



VELFERÐARRÁÐUNEYTIÐ

Ministry of Welfare

**The Social Security Act, No. 100/2007,
as amended by Act No. 105/2007, No. 160/2007, No. 17/2008, No. 57/2008, No. 112/2008,
No. 155/2008, No. 173/2008, No. 55/2009, No. 70/2009, No. 97/2009, No. 120/2009,
No. 136/2009, No. 65/2010, No. 162/2010, No. 164/2010, No. 51/2011 and No. 106/2011.**

**Section I.
Structure and Administration.**

Article 1

[This Act covers:

1. The social security pension insurance.
2. The social security occupational injury insurance.

The social security health insurance is covered by the Health Insurance Act.]¹⁾

¹⁾ Act No. 112/2008, Article 57.

Article 2

[The Minister of Welfare shall be in charge of pension insurance, occupational injury insurance and health insurance, *cf.* Article 1, and the administrations of the Social Insurance Administration (SIA).

The SIA is in charge of the execution of pension insurance under this Act. The Health Insurance Institute (HII), as provided for under the Health Insurance Act, is in charge of the execution of occupational injury insurance under this Act.]¹⁾

¹⁾ Act No. 162/2010, Article 37.

Article 3

The Minister shall appoint five persons to the board of the SIA ...¹⁾ of whom one shall be appointed chairman and another vice-chairman. The same number of alternates shall be appointed. The chairman shall call and direct board meetings; the Director shall attend board meetings with the right to address them and make proposals. The Minister shall set the board procedural rules²⁾ and determine remuneration to the board members, which shall be paid from the institute's operating capital.

¹⁾ Act No. 160/2007, Article 2. ²⁾ Regulation No. 880/2004.

Article 4

The board of the SIA, *cf.* Article 3, shall approve the organisation of the institute and its annual work plan and financial budget and set the institute a long-term policy. The board shall monitor the activities of the SIA and ensure that its operations are within the framework of the national budget at all times. ...¹⁾

The chairman of the board of the SIA shall report regularly to the Minister on the institute's activities and inform him/her if its activities or services are not in conformity with statutory provisions and if the operation of the institute is not in conformity with the national budget.

¹⁾ Act No. 160/2007, Article 3.

Article 5

The Minister shall appoint the Director of the SIA for a term of five years after receiving the proposals of the board.

Article 6

The Director of the SIA shall engage the other staff of the institute and be in charge of its day-to-day management.

The Minister shall issue the Director of the SIA a letter of commission defining the principal goals in its management and its tasks, both in the long and the short term. The letter of appointment shall also lay down the relations between the Director and the board of the SIA.

The Director shall be responsible for ensuring that the SIA operates in accordance with the law, instructions given by government authorities and the letter of commission as provided for in paragraph 2. The Director shall also be responsible for ensuring that the institute's operating expenses and operating income are in accordance with the national budget and that its financial resources are used in an effective way.

Article 7

[In the event of disputes arising with respect to the basis, conditions, or amount of benefits under this Act, a ruling shall be made by an independent committee, the Social Security Ruling Committee.]¹⁾

The Minister shall appoint three members to the committee, with the same number of alternates, for a term of six years. The Supreme Court shall nominate two members. One of these shall meet the conditions for appointment as a district court judge, and shall be the chairman of the committee; the other shall be a physician and shall be the vice-chairman. One member of the committee shall be appointed without nomination. Alternates shall be nominated in the same manner and meet the same requirements as the principals.

Committee members may be reappointed.

¹⁾ Act No. 120/2009, Article 1.

Article 8

Complaints to the Social Security Ruling Committee shall be submitted in writing within three months of the date on which the party involved was informed of the decision. Forms shall be available for this purpose at the SIA's office and those of its agents, and employees of the institute shall provide all assistance necessary for the completion of the forms.

The SIA [or, as appropriate, the HII]¹⁾ shall provide the committee with all documents of the case and the information and explanations that the committee considers necessary to obtain from the institute.

The committee may engage employees to prepare the resolution of cases and for general office work, in accordance with decisions of the Althingi in the national budget at any given time.

The committee may call in experts for advice and assistance if it considers this necessary. Such experts shall work with the committee on the preparation and processing of the case in accordance with the chairman's decision.

The committee's members, employees and advisors shall be prohibited from disclosing to unauthorised persons any personal information which comes to their knowledge in the course of their work and which should be kept secret; breaches of this shall entail liability under the General Penal Code. This non-disclosure obligation shall remain in force even after they have left the committee's employment.

The committee shall deliver its ruling as soon as possible, and not later than [three]²⁾ months after receiving a case for attention.

[An administrative complaint shall not suspend the legal effect of a decision, but administrative complaint does though suspend enforcement based on a decision of the SIA on recourse of excess benefit payments, cf. Article 55.]²⁾

The chairman shall direct the work of the committee. When the members of the committee are not in agreement, the issue shall be determined by a simple majority.

In other respects, procedure by the committee shall be subject to the provisions of the Administrative Procedures Act.

¹⁾ Act No. 112/2008, Article 57. 2) Act No. 120/2009, Article 2.

Article 9

The Social Security Ruling Committee shall be independent in its work, and its rulings may not be appealed to other authorities.

[The rulings of the Committee on recourses of excess benefit payments under paragraph 1 of Article 7 are enforceable.]¹⁾

At the demand of a party to a case, the committee may decide to defer the legal effects of its ruling if it considers there is reason to do so. A demand for deferral shall be submitted not later than 10 days following the publication of the ruling. Deferral of the legal effects of a ruling shall be subject to the condition that the party to the case bring the case before a court of law within 30 days of the deferral ruling and request accelerated procedure. Deferral of the legal effects of a ruling shall expire if no court proceedings are instituted within 30 days. If proceedings are instituted in connection with a ruling by the committee, the committee may defer the processing of comparable cases that are receiving its attention until judgement is delivered.

The SIA [or, as appropriate, the HII]²⁾ may institute court proceedings in order to have a ruling by the Social Security Ruling Committee refuted.

The committee shall publish its principal rulings in an organised and accessible manner. Rulings shall be published without names, ID numbers or other data that may be used for personal identification.

The Minister shall determine remuneration to the members of the committee. Expenses associated with the committee shall be paid from the State Treasury.

¹⁾ Act No. 120/2009, Article 3. ²⁾ 112/2008, Article 57.

Article 10

The headquarters of the SIA shall be in Reykjavík.

