitled to paid sick leave from your employer, you can apply for the sickness benefit from the Department of Social Services, *Almannaverkið*. The sickness benefit is no more than 80% of your wage and is subject to a cap on the total amount you can receive. You are only entitled to paid sick benefit for the child's first and second sick day.

An application deadline and conditions apply.

For more information about terms and conditions visit: www.av.fo.

Sick leave during pregnancy

If your health or your baby's health are at risk during pregnancy, you may be entitled to paid sick leave or sickness benefit before the due date. The health risk must relate to a serious medical condition or the character of your work.

If you are not entitled to paid sick leave, you can apply for the sickness benefit from the Department of Social Services, *Almannaverkið*. Sickness benefits are usually calculated based on average income over the last 5 weeks before absence due to illness.

Sickness benefits are equivalent to the expected lost income but cannot exceed 80% of workers' pay. Statutory pension and holiday pay are also given as part of sickness benefits and it is paid into a fund.

An application deadline and conditions apply.

Expecting mothers are also entitled to 4 weeks of maternity leave before birth. For more information on terms and conditions visit Parental Leave Fund, www.barsil.fo or www.av.fo.

Paid parental leave

Parents can claim 52 weeks of parental leave altogether to care for a new-born child or a newly adopted child. All wage-earners who are registered and pay tax in the Faroe Islands have the right to paid leave when having a child. The Parental Leave Fund, *Barsilsskipanin*, administers and pays out the parental leave allowance.

As a work permit holder and a registered resident, you are entitled to parental leave and to access the parental allowance. However, you are not entitled to any other financial benefits or support from the Department of Social Services.

For more information visit: www.barsil.fo.

Occupational Health and Safety

As a worker in the Faroe Islands, you have the right to a safe and healthy work environment. A safe working environment includes both physical and psychological safety.

The employer must, for example, ensure that:

- the work environment is as safe as possible and work activities are carried out in the safest way possible.
- employees are instructed about potential work-related risks and trained accordingly.
- that there is active workplace cooperation regarding safety.
- the safety representatives are properly instructed, informed, and have attended mandatory courses.

The employee must:

- Comply with the Occupational Health and Safety instructions and regulations provided by the employer and stipulated by law.
- Actively assist the employer in ensuring that the work environment is as safe as possible.

Working time and resting time

As a general rule, work must be organised so that employees have at least 11 consecutive hours of rest before each 24-hour period, starting when work begins. Regular work on Sundays and holidays throughout the day and night is discouraged unless it benefits society or is essential. Public holidays, both day and night, should be observed from 10 pm the evening before to 8 am the morning after. If employees work regularly on Sundays, the employer is entitled to compensate with consecutive time off within the week, equivalent to the lost working hours.

Harassment, threats, and violence in the workplace

You should not receive nor accept harassment, threats, violence, or similar behaviour in the workplace. Any type of harassment, threats or violence in the workplace is unacceptable and illegal. These actions can lead to serious psychological, physical, and social consequences for you as an employee and is something that your employer must take seriously.

If you experience inappropriate behaviour from other employees or management, contact, for example, your Human Resources department (HR), your safety representative, your foreman or manager. If you are a member of a union, you can contact a union representative at work or the union directly. For more information visit: www.arb.fo.

You can also contact the Immigration Office (www.utlendingastovan.fo), the Faroese Safety Authority (www.arb.fo) or the Free Legal Service (www.raettarhjalpin.fo) for further advice and guidance.

Workplace insurance and injuries

All employees are automatically insured for work-related injuries by their employer. If you are injured in a work-related accident and are unable to work on the day or days after the accidents, your employer must report the incident to the Faroese Safety Authority, *Arbeiðs- og brunaeftirlitið*, as soon as possible.

You can also contact your union in case of workplace accidents or possible work-related injury, illness, or disability.

National Health Insurance

You are covered by the National Health Insurance, *Heilsutrygd*, if you have a registered address in the Faroes Islands and a civil registration number, *p-tal*. Exceptions apply to medicines, dental treatment, and some specialist treatments.

Health care is generally free, but you must pay a monthly contribution of your income to *Heilsutrygd*. The contribution is deducted automatically from your main income ('A-income') through the automated tax system, i.e. it is deducted from your wages or salary at source.



Taxation and other mandatory contributions

All individuals living in the Faroe Islands who have an income are liable to pay tax. Tax and any other deductions are automatically deducted by the Faroese taxation authority, TAKS, when you receive your wages or salary. For more information visit: www.taks.fo.

Pension

Pension contributions are stipulated in the agreements between employers' associations and trade unions. Pension contributions are calculated as a percentage of either salary or basic wages, depending on which agreement applies, excluding holiday pay.

Compulsory pension contribution

To qualify for a pension exemption, you must be fully tax liable in the Faroes, and the employment contract must directly state that the employment is for a fixed period. If you meet the conditions, you may be granted an exemption from compulsory pension contributions for up to a total of 60 months.

