



## VELFERÐARRÁÐUNEYTIÐ

*Ministry of Welfare*

### **Social Assistance Act, No. 99/2007.**

**Originally Act No. 118/1993.**

**Amended by Act No. 148/1994, No. 144/1995, No. 152/1995, No. 92/1997, No. 82/1998, No. 60/1999, No. 93/2001, No. 74/2002, No. 76/2003 and No. 91/2004.**

**Reissued as Act No. 99/2007.**

**Amended by Act No. 160/2007, No. 112/2008, No. 120/2009, No. 162/2010, No. 164/2010, No. 106/2011, No. 126/2011, No. 8/2014, No. 137/2014, No. 85/2015, No. 88/2015, No. 125/2015, No. 75/2016, No. 116/2016, No. 126/2016 and No. 96/2017.**

Where mention is made in this Act of ‘the minister’ or ‘the ministry’ without further definition, the reference intended is to the Minister of Social Affairs and Equality or to the Ministry of Welfare, which is responsible for the implementation of this Act. Information on the division of responsibilities between ministries according to a presidential decree may be found [here](#).

#### Article 1

Social assistance benefits consist of: single parent’s allowance, child pension in connection with school studies or vocational training of young people aged 18–20, home-care allowance, spouse’s benefit, home-care benefit, death grant, rehabilitation pension, household supplement, additional supplements [automobile purchase grants],<sup>1)</sup> automobile purchase supplements, automobile operation supplements and reimbursements of substantial expenses in connection with medical assistance and medications.

Social assistance benefits are paid only to persons who are legally domiciled in Iceland, *cf.* Article 1 of the Legal Domicile Act, and when other conditions set in this Act, and in regulations issued hereunder, are met. Regulations may be issued linking the payment of benefits to income other than [housing benefit],<sup>2)</sup> as appropriate.

The Social Insurance Administration shall pay benefits under this Act.

The cost of social assistance benefits shall be met by the State Treasury in accordance with decisions made in the Budget Act and the Supplementary Budget Act at any given time.

<sup>1)</sup> Act No. 112/2008, Article 58. <sup>2)</sup> Act No. 75/2016, Article 32.

#### Article 2

##### *Single parent’s allowance.*

Single parent’s allowance may be paid to single parents who support their children under the age of 18 and are resident in Iceland. The Minister shall issue regulations<sup>1)</sup> containing further provisions on the payment of single parent’s allowance. In the regulations, the payment of single parent’s allowance may also be made subject to the condition that a ruling on the payment of child maintenance has been delivered or that a confirmed agreement has been made on the payment of child support.

Annual single parent’s allowance shall be as follows:

For two children	ISK 63,900.
For three or more children	ISK 166,152.

The Social Insurance Administration may pay the single parent’s allowance to the spouse of an old-age or invalidity pensioner when his/her social security benefits cease to be paid because of placement in an

institution. The single parent's allowance may be paid to the spouse of a person who is remanded in custody or who serves a prison sentence, providing that the parent has been detained for at least three months.

Single parent's allowance payments shall cease one year after the recipient of the allowance registers himself/herself in the National Register as cohabiting with a person other than the parent of the child or children, *cf.* also Article 49 of the Social Security Act. If a recipient of the allowance registers himself/herself as cohabiting with the parent of the child or children, or a previous cohabiting partner, or marries, then the allowance payments shall cease immediately.

<sup>1)</sup> *Regulation No. 540/2002, cf. 907/2007.*

### Article 3

#### *Child pension.*

The Social Insurance Administration may pay child pension in connection with school studies or vocational training of young people aged 18–20 if one or both of the person's parents are deceased, and also if one or both of the parents are old-age pensioners or invalidity pensioners. ...<sup>1)</sup> The Social Insurance Administration shall assess proof of school attendance and vocational training. A condition for payment shall be that the studies and vocational training take at least six months each year. In the case of irregular studies, or short courses, the study period shall be calculated as the number of teaching hours during the calendar year, six months of study then being considered as corresponding to 624 teaching hours. A fraction of a month shall be considered as a full month. Applications for child pension under this paragraph shall be made by the young person himself/herself. The Social Insurance Administration may defer the payment of child pension until the six-month study period requirement has been met. If it is not possible to make a ruling under paragraph 1 of Article 62 of the Children's Act due to a parent's lack of financial means, or because it has not proved possible to locate the parent, then child pension may be paid for the young person who is demonstrably pursuing studies in accordance with this paragraph. The Social Insurance Administration may demand that tax returns be submitted together with applications for child pensions. A child pension may be granted for a young person who is demonstrably pursuing studies if it is clear that the young person is not able to collect payments in accordance with a ruling made under paragraph 1 of Article 62 of the Children's Act. The child's financial standing and other income that he/she has may be taken into consideration when entitlement to a child pension in view of the foregoing is determined.