The SIA shall have agency offices outside Reykjavík, their location, arrangement and management being subject to the decision of the institute.

Article 11

The accounts of the SIA for the previous year shall normally be finalised no later than 1 July each year. They shall be audited in the same way as those of other state bodies.

The SIA shall regularly publish full information on all its activities.

The SIA shall inform members of the public of their entitlement to benefits by means of publicity activities.

Section II

Those Insured under this Act.

Article 12

Any person who is resident in Iceland is regarded as insured, *cf.*, however, Article 29, providing that other conditions of this Act are met, unless other provisions are made in international agreements.

Residence, for the purpose of paragraph 1, refers to legal domicile in the sense of the Legal Domicile Act.

The SIA [or, as appropriate, the HII]¹⁾ shall determine whether an individual is regarded as being insured in Iceland under this Act. The right of appeal shall be subject to Articles 7-9.

¹⁾ Act No. 112/2008, Article 57.

Article 13

The SIA [or, as appropriate, the HII]¹⁾ may decide, in response to an application, that a person who is insured under this Act shall continue to be insured even though he/she does not meet the conditions of Article 12, providing that the person concerned is working abroad for a party who is based and operates in Iceland, and that social security contribution, *cf.* the Social Security contribution Act,

based on the person's wages is paid in Iceland. The same shall apply to his/her spouse and children under the age of 18 who live with him/her.

Applications for insurance under this Article shall have been received by the SIA [or, as appropriate, the HII]¹⁾ not later than four weeks before departure from Iceland.

¹⁾ Act No. 112/2008, Article 57.

Article 14

The SIA [or, as appropriate, the HII]¹⁾ may decide, upon an application, that a person who is insured under this Act shall continue to be insured even though he/she does not meet the conditions of Article 12, providing that the person concerned is temporarily resident abroad in connection with studies and is not covered by social insurance in the country where studies are pursued. The same shall apply to his/her spouse who was insured in Iceland at the beginning of the study period and the student's children who are aged under 18 years and live with him/her.

The SIA [or, as appropriate, the HII]¹⁾ may decide, upon an application, that an individual who is insured under this Act shall continue to be insured, *cf.*, however, Article 29, for up to one year from the date of departure from Iceland, even though he/she does not meet the conditions of Articles 12 or 13, providing that no other arrangement is made under international agreements. This is subject to the condition that the person in question has been permanently and continuously resident in Iceland for at least five years prior to departure and the purpose of the journey abroad is not to seek medical treatment.

Applications for insurance under this Article shall be received by the SIA [or, as appropriate, by the HII]¹⁾ no later than four weeks prior to departure from Iceland.

¹⁾ Act No. 112/2008, Article 57.

Article 15

The Minister shall issue regulations¹⁾ concerning further details relating to the implementation of this Act, including registration by the SIA of individuals' insurance entitlements and what is to be considered as constituting study abroad.

¹⁾ Regulation No. 463/1999, *cf.* 1158/2007.

Section III

Pension Insurance.

A. General provisions.

Article 16

Pension insurance includes old-age pensions, invalidity pensions, age-related invalidity supplements, pension supplements, invalidity allowances and child pensions.

For the purposes of Section III of this Act, 'income' shall comprise income as defined in Section II of the Income Tax Act, No. 90/2003, taking into account the provisions of Article 28 of the same Act regarding items that are not considered as income and the deductible items under items 1, 3, 4 and 5 of item A of paragraph 1 of Article 30 and Article 31 of the same Act, or exemptions and limitations stated in other sectorial acts. However, the following shall apply when determining the income base:

- a. [Income over ISK 90,000 per year under item C of Article 7 of the Income Tax Act, No. 90/2003, shall [be regarded as income]¹⁾ when calculating old-age and invalidity pensions, invalidity allowances, [age-related invalidity supplements]²⁾ and pension supplements under Articles 17-19 and [Articles 21-22]²⁾ of this Act.]³⁾ In the case of a couple, income under sentence 1 of this paragraph shall be divided equally between the partners when benefits are calculated. Which of the couple is the owner of the assets forming the income, or whether it constitutes individual property or matrimonial property, shall be of no significance.
- b. [Pensioners' employment earnings shall have influence on the calculation of the amount of the pension supplement under Article 22, *cf.*, however, paragraph 4 of this Article. [When calculating the pension supplement, old age pensioners' employment earnings of ISK 480,000 shall not be taken into account. When calculating the pension supplement invalidity pensioners' employment earnings of ISK 300,000 shall not be taken into account.]]²⁾³⁾

- c. [When calculating the amount of benefits under Section III of this Act and allowance under Article 48, spouses' income shall not be taken into consideration, *cf.*, however, item *a* of this paragraph.]³⁾
- d. ...³⁾

Notwithstanding paragraph 2 of this Article, when old-age and invalidity pensions under Articles 17 and 18 are calculated, benefits under this Act and the Social Assistance Act, ... ²⁾ financial assistance from the local authorities and payments from ... ²⁾ private pension savings and supplementary insurance cover, *cf.* the Act on Mandatory Pension Insurance and on the Activities of Pension Funds and comparable benefits from states with which Iceland has concluded agreements under Article 68 ... ¹⁾ shall not be regarded as income.

[Notwithstanding paragraph 2 of this Article, when pension supplement under Article 22 is calculated, benefits under this Act and the Social Assistance Act, financial assistance from the local authorities, payments from private pension savings and comparable payments from states with which Iceland has concluded agreements under Article 68 ... ¹⁾ shall not be regarded as income. ...¹⁾³⁾

Benefit calculations for each month shall be based on 1/12 of estimated income for the benefit payment year. The benefit payment year is the calendar year. Income estimate data shall be based on the latest information from the parties listed in Article 52. In the case of a new application for benefit, income shall be estimated on the basis of information from the parties listed in Article 52, and benefit entitlement shall be calculated on the basis of the applicant's income and, as appropriate, that of his/her spouse, from the time when benefit entitlement was established.

The SIA shall monitor to ensure that estimated income conforms to the information obtained by the institute from the tax authorities' register of tax deductions at source or from other parties listed in Article 52.

When final data is available on income during the benefit payment year when the tax authorities assess taxes, the SIA shall recalculate benefit sums on the basis of income under this Article. When this recalculation is made, the SIA may take into consideration general changes in wage-levels that have taken place between the time to which the income estimate refers and the time to which final income pertains.

