



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],¹⁾ 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],²⁾ 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.

¹⁾ Act No. 112/2008, Article 58. ²⁾ 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 regulations¹⁾ 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.

¹⁾ 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. ...¹⁾ 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 regulations²⁾ on the application of this Article in further detail.

¹⁾ Act No. 120/2009, Article 9. ²⁾ 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. ...¹⁾

[The Social Insurance Administration shall assess needs under this provision.]¹⁾

The Minister shall issue regulations²⁾ on the application of this Article in further detail.

¹⁾ Act No. 120/2009, Article 10. ²⁾ 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].¹⁾ 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 regulations²⁾ on the application of this provision in further detail.

¹⁾ Act No. 116/2016, Article 12. ²⁾ 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.]¹⁾

¹⁾ 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].¹⁾