The Minister shall issue regulations<sup>2)</sup> on the application of this Article in further detail.

<sup>1)</sup> *Act No. 120/2009, Article 9.* <sup>2)</sup> *Regulation No. 140/2006.*

### Article 4

#### *Home-care allowance.*

The Social Insurance Administration may pay a home-care allowance to persons who support disabled and chronically ill children who live at home or in a hospital, amounting to up to ISK 96,978 per month, and/or take a larger part in the payment of medical expenses if the child's mental or physical disability involves substantial expenses and special care or looking after. Home-care allowance may be paid to persons supporting children with serious developmental disorders that may be regarded as the equivalent of disabilities, and of children with serious behavioural problems that may be regarded as the equivalent of psychiatric illnesses. Under special circumstances, payments of home-care allowance may be raised by up to 25%.

Ordinary services provided by kindergartens and schools shall not entail any reduction of home-care allowance payments. Other daily special services and placements outside the home, including substantial short-term placements, shall entail reduction of home-care allowance payments. ...<sup>1)</sup>

[The Social Insurance Administration shall assess needs under this provision.]<sup>1)</sup>

The Minister shall issue regulations<sup>2)</sup> on the application of this Article in further detail.

<sup>1)</sup> *Act No. 120/2009, Article 10.* <sup>2)</sup> *Regulation No. 504/1997, cf. 229/2000, 130/2001, 519/2002, 77/2005 and 1108/2006.*

## Article 5

### *Spouse's benefit and home-care benefit.*

If special circumstances obtain, old-age and invalidity pensioners may be paid spouse's benefit amounting to up to 80% of [full invalidity pensions and pension supplements under Articles 18 and 22 of the Social Security Act].<sup>1)</sup> Furthermore, if special circumstances obtain, other persons who maintain households with old-age and invalidity pensioners may be paid home-care benefit. The Minister shall issue regulations<sup>2)</sup> on the application of this provision in further detail.

<sup>1)</sup> Act No. 116/2016, Article 12. <sup>2)</sup> Regulation No. 407/2002, cf. 1253/2016.

## Article 6

### *Death grant.*

All persons who become widows or widowers before reaching the age of 67 may be paid grant of ISK 27,429 per month for six months following the death of the spouse.

If the person concerned has a child aged under the age of 18 whom he/she is supporting, or in other special circumstances, benefit of ISK 20,565 per month may be paid for at least a further 12 months, but never for longer than 48 months.

## Article 7

### *Rehabilitation pensions.*

[Rehabilitation pension may be paid for up to 18 months when it is not yet possible to ascertain the permanent working capacity of a person aged 18–67 following an accident or illness. Payments shall be made on the basis of a rehabilitation schedule. The conditions for this shall be that the applicant undergoes rehabilitation which is aimed at recovering working capacity and which is considered satisfactory by the administrative party, and that the applicant is not entitled to receive wages during the sick-leave period or payments from sickness funds, or is not regarded as insured under the Unemployment Insurance Act.

The payment period provided for in paragraph 1 may be extended by up to 18 months if special circumstances obtain.

Rehabilitation pensions shall be subject to the provisions of item *a* of paragraph 1, 4 and 5 of Article 18 of the Social Insurance Act, No. 100/2007. Other related benefits shall be subject to the same rules as apply to invalidity pensions, *cf.*, however, paragraph 1 of Article 10 of this Act. Hospitalization for the purpose of rehabilitation which lasts less than one continuous year shall not affect benefit payments.

The Social Insurance Administration shall monitor to ensure compliance with the rehabilitation schedule and to ensure that other conditions for receiving payments are met.

The Minister may issue regulations on the application of this provision in further detail, including the parties who are to be entrusted with drawing up rehabilitation schedules.]<sup>1)</sup>

<sup>1)</sup> Act No. 120/2009, Article 11.

## Article 8

### *Household supplement.*

[Household supplement may be paid to single pensioners who live alone and are in charged of running a household themselves without the financial advantages of living communally or in sharing arrangements with others as regards living premises or food costs.