If, when benefits are recalculated, it is revealed that either too much or too little was paid, the situation shall be handled in accordance with Article 55.

The SIA shall inform applicants or benefit recipients of the premises for benefit calculations and give them the opportunity to voice criticisms. Article 52 shall apply regarding the obligation to provide information regarding income and the confidentiality applying to employees of the SIA.

For the calculation of invalidity pension and pension supplement, *cf.* Articles 18 and 22, the Minister may raise the reference income of those pension recipients who have received lump-sum payments of compensation for disability, but deducting the estimated future invalidity pension and pension supplement from the SIA.

[The SIA may, at a pension recipient's request, spread the pension recipient's own income arising from investment earnings that have been withdrawn in a lump sum over a period of up to 10 years. Earnings of this type may not be spread more than once during each period.]³⁾

Regulations ⁴⁾ may be issued on the application of this Article in further detail.

¹⁾ Act No. 173/2008, Article 14. ²⁾ Act No. 70/2009, Article 12. ³⁾ Act No. 17/2008, Article 1. ⁴⁾ Regulation No. 463/1999. Regulation No. 598/2009, *cf.* 1056/2009. Regulation No. 661/2010.

B. Benefits.

Article 17

Old-age pension.

Persons who are aged 67 years or older, and who have been resident in Iceland, *cf.* Section II, for at least three calendar years between the ages of 16 and 67, are entitled to old-age pensions. The full old-age pension shall be ISK 297,972 per year and shall be paid to those individuals who have been resident in Iceland, *cf.* Section II, for at least 40 calendar years between the ages of 16 and 67, *cf.*, however, paragraph 2 of this Article. In the case of shorter periods, old-age pension shall be paid in proportion to the residence period. However, in the case of couples who are both pension recipients, the pensions of both may be based on the residence period of the one who has the longer entitlement period.

[Old-age pension shall be reduced if the income of the pension recipient under paragraphs 2 and 3 of Article 16 is higher than ISK 2,056,404 per year; this shall be done in accordance with Article 16.]¹⁾ If income is above this figure, then the old-age pension shall be reduced by [25%]¹⁾ of the surplus income until it lapses entirely. However, reduction under this paragraph shall never apply to that part of old-age pension to which the individual is entitled as a result of having deferred the drawing of old-age pension, this deferral having been decided prior to 1 January 1992.

All those who have worked as seamen for 25 years or longer shall be entitled to draw old-age pensions from the age of 60, providing they meet the other conditions under this Article. In this context, seamen's working period shall be based on their having been registered on an Icelandic vessel, or a vessel operated by Icelandic nationals, for not less than 180 days, on average, for 25 years. Further provisions on the application of this may be laid down in regulations.

Where a seaman has worked for 25 years or longer in part or exclusively on an open vessel or a decked vessel under 12 GRT in size, or for other reasons has not been subject to registration, he/she may be granted an old-age pension from the age of 60 providing it can be demonstrated that seamanship was his/her main occupation during the time in which he/she pursued it.

¹⁾ Act No. 17/2008, Article 2.

Article 18

Invalidity pension.

Persons who have been resident in Iceland, *cf.* Section II, are entitled to an invalidity pension if they are aged between [18 and 67]¹⁾ and:

- a. have been resident in Iceland for at least the three years immediately preceding their application, or for six months if their working capacity was unimpaired when they took up residence in Iceland,
- b. have been assessed with a permanent invalidity of at least 75% as a result of a medically recognised disease or disability.

The SIA shall assess the invalidity of those who apply for invalidity pensions in accordance with a special invalidity standard. The Minister shall issue regulations²⁾ on the invalidity scale after receiving the proposals of the SIA. A condition may be determined that applicants must be required to undergo a specialist assessment of their rehabilitation potential, and of the appropriate type of rehabilitation, before the invalidity assessment is made, *cf.* Article 7 of the Social Assistance Act.

The SIA may enter into agreements on the cost ...³⁾ connected with the assessment of individuals' rehabilitation potential.

The full invalidity pension shall be IS 297,972 per year, and it shall be paid according to the same rules as the old-age pension, *cf.*, however, paragraph 5 of this Article. When determining the residence period, *cf.* paragraph 1 of Article 17, the period prior to the applicant's attainment of the age of 67 shall be taken into account.

[The invalidity pension shall be reduced if the invalidity pension recipient's income under paragraphs 2 and 3 of Article 16 is greater than ISK 2,095,501 per year; this shall be done in accordance with Article 16.]⁴⁾ If income is above this figure, then the invalidity pension shall be reduced by 25% of the surplus income until it lapses entirely.

¹⁾ Act No. 120/2009, Article 4. ²⁾ Regulation No. 379/1999. ³⁾ Act No. 112/2008, Article 57. ⁴⁾ Act No. 17/2008, Article 3.

Article 19

Invalidity allowance.

The SIA shall grant individuals aged 18-62 an invalidity allowance of ISK 18,184 per month if they are assessed with an invalidity of at least 50% and they meet the residence requirements of paragraph 1 of Article 18. Such allowances shall also be granted to those who meet the conditions of sentence 1 of this paragraph and pursue full employment if their invalidity entails substantial extra expense. The invalidity allowance shall be reduced according to the same rules as the invalidity pension according to Article 18; Article 16 shall apply regarding income and how income is to be calculated.

Individuals who have reached the age of 62 years, meet the residence requirements of paragraph 1 of Article 18 and are assessed with invalidity of at least 50% shall be paid an invalidity allowance

equivalent to the full invalidity pension according to Article 18, i.e. the basic invalidity pension without any related benefits. The invalidity allowance shall be reduced according to the same rules as the invalidity pension under Article 18; Article 16 shall apply regarding income and how income is to be calculated.

A supplement to the invalidity allowance shall be paid to those who support children under the age of 18 years. The supplement may not amount to more than 75% of the child pension, *cf.* Article 20, for each child supported.

Regulations may be issued regarding the application of this provision in further detail.

Article 20

Child pension.

A child pension shall be paid in respect of children under 18 years of age, either of whose parents is deceased or is an invalidity pensioner, if either of the child's parents or the child itself has been resident in Iceland for at least three years immediately preceding the application. If both parents are deceased or are invalidity pensioners, a child pension shall be paid at double the rate. Neither the provisions for reduction in paragraph 2 of Article 17 nor those in paragraph 5 of Article 18 shall limit the right to child pension.