To become exempt, submit the application form “Application for the exemption from compulsory pension contributions in the Faroe Islands” on www.taks.fo and enclose a copy of your employment contract. It is recommended that you apply for an exemption before the first wage payment is paid.

If you started paying into a pension in the Faroes, but you qualify for an exemption, you can request to have your contribution refunded. In this case, you must submit the application form “Request for a refund of pension contributions”. You are required to submit a copy of your employment contract with the application.

Unemployment benefits contribution

As a work permit holder, you are ineligible to access unemployment benefits from the Faroese Unemployment Office, ALS.

The only exception is if your workplace is approved by ALS under the fish factory system called the FV system. This system provides unemployment benefits during periods of inactivity at fish factories due to factors such as a lack of raw materials.

As a receiver of an A-income with full residence and tax duties in the Faroe Islands, you must pay a fee of 0.8% of your income to ALS. The fee is deducted automatically from your A-income through the tax withholding system.

Unemployment benefits exemption

As a temporary work permit holder, you can apply for a payment exemption for up to one year at a time. To become exempt from paying the unemployment benefits, send an application to als@als.fo and enclose a copy of your residence and work permit. It is recommended that you apply for the exemption *before* the first wage is paid out.

For more information visit: www.als.fo.

Holiday allowance

All wage earners are entitled to a holiday allowance called *frítíðarløn*. The holiday allowance is usually accrued from 1 April to 31 March. This is called the accrual year. If you have worked full time in the accrual year, this will be the equivalent to 5 weeks of holiday with pay. If you have worked less, the holiday allowance will decrease accordingly.

The holiday allowance is paid on 2 May. It is not possible to be paid in advance.

Wage earners paid by the hour

Wage earners, who are paid by the hour, are not entitled to paid leave. Every time you are paid, your employer is responsible for contributing 12% of your wages to the holiday allowance via the TAKS holiday fund. The holiday allowance is collected throughout the year and is then automatically credited every year on 2 May.

Fixed salary earners

Fixed salary earners are entitled to paid leave. Furthermore, you are entitled to a holiday supplement which is 1.5% of the salary earned in the accrual year. The holiday supplement is usually paid together with the monthly salary for April.

Deduction in wages

In some cases, you and your employer may agree to deduct part of your wage to cover certain expenses such as work clothes and equipment. Deductions are allowed up to a maximum of 25%.

Leaving the Faroe Islands

When your contract is finished and you are preparing to leave the Faroe Islands permanently, there are some administrative and practical matters that you must attend to. You need to contact:

- ✓ your landlord to terminate your rental agreement and finalise your deposit agreement
- ✓ your local municipality to deregister your address from the national register and to deregister your children from childcare and school
- ✓ TAKS to determine your tax liability
- ✓ your utility companies to terminate your heating, electricity, internet account, and mobile subscription
- ✓ your bank to notify them of your relocation. Ask the bank to close your accounts after 2 May when your holiday allowance is credited to your account
- ✓ your insurance company to notify them of your relocation and to terminate your insurance policy

It is important to deregister and terminate your accounts so that you are not held liable to pay taxes, mandatory contributions, or any bills. Failing to deregister and to terminate accounts can lead to an accumulation of debt to TAKS and to private companies.

Essential contact information

Emergency:

Dial 112 for emergency
Police, fire and ambulance

The Police:

+298 351448 www.politi.fo

The National Hospital

+298 304500 www.ls.fo

Emergency service doctor outside opening hours

Dial 1870

The Department of Social Services

+298 360000 www.av.fo

TAKS:

+298 352600 www.taks.fo

The Danish Immigration Service:

www.newtodenmark.dk

The Faroe Islands Legal Aid:

+298 319823 www.raettarhjalpin.fo

The Immigration Office:

+298 357979 www.utlendingastovan.fo

Trade Unions

Føroya Arbeiðarafelag

(Faroese General Workers' Union)
+298 312101 www.fafelag.fo

Havnar Arbeiðarafelag

(Tórshavn General Workers' Union)
+298 312106 haf@haf.fo

Havnar Arbeiðskvinnufelag

(Tórshavn Women's Workers' Union)
+298 353995 www.hak.fo

Klaksvíkar Arbeiðsmannafelag

(Klaksvík Men's Workers' Union)
+298 455090 kamf@olivant.fo

Klaksvíkar Arbeiðskvinnufelag

(Klaksvík Women's Workers' Union)
+298 455218 kl-arbkv@olivant.fo

Føroya Handverkarafelag

(Confederation of Faroese Unions for Craftsmen)
+298 312120 www.fhf.fo

Havnar Handverkarafelag

(Confederation of Tórshavn Unions for Craftsmen)
+298 354800 www.handverk.fo

Landsfelag Handverkaranna

(Faroese National Union for Craftsmen)
+298 234809 www.lfh.fo

Samverk

(Office and Retail Workers' Union)
+298 666060 www.samverk.fo

Føroya Skipara- og Navigatørfelag

+298 316973 www.fsn.fo

Maskinmeistarafelagið

+298 314718 www.mf.fo

Føroya Fiskimannafelag

+298 311569 www.fiskimannafelag.fo

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