

With Proposed Legislation, Iceland Aims to be First Country to Close Gender Pay Gap

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[Iceland has introduced legislation](#) that would require public and private employers to prove they are paying men and women equally for the same or equal work. The country, [ranked in the World Economic Forum's 2016 Global Gender Gap Report as best in the world for gender equality](#), has had equal pay laws on the books for half a century pushing companies and the government to gradually reduce the pay gap. Nevertheless, Icelandic women still earn on average 14 to 18 percent less than men. This new legislation is intended to aggressively attack and close that gap.

The proposed law would require public and private companies with 25 or more employees to annually certify that they are paying their employees equally for equal work regardless of gender, ethnicity, sexuality, or nationality. To obtain the equal pay certification, employers would have to assess every job and identify and eliminate wage gaps that exceed five percent. While all covered companies would have to comply by 2022, the country's largest companies and government agencies would start undergoing equal pay audits beginning in 2018.

This proposed legislation follows an [equal pay pilot program](#) in which government agencies, municipalities, and companies [implemented an Equal Pay Standard](#) under the supervision of a government group called the Action Group on Equal Pay. The standard outlined a process to ensure equal pay in the workplace, which included evaluating positions and assigning them a value based on the position and not on the person in the position. The pilot program participants also met regularly to discuss various hurdles to achieving equal pay and best practices.

Iceland is not the first country to require that employers certify they provide equal pay. Several other countries and the [state of Minnesota](#) have equal pay certificate policies. In Minnesota, certain state contractors must obtain an Equal Pay Certificate prior to executing a contract. Iceland's proposed law is unique in that it would apply to both public and private employers.

Iceland is hoping their efforts inspire more countries to work to close their own gender pay gaps. And we're already seeing movement worldwide around this issue. Starting next year, in the [United Kingdom](#), companies with more than 250 employees must publish on their own websites information about their gender pay gap. [New Zealand](#) has introduced a bill that would require employers to provide gender and pay data to the government for publication in the aggregate. In [Singapore](#), companies listed on the Singapore Stock Exchange must calculate pay differences at the board level

based on gender. The first year's reporting showed male directors on average earn 56.8% more than female directors.

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National Law Review, Volume VII, Number 102

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