Under the same circumstances, step-children and adopted children shall have the same rights. However, a child pension shall not be paid in view of the death or invalidity of a step-parent if the child has a parent still living who is responsible for its support.

The SIA may decide to pay a child pension for the child of an old-age pensioner, and also for the child of a person who has been remanded in custody or is serving a prison sentence, providing that the parent has already been detained for at least three months.

The SIA shall pay a child pension when documentation is produced showing that the paternity of the child cannot be established.

Child pensions are paid to the parents, providing that the children are supported by them, or to other parties who support them in full, *cf.*, however, paragraph 4 of Article 64.

Child pension for each child shall be ISK 219,408 per year. Child pension shall not be paid for children who receive invalidity pensions.

Article 21

Age-related invalidity supplement.

The age-related invalidity supplement shall be paid to persons who receive an invalidity pension under Article 18 or a full invalidity pension under Article 34. The age-related invalidity supplement shall also be paid to those who receive a rehabilitation pension under the Social Assistance Act. [The supplement shall be subject to the provisions of paragraph 1, *cf.* paragraph 2, sentence 2 of paragraph 4 and paragraph 5 of Article 18 regarding periods of residence, invalidity assessment and reduction due to income.]¹⁾ The amount of the supplement, *cf.* paragraph 2 of this Article, shall be based on the age at which the individual was first assessed with an invalidity of 75% under paragraphs 1 and 2 of Article 18 and Article 34, or meets the requirements of Article 7 of the Social Assistance Act.

[The amount of the monthly age-related invalidity supplement, *cf.* paragraph 1 of this Article, shall be proportional to the full monthly invalidity pension under Article 18, based on the recipient's date of birth, as follows:

18 to 24 years (inclusive)	100%
25 years	95%
26 years	90%
27 years	85%
28 and 29 years	75%
30 and 31 years	65%
32 and 33 years	55%
34 and 35 years	45%
36 and 37 years	35%
38 and 39 years	25%
40 to 45 years (inclusive)	15%
46 to 50 years (inclusive)	10%

51 to 55 years (inclusive)	7,5%
56 to 60 years (inclusive)	5%
61 to 66 years (inclusive)	2.5%] ²⁾

Regulations may be issued regarding the application of this Article in further detail.

¹⁾ Act No. 70/2009, Article 13. ²⁾ Act No. 17/2008, Article 4.

Article 22

Pension supplement.

The SIA shall pay a pension supplement to those who receive old-age, invalidity or occupational injury pensions under this Act. The pension supplement shall also be paid to those who receive a rehabilitation pension under the Social Assistance Act. Persons who have been resident in Iceland, *cf.* Section II; *cf.* also paragraph 1 of Article 17, and paragraph 1 and sentence 2 of paragraph 4 of Article 18, shall be entitled to pension supplement. Article 16, paragraph 1 of Article 17 and paragraph 4 of Article 18 shall apply to the calculation of the pension supplement.

Recipients of old-age pension shall be paid a pension supplement in addition to their pensions up to ISK 942,504 per year. If a pension recipient has income under paragraphs 2 and 4 of Article 16, then the pension supplement shall be reduced by 38.35% of that income to the point where it lapses entirely. [However, payments from mandatory employment-related pension funds less than ISK 120,000 per year shall not reduce the pension supplement under this paragraph.]¹⁾

Recipients of invalidity, occupational injury or rehabilitation pensions shall be paid a pension supplement in addition to their pensions up to ISK 956,088 per year. If a pension recipient has income under paragraphs 2 and 4 of Article 16, then the pension supplement shall be reduced by 38.35% of that income to the point where it lapses entirely. [However, payments from mandatory employment-related pension funds less than ISK 300,000 per year shall not reduce the pension supplement under this paragraph.]²⁾

The combined reduction of old-age, invalidity, occupational injury or rehabilitation pensions and the pension supplement shall never exceed 38.35% of income. Where these benefits are reduced simultaneously, pensions shall first be reduced, and the reduction of the pension supplement shall be reduced correspondingly. The provisions this paragraph regarding reduction shall not apply to the household supplement under Article 8 of the Social Assistance Act.

...²⁾

If a person does not fulfil his/her legal obligation to pay premium to a pension fund under the Act on Mandatory Pension Insurance and on the Activities of Pension Funds, then his/her income may be estimated which will be deducted from payments of the pension supplement.

Regulations may be issued³⁾ on the application of this Article in further detail.

¹⁾ Act No. 70/2009, Article 14. ²⁾ Act No. 17/2008, Article 5. ³⁾ Regulation No. 808/1998, *cf.* 691/2000 and 441/2001.

Article 23

Deferral of the drawing of pensions.

Persons who are entitled to old-age pensions under Article 17 but have not applied for, or received, payments of old-age pensions, may defer the drawing of their pensions until they reach the age of 72 years. Deferral shall apply to benefits under Articles 17, 20 and 22.

After benefit entitlement has been calculated, old-age pensions, pension supplements and household supplements, *cf.* Articles 17 and 22 of this Act and Article 8 of the Social Assistance Act, shall be raised by 0.5% for each month of deferral until the applicant reaches the age of 72, i.e. up to a maximum of 30%.

Regulations may be issued on the application of this Article in further detail.

C. Revenues.

Article 24

The costs of the social security pension insurance shall be paid by the State Treasury, being met in part by the Treasury's revenues raised by the social security contribution.

Article 25

Each year, the SIA shall prepare its budget covering the disbursement of pension insurance for the coming calendar year in conformity with the rules on the national budget and submit it to the [Minister]¹⁾ for further processing.

Total annual pension insurance expenses shall be in conformity with the decision of the Althingi in accordance with the Budget Act and the Supplementary Budget Act for each year.

¹⁾ Act No. 160/2007, Article 4.

Article 26

Contributions by the State Treasury to pension insurance under Articles 24 and 25 shall be paid to the SIA in equal instalments at the beginning of each month.

Section IV Occupational Injury Insurance.

A. General provisions.

Article 27

Occupational injury insurance covers the consequences of accidents which occur at work, in the course of apprenticeship training, rescue and salvage work, all forms of sports and athletics training, sports demonstrations and sporting competitions, providing that the person involved in the accident is insured under Article 29 or 30. 'Accident' here refers to a sudden external event which causes physical injury to the insured person and occurs without his/her volition.