Full household supplement for old-age pensioners shall be ISK 583,994 per year. This supplement shall be reduced by 11.9% of the pensioner's income, *cf.* Article 16 of the Social Security Act, until it becomes zero. The first paragraph of Article 17 of the Social Security Act shall apply regarding the calculation of household supplement in respect of residence [and the first paragraph of Article 23 of the same Act shall apply regarding the amount of earnings not taken into consideration when reductions are calculated].<sup>1)</sup>

Full household supplement paid to disability pensioners who receive payments under Article 18 of the Social Security Act and to rehabilitation pensioners who are paid under Article 7 of this Act shall be ISK 444,852 per year. This supplement shall be reduced in accordance with the same rules as apply to pension supplement under the Social Security Act.

Where old-age pensioners avail themselves of the authorisations in the second, third and fourth paragraphs of Article 17 of the Social Security Act to postpone or bring forward the drawing of pension, in part or in its entirety, the same shall apply to household supplement. Article 23 of the same Act shall apply regarding the effect on the amount of household supplement.]<sup>2)</sup>

<sup>1)</sup> Act No. 96/2017, Article 33. <sup>2)</sup> Act No. 116/2016, Article 13.

## Article 9

### *[Supplements to pensions.*

Recipients of pensions may be paid supplements to pensions to meet expenses that are not paid or compensated for in another manner if it is considered demonstrated that they are not able to support themselves without them. Assets and income shall be taken into consideration when assessing whether an old-age pension recipient is not able to live without receiving a supplement. [The main types of expenses that are recognised in this context are costs of being looked after which are not covered by domestic assistance or other public entities, medical costs and the costs of medicines and the cost of purchasing hearing aids which is not paid by the health insurance administration, electricity costs associated with the use of oxygen filters, rental costs that are not covered by rent benefit and the cost of residence in residential homes, institutions and communal homes and half-way houses that have received operating licences from the Ministry or that operate comparable activities.]<sup>1)</sup>

[Disability pensioners who receive payments under Article 18 of the Social Security Act and rehabilitation pensioners who are paid under Article 7 of this Act]<sup>1)</sup> may be paid a special supplement on their pensions to cover the cost of living if it is considered demonstrated that they cannot support themselves without it. When assessing whether pensioners who receive household benefit are able to support themselves without a special supplement, aggregate income of under [ISK 280,000]<sup>1)</sup> per month shall be taken as the reference level. When assessing whether pensioners who do not receive household benefit are able to support themselves without a special supplement, aggregate income of less than [ISK 227,883]<sup>1)</sup> per month shall be taken as the reference level.

For the purposes of this provision, 'income' denotes all income that is liable for tax, including benefits from the social security system and benefits according to the Social Assistance Act, and also foreign income that is not declared to the tax authorities in Iceland.

The Social Insurance Administration shall assess needs under this provision.

The Minister may issue regulations<sup>2)</sup> on the application of this provision in further detail, including reference levels of income and assets.]<sup>3)</sup>

<sup>1)</sup> Act No. 116/2016, Article 14. <sup>2)</sup> Regulation No. 1052/2009, cf. 498/2012, 1252/2016 and 1191/2017. <sup>3)</sup> Act No. 120/2009, Article 12.

## Article 10

### *Automobile expenses.*

Old-age and invalidity pensioner, recipient of invalidity allowance and home-care allowances may be paid a supplement in connection with the purchase of an automobile that is necessary to him/her in view of his/her reduced motility, if it is evident that he/she is unable to manage without the supplement. [Supplements may be granted at five-year intervals in respect of the same individual.]<sup>1)</sup>

The same shall apply to the operation of automobiles where those involved are old-age and invalidity pensioners and recipients of invalidity allowances.

[An allowance may be paid for the acquisition of an automobile that is necessary because the person's physical impairment is restricted or if he/she is missing some body parts. [Allowances may be granted at five-year intervals in respect of the same individual.]<sup>1)</sup> The Minister shall issue regulations<sup>2)</sup> on payments under this provision, including a six-month residence requirement.]<sup>3)</sup>

<sup>1)</sup> Act No. 120/2009, Article 13. <sup>2)</sup> Regulation No. 170/2009, cf. 997/2015, 967/2016, 257/2017 and 1192/2017. <sup>3)</sup> Act No. 112/2008, Article 58.