A person is regarded as being at work:

- a. When he/she is at the workplace at a time when he/she is expected to be working, and also during meal and refreshment breaks.
- b. When he/she is on errands on behalf of a business operation or on necessary journeys to and from work, providing that the journeys take place during the same day between the person's workplace and home or a place where he/she takes his/her meals. The same shall apply to longer journeys of this type if the employee receives wages from the employer while travelling.

An injury is not regarded as having occurred in the course of work if it results from the actions of the injured person himself/herself which are not connected with his/her work in any way. The insurance nevertheless covers all injuries to a seaman that occur on board his/her vessel or when he/she and the vessel are located away from the vessel's home port or the place from which it is operated. Furthermore, the insurance covers all injuries incurred by Icelandic state peacekeeping personnel while they are located abroad in connection with peacekeeping operations.

Accident-related injuries shall include illnesses caused by the noxious effects of substances, radiation or similar conditions which prevail for a few days at the most and must be attributed to the person's work.

It shall be determined in regulations that specific occupational diseases entail the right to benefits under this Section.

Article 28

When an accident occurs which may be considered as constituting grounds for benefits under this Section, the employer, or the insured person if there is no employer, shall immediately send a report on the accident in the form prescribed by [the HII]¹⁾ to the commissioner of police or his/her agent (in Reykjavík, to the [the HII]¹⁾). The commissioner of police shall send the report to [the HII]¹⁾ together with the necessary information. The injured person or such other persons as may wish to claim benefits on account of the accident, shall ensure that the obligation to report it is fulfilled and such parties may seek the assistance of the commissioner of police if the employer fails to report it. If the circumstances of the accident are unclear, or insufficiently explained, or if there is reason to believe that the accident occurred as a result of negligence or deficient equipment, and also if [the HII]¹⁾ or either of the parties concerned, i.e. the employer or the injured person, or his/her representative, so request, then the commissioner of police shall investigate the case.

Failure to report the injury by the person whose duty it is to do so shall not debar the injured person or his/her surviving relatives from claiming benefits if this is done within one year of the date

of the accident. However, benefits may be paid even when more than one year has elapsed from the accident if the circumstances are so clear that such a delay does not obstruct the collection of evidence relevant to the case. The Minister shall issue regulations²⁾ on the application of this provision in further detail.

¹⁾ Act No. 112/2008, Article 57. ²⁾ Regulation No. 356/2005.

Article 29

The following persons are insured against occupational injuries under this Section:

- a. Wage-earners who work in Iceland, with the exception of foreign nationals who hold official positions for foreign states and the foreign staff of such officials. Work aboard an Icelandic vessel or aircraft, or a vessel or aircraft owned or operated by an Icelandic party, is equivalent to work in Iceland for the purpose of this item, providing that wages are paid in Iceland.
- b. Apprentices in legally-protected industrial trades and students undergoing practical training in the health services and natural sciences, and university students when they are engaged in practical training.
- c. Vessel owners who are themselves members of the crew.
- d. Persons engaged in the rescue of people in mortal danger or in taking precautions against imminent serious damage to items of value.
- e. Athletes (sportsmen) who participate in athletic activities, whether these take the form of training, exhibitions or competitions, and have reached the age of 16 years. The scope of this provision may be defined in further detail in regulations.¹⁾
- f. Employers in agriculture who engage in agricultural work, their spouses and their children aged between 13 and 17 years (inclusive).
- g. Employers who work in their own businesses in occupational sectors other than those named in item *f* of this Article.

An exemption may be granted from occupational injury insurance under item *a* of paragraph 1 of this Article if the person concerned is demonstrably insured under foreign occupational injury insurance legislation.

All those who work in return for remuneration, without themselves being employers, whether in the form of hourly rates, fixed wages, share of fishing catch or payment for piece-work, are considered wage-earners.

An employer's spouse and his/her children aged between 13 and 17 years (inclusive), *cf.* item *g* of paragraph 1 of this Article, shall not be considered as wage-earners for the purpose of this Article unless they work for the business and accept wages for doing so.

¹⁾ Regulation No. 245/2002.

Article 30

Those engaged in household work can ensure themselves the right to claim benefit for injuries sustained while so engaged by expressing their wish to this effect on their tax return each year.

B. Benefits.

Article 31

Occupational injury insurance benefits consist of medical assistance, *per diem* benefits, invalidity benefits and death grants.

Article 32

If an accident entailing benefit liability causes illness and loss of working capacity for at least 10 days, then the necessary costs of treatment of the injured person and costs arising from damage to artificial limbs or prosthetic aids shall be paid in accordance with the following:

1. The following shall be paid in full:
 - a. Medical assistance in accordance with agreements [under the Health Insurance Act].¹⁾
 - b. Hospitalisation for as long as is necessary due to the consequences of the accident, [provided that the injured person is not insured under the Health Insurance Act].¹⁾ ...¹⁾
 - c. Medications and dressings.

- d. The repair of broken or damaged teeth which were healthy or in good repair. Payment for similar repair of teeth in worse condition may be limited to the cost which would have been incurred had the teeth been healthy.
 - e. Artificial limbs or similar prosthetic aids, and their repair or replacement if repairs are not considered satisfactory. The same applies to false teeth.
 - f. Transport of the injured person by aircraft or ambulance immediately following the accident or at other times when it proves necessary to send a patient by such means for treatment by a physician or in a hospital, though not for individual journeys in the course of regular treatment. The same shall apply to transport by ship when no other means of transport can be arranged.
 - g. Physiotherapy and rehabilitation treatment.
2. The following part payments shall be made:
- a. Half of the cost of travel by taxi to a physician, provided that the patient is not capable of travelling by scheduled coach or bus. Payment shall not be made, however, for transport using a car belonging to a person in the same household or on the same farm, or a car belonging to a relative of the injured person.
 - b. Three quarters of the cost of journeys of the same type by scheduled coach or ship, providing that the distance involved is more than 15 km. If the patient is not able to travel by scheduled coach, then three quarters of the cost of travelling by scheduled aircraft shall be paid.
3. Payment may be made for the following.
- a. Nursing care provided in the home by non-relatives.
 - b. A grant towards the costs resulting from damage to teeth which have been repaired at considerable expense, such repairs having been spoiled by the accident.
 - c. Three quarters of the cost of travel by scheduled coach or bus, or payment per kilometre where coach or bus services do not exist, if the patient requires repeated treatment by a physician in a hospital or medical institution, e.g. during rehabilitation treatment or physiotherapy, with or without hospitalisation, even when the distance travelled is less than 15 km, provided more than 30 trips are involved in a six-month period.

To the extent that agreements [under the Health Insurance Act]¹⁾ do not cover medical assistance under the above provisions, the Minister may determine reimbursement, in part or entirely, by means of regulations.²⁾

If an injury does not cause inability to work for 10 days but nonetheless gives rise to expenses referred to in this Article, such expenses may be paid to the extent that they are not paid under health insurance.

¹⁾ Act No. 112/2008, Article 57. ²⁾ Regulation No. 541/2002, cf. 46/2004.

Article 33

Per diem benefits shall be paid as from and including the eighth day following the accident, provided the injured person has been unable to work for at least 10 days. *Per diem* benefits shall be paid until the injured person is able to work, is assessed as permanently disabled or until he/she dies, but in no case for more than 52 weeks.

[The HII]¹⁾ may decide that *per diem* benefits are to be paid for longer, particularly where medical attempts at cure have not been exhausted and where it is uncertain whether disability (invalidity) will be permanent and may possibly be prevented or reduced by extending the period of payment.

Per diem benefits are ISK 1,184 for each individual and ISK 253 for each child he/she supports, including children outside the home for whom the injured person demonstrably pays maintenance in accordance with a government ruling, an approved agreement or a divorce licence.

Payments under this Article may not exceed $\frac{3}{4}$ of the income of the benefit recipient, cf. Article 16, from the employment at which he/she worked at the time of the accident.

If the employer pays the injured person wages during his/her absence from work following the accident, then *per diem* payments under this Article shall be paid to the employer during the period, but they may in no case amount to more than $\frac{3}{4}$ of the wages.

¹⁾ Act No. 112/2008, Article 57.

Article 34

If an accident results in permanent disability, the injured person shall be paid an invalidity pension according to the rules of paragraph 4 of Article 18, or invalidity compensation in a lump-sum payment [with the exemption that the entitlement to invalidity pension shall be calculated from the age of 16 years.]¹⁾

If the degree of invalidity is 50% or more, half an invalidity pension shall be paid in respect of 50% invalidity, rising by 2% for each additional degree of invalidity up to a level of 75% invalidity resulting in the payment of a full pension. The provisions on reduction set forth in paragraph 5 of Article 18 shall not apply to invalidity pensions under this Article.

If the invalidity degree is higher than 50%, then in addition to the invalidity pension, pension for the spouse and children under the age of 18 who were supported by the pension recipient at the time of the accident shall be paid according to the rules of items *b* and *c* of paragraph 1 of Article 35.

If the invalidity degree is 75% or higher, then full benefit shall be paid, this applying both to the children who were supported by the pension recipient at the time of the accident and those whom he/she supports following the accident. If the loss of capacity is less than 75%, benefits shall be reduced by 4% for every 1% beneath 75% invalidity.

If the loss of capacity is less than 50%, the [the HII]²⁾ may pay a lump-sum invalidity benefit equivalent to the pension of the person concerned for a specific number of years in accordance with regulations³⁾ issued by the Minister. Otherwise, pension shall be paid in proportion to the degree of invalidity.

Invalidity benefit shall not be paid if the loss of capacity is assessed as less than 10%.

¹⁾ Act No. 120/2009, Article 5. ²⁾ Act No. 112/2008, Article 57. ³⁾ Regulation No. 187/2005.

Article 35

If an accident leads to death within two years of the date of the accident, death benefit shall be paid as follows:

- a. The widow or widower, who lived with or was supported by the deceased, shall receive benefit of ISK 27,429 per month for 8 years from the date of death of the deceased. Benefit under this item shall not cease to apply if the widow or widower remarries. If a widow or widower who has received benefit under the provisions of this Article dies before benefit has been paid in full, then the remaining benefit shall be divided equally between the children of the deceased, if they are alive, failing which it shall be paid to his/her estate at death.
- b. Child pension, ISK 219,408 per year for each child, *cf.* Article 20 for further details.
- c. Each child above the age of 16 years who was being supported by the deceased due to invalidity at the time of the accident shall receive benefit of not less than ISK 342,775 and up to ISK 1,028,326, according to the degree to which he/she was supported by the deceased at the time of the death. However, no benefit shall be paid if the invalidity degree is less than 33%.

Benefit under items *a* and *c* of paragraph 1 of this Article shall not be less than ISK 479,890 in respect of each accident. If the deceased is not survived by relatives who are entitled to benefit under these alphabetical items, benefit of ISK 479,890 shall be paid for the accident and shall be divided equally between the children of the deceased, if they are alive, failing which it shall be paid to his/her estate at death.

The same shall apply to foster-children and foster-parents as to children and parents.

Lump-sum payments of invalidity benefit under paragraph 5 of Article 34 in respect of the same accident shall be deducted from death benefit paid to relatives.

C. Revenues.

Article 36

The cost of occupational injury insurance shall be met by the Treasury's revenues from the social security contributions and premiums under paragraph 3 of this Article. In addition, provision shall be made each year in the national budget for a contribution to meet the cost of benefit to those mentioned in item *e* of paragraph 1 of Article 29.

Each year, [the HII]¹⁾ shall draw up an estimate of benefit payments and its operational costs for the next calendar year.

Premiums paid by the vessel owners to cover seamen's occupational injury insurance payments shall amount to 0.65% of the combined wages and catch shares of the seamen who work for them at any given time. These premiums, together with the *per diem* payments under paragraph 6 of Article 67, shall meet the cost of wages and/or catch shares under paragraph 2 of Article 67 and operational costs associated with occupational accident insurance resulting from the [HII's]¹⁾ implementation of this insurance. Premium paid by those who engage in housework under Article 30 shall be determined so as to meet the costs of the insurance and the operational costs of the [the HII]¹⁾ in connection with its implementation.

¹⁾ Act No. 112/2008, Article 57.

Section V. ...¹⁾

¹⁾ Act No. 112/2008, Article 57.

Section VI. Common Provisions.

A. Benefits.

Article 48

Benefits under this Act comprise benefits paid in cash and assistance rendered by other means to ill and injured persons.

No one may simultaneously receive more than one type of paid benefit under this Act. The following types of benefit may, however, be paid simultaneously:

- a. Benefit paid to a widow or widower under item *a* of paragraph 1 of Article 35 and all other benefits.
- b. Child pension and *per diem* benefits.
- c. *Per diem* occupational injury benefit and old-age pension.
- d. Other benefits if so prescribed in this act.