#### Article 11

*Reimbursement of substantial expenses in connection with medical assistance and medications.*

If expenses paid by a person insured [under the Health Insurance Act]<sup>1)</sup> in connection with medical assistance and medications are substantial, the Social Insurance Administration may reimburse the person concerned the expenses paid, fully or in part, taking his/her income into account.

The Minister shall issue regulations<sup>2)</sup> on the application of this Article in further detail.

<sup>1)</sup> Act No. 112/2008, Article 58. <sup>2)</sup> Regulation No. 318/2013, cf. 847/2015.

#### Article 12

Persons who receive day care under the Act on the Affairs of the Elderly shall participate in the cost of the day care up to a maximum equivalent to an individual person's full basic pension under the Social Security Act. The Social Insurance Administration may pay expenses associated with day-care services for the elderly, cf. Article 19 of the Act on the Affairs of the Elderly, No. 125/1999, in excess of payments under sentence 1 of this Article.

#### Article 13

If payments made under this Act are based on the income of the applicant or benefit recipient, the income shall be determined in accordance with Article 16 of the Social Security Act. [Chapters V and VI of the Social Security Act shall be applied when implementing this Act.]<sup>1)</sup>

<sup>1)</sup> Act No. 88/2015, Article 25.

#### Article 14

The provisions of the Social Security Act shall apply to benefits under the Social Assistance Act as appropriate, including as regards the right of appeal to the [the Welfare Appeals Committee]<sup>1)</sup> and the raising of benefit amounts.

[The Minister]<sup>2)</sup> may issue regulations<sup>3)</sup> setting further provisions on social assistance payments under this Act.

<sup>1)</sup> Act No. 85/2015, Article 13. <sup>2)</sup> Act No. 126/2011, Article 470. <sup>3)</sup> Regulation No. 179/2003. Regulation No. 1190/2008. Regulation No. 1191/2008. Regulation No. 170/2009, cf. 997/2015, 967/2016, 257/2017 and 1192/2017. Regulation No. 598/2009, cf. 1056/2009 and 1118/2013. Regulation No. 1052/2009, cf. 498/2012, 1252/2016 and 1191/2017. Regulation No. 1055/2009. Regulation No. 1057/2009. Regulation No. 570/2011. Regulation No. 1212/2014. Regulation No. 1190/2017. Regulation No. 1195/2017. Regulation No. 1196/2017. Regulation No. 1201/2017.

#### **Temporary Provisions.**

Women who receive widow's benefit payments on 31 December 1995, shall receive widow's benefit payments until the age of 67 providing that they meet the conditions that applied for the payment of widow's benefit prior to 1 January 1996. Payment of widow's benefit to this group shall be in accordance with the rules on the payment of widow's benefit applying prior to 1 January 1996.

[Notwithstanding the provisions of Article 8, paragraph 1 of Article 9 and paragraph 2 of Article 10, the payments of household supplements, supplements to pensions due to expenses and supplements due to operation of automobiles shall not be reduced during the period 1 January 2011 to 31 December 2013 (inclusive), due to general increase of invalidity pensions from pension funds.]<sup>1)</sup>

[[When household supplement paid to those recipients of disability and rehabilitation pensions who receive payments from obligatory employment-related pension funds is calculated, during the period 1 January [2018]<sup>2)</sup> to 31 December [2018]<sup>2)</sup> (inclusive) a comparison shall be made between the calculation of household supplement, on the one hand according to the rules applying during [2018]<sup>2)</sup> and, on the other, according to the rules that were in force in 2013 together with a [31.75%]<sup>2)</sup> increase, taking into

account the income threshold that resulted following application of item 16 of the Interim Provision of the Social Security Act. ...<sup>3)</sup><sup>4)</sup> The method that results in higher payments shall be applied.]<sup>5)</sup>

[Without prejudice to the provisions of Article 8, *cf.* Article 23 of the Social Security Act, the combined sum of full old-age pension and household supplement shall be ISK 300,000 in 2018.

When assessing whether pensioners who receive household benefit are able to support themselves without a special supplement, aggregate income of under [ISK 300,000]<sup>1)</sup> per month shall be taken as the reference level in 2018.]<sup>6)</sup>

<sup>1)</sup> Act No. 106/2011, Article 2. <sup>2)</sup> Act No. 96/2017, Article 34. <sup>3)</sup> Act No. 126/20165, Article 26. <sup>3)</sup> Act No. 125/2015, Article 57. <sup>4)</sup> Act No. 137/2014, Article 2. <sup>5)</sup> Act No. 116/2016, Article 15.

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