If a person is entitled to more than one type of benefit which may not be received simultaneously, he/she may choose the higher or highest benefit amount. If an applicant for *per diem* benefit already receives another benefit of a lower amount which is paid over a long period, then the *per diem* benefit shall make up the difference.

...¹⁾

If a recipient of an old-age or invalidity pension spends more than one continuous month in a hospital that is financed under the national budget, his/her pension and related benefits shall cease if the stay has lasted for more than six months during the previous twelve months. If it is clear from the outset that the placement in a nursing home or the nursing division of an old-age home is permanent, then benefits shall cease to be paid as from the first day of the month following the beginning of the placement. However, deviations from the time limits of sentence 1 of this paragraph may be allowed under special circumstances, in which case, when an extension of the payment of a pension and related benefits is assessed, income under Article 16 shall be taken into account.

[The Minister shall issue regulations²⁾ determining the daily fees charged by old-age residential homes. The SIA may pay old-age residential homes that do not receive regular funding under the national budget a placement contribution of up to the entire amount needed to meet the cost of the placement in accordance with the Senior Citizens Act. However, the placement contribution shall never be greater than the cost of the placement of the inmate as determined by the Minister at any given time in accordance with sentence 1 of this paragraph.]³⁾

Hospitals and institutions under paragraphs 5 and 6 of this Article shall send the SIA monthly data on placements.

[When a pension and related benefits cease in accordance with paragraph 5 of this Article, an old-age or invalidity pension recipient who is placed in a hospital in Iceland may be paid an allowance of up to ISK 28,951 per month. When the amount of allowance is calculated, income shall reduce it by 65%. Allowance shall cease to be paid completely if the recipient has income amounting to ISK 641,146 per year. 'Income' here refers to income as defined in Article 16, and shall be calculated according to the same Article. If a person's income derives from work in the institution and this work may be regarded as part of a process of rehabilitation, it may be decided that it will not result in a reduction of the allowance providing that the income does not exceed ISK 680,350 per year, and the

same shall apply to income in the form of perquisites and payments other than cash payments. Income deriving from work in an institution, *cf.* sentence 5 of this paragraph, in excess of ISK 680,350 per year shall reduce the allowance in accordance with the reduction proportions stated in sentence 2 of this paragraph.]⁴⁾

If a pension recipient stays outside the institution for a few days at a time, but without being discharged, he/she may be paid *per diem* benefit of not less than ISK 1,931 per day during that time.

Regulations⁵⁾ may be issued on the application of this provision in further detail.

¹⁾ Act No. 112/2008, Article 57. ²⁾ Regulation No. 1091/2009, *cf.* 49/2010. ³⁾ Act No. 160/2007, Article 6. ⁴⁾ Act No. 17/2008, Article 6. ⁵⁾ Regulation No. 213/1991, *cf.* 321/1991, 204/1999, 110/2000, 300/2008 and 1196/2008. Rules No. 174/2000. Regulation No. 357/2005, *cf.* 296/2008. Regulation No. 1091/2009, *cf.* 49/2010.

Article 49

[Two unmarried individuals have the same rights to benefits as couples, in accordance with this Act. Unmarried, for the purpose of paragraph 1, refers to cohabitation of two individuals, registered in Registers Iceland, providing that they have a child together or are expecting a child together or have been cohabitating together consecutive for more than one year. Same applies to benefit entitlements of the one that survived his/her spouse.]¹⁾

¹⁾ Act No. 65/2010, Article 37.

Article 50

The SIA may pay benefit to a person other than a benefit recipient or a provider of support if there is reason to believe that benefit is being used in a manner that is not consistent with the purpose of this Act. However, such measures shall normally be referred to the relevant local authority or child welfare committee in the case of a child pension.

Article 51

Benefit that is intended for the benefit recipient himself/herself shall not be paid if the person concerned neglects to comply with medical advice or refuses to obey instructions regarding participation in training or vocational training that could improve his/her earnings or prepare him/her for a new occupation.

Article 52

Applications shall be made for all benefits from the SIA [and the HII],¹⁾ and also for payments under Article 63. ...¹⁾ However, recipients of invalidity pensions are not required to apply specially for old-age pensions under Article 17 when they have attained the age of 67 years. Benefit applications shall be made on forms from the SIA [or, as appropriate, the HII]¹⁾ or electronically on special forms that are accessible via the [institutes' homepages].¹⁾

Applicants and benefit recipients shall be obliged to provide the SIA [or, as appropriate, the HII]¹⁾ with all the information needed in order to determine their benefit entitlement, the amount and payment of benefits and the review of benefits. Applicants' and benefit recipients' spouses shall also be obliged to provide information about themselves if this information could have an effect on the amount of benefits. The SIA [or, as appropriate, the HII]¹⁾ may, after receiving written permission from an applicant, obtain the necessary information regarding the applicant's and benefit recipient's income from the tax authorities, and on payments to an applicant and benefit recipient from pension funds, the Unemployment Insurance Fund, the Directorate of Labour and comparable institutions abroad, when appropriate, by electronic means or other methods. [Furthermore, the SIA and the HII may exchange information concerning invalidity assessments and other necessary information.]¹⁾ In the case of a married couple, the SIA [or, as appropriate, the HII]¹⁾ may, after receiving written permission from both parties, obtain information on the spouse's income and payments made to him/her from the parties named above if this information could have an effect on the amount of benefits. When handling personal data obtained in this way, care shall be taken to comply with the conditions of the Personal Data Act. If an applicant, benefit recipient or spouse considers that information from these parties is not correct, he/she shall submit evidence in support of this assertion. Applicants and benefit recipients are obliged to inform the SIA [or, as appropriate, the HII]¹⁾ of

changes in their income or other circumstances that may have an effect on payments. If incorrect information is given, the provisions of Article 55 shall be applied.

If it proves impossible to take a decision on benefit entitlement, the amount of benefits, the payment of benefits and their review due to a lack of necessary information that may be attributed to an applicant, benefit recipient or his/her spouse, then the SIA [or, as appropriate, the HII]¹⁾ may defer the decision and the payment of benefit until the situation is rectified. The SIA [or, as appropriate, the HII]¹⁾ shall immediately inform the person concerned if a deferral is necessary and call on him/her to provide the necessary information.

Staff of the SIA and its agents [or, as appropriate, staff of the HII]¹⁾ shall make a thorough investigation of applicants' and benefit recipients' circumstances and explain to them their rights under this Act, regulations issued hereunder and the rules of the institute in every detail. Staff of the SIA and its agents [or, as appropriate, staff of the HII]¹⁾ shall be obliged to treat in confidence all matters of which they become aware in the course of their work and which should be kept secret in accordance with this Act, instructions issued by their superiors or the nature of the case. This confidentiality obligation shall remain in force even after they have left their employment.

Health-service employees who are responsible for keeping medical records shall be obliged to provide physicians or, as appropriate [the relevant health-service employees],¹⁾ staff of the SIA [or, as appropriate, of the HII]¹⁾ with the information that is necessary to the institution in connection with a decision on the payment of benefit or the reimbursement of invoices, or in connection with the monitoring functions of the institute. In addition, physicians of the SIA [or, as appropriate, of the HII],¹⁾ or [the relevant health-service employees]¹⁾ when appropriate, may examine that part of medical records on which invoices issued for payment by the institute are based. The examination shall take place where the medical records are kept. When handling personal data obtained in this way, care shall be taken to comply with the conditions of the Personal Data Act and also, as appropriate, those conditions of the legal provisions on [medical records].²⁾

¹⁾ Act No. 112/2008, Article 57. ²⁾ Act No. 55/2009, Article 26.

Article 53

All applications shall be processed as quickly as possible, and benefit shall be calculated from the day on which the applicant meets the conditions set for receiving benefit. Benefit under Section III, other than pensions under Section IV, shall however be calculated as from the first day of the month following that in which benefit entitlement is established, and shall cease to be paid at the end of the month in which benefit entitlement ceases.

Benefit other than occupational injury pension ...,¹⁾ shall never be determined retroactively for more than two years prior to the time when the application and other materials necessary for taking a decision on benefit entitlement and the amount of benefit are received by the institution. ...¹⁾

The basis for benefit entitlement may be reviewed at any time and benefits may be brought into line with changes that have occurred.

¹⁾ Act No. 112/2008, Article 57.

Article 54

Benefits shall be paid on the first day of each month. Sickness benefits and *per diem* benefits may, however, be paid for shorter periods. [At the request of the applicant or benefit recipient, payments of benefits may be deferred and benefits paid in a lump-sum after final data is available on applicant's or benefit recipient's income during the benefit payment year, when tax authorities assess taxes.]¹⁾

Benefits that have been granted shall be withdrawn if they are not collected within 12 months, but they may be restored on submission of an argued application.

The SIA shall issue invalidity certificates to those who meet the conditions of paragraph 1 of Article 18 and have health insurance in Iceland [under the Health Insurance Act].²⁾

¹⁾ Act No. 120/2009, Article 6. ²⁾ Act No. 112/2008, Article 57.

Article 55

If the SIA or its agencies [or, as appropriate, the HII]¹⁾ has overpaid benefits to a recipient under his Act, the institute shall deduct the excess amount from any benefits to which the recipient may subsequently become entitled, *cf.*, however, paragraph 2 of this Article. In addition, the SIA [or, as

appropriate, the HII]¹⁾ is entitled to a reimbursement demand against the benefit recipient [or his/her estate at death]²⁾ in accordance with general rules.

If income-related benefits are overpaid by the SIA or its agencies, the excess amount shall be deducted from any other income-related benefits to which the recipient may subsequently become entitled. This shall apply exclusively if the person's income, on an annual basis, is higher than that on which the benefit calculation was based and the over-payment was a consequence of a failure on the part of the recipient to inform the SIA of the increase in his/her income [or other changed circumstances]²⁾, *cf.* Article 52.

[Excess benefits shall normally be deducted from payments to recipient during next 12 months after a claim has established. It is unauthorised to deduct from benefits more than 20% of monthly payments to benefit recipient, unless negotiated otherwise, though never less than ISK 3,000, until the overpayment is fully reimbursed. If the reimbursement demand due to overpayment has not been paid during a period of 12 months since the claim was established, interest at an annual rate of 5.5% shall be paid on the remainder of the claim. Demand of interest may be withdrawn due to special circumstances or if a contract on reimbursement exists and the person involved honours his/hers obligation of payments according to the contract.]²⁾

If the SIA [or, as appropriate, the HII]¹⁾ has paid a benefit recipient less than he/she is entitled to, the institute shall pay him/her [or his/her estate at death]²⁾ the remaining amount. When less than the proper amount of benefit has been paid, the benefit recipient shall be paid interest at an annual rate of 5.5% on the remaining amount, this interest being calculated from the date on which the conditions for receipt of benefit were met, *cf.*, however, Article 53. The same shall apply when, as a result of the conclusion of the Social Security Ruling Committee, *cf.* Article 7, a person is entitled to receive benefit, yet was refused benefit or granted a lower rate of benefit by the SIA [or, as appropriate, the HII],¹⁾ *cf.*, however, Article 53. If less than the proper amount of benefit has been paid as a consequence of a lack of information, *cf.* paragraph 3 of Article 52, then interest shall not apply.

When payment according to paragraph 1 of this Article is the result of fraudulent activities on the part of the benefit recipient, he/she shall pay arrears interest on that benefit amount, this interest being calculated from the date on which the right to reimbursement was established.

[The decisions of the SIA on reimbursement demand of excess benefit payments under this provision are enforceable, *cf.*, however, paragraph 7 of Article 8.]²⁾

Regulations³⁾ may be issued on the application of this Article in further detail, e.g. as regards the collection of excess benefit payments, exemptions from collection of excess benefit payments and the writing-off of claims.

¹⁾ Act No. 112/2008, Article 57. ²⁾ Act No. 120/2009, Article 7. ³⁾ Regulation No. 598/2009, *cf.* 1056/2009.

Article 56

If a benefit recipient is sentenced to a prison term or otherwise committed to an institution, all benefit shall cease to be paid to him/her following four months' continuous imprisonment or stay in the institution. When benefit payments have been cancelled, a prisoner may be paid an allowance in accordance with paragraph 8 of Article 48. ...¹⁾

The SIA [or, as appropriate, the HII]¹⁾ may, however, decide to pay the benefits, or a part of them, to the person's spouse and children or to some third party who will see to it that the benefits are used to their maximum advantage.

¹⁾ Act No. 112/2008, Article 57.

Article 57

Benefit claims under this Act may not be assigned or mortgaged; they may not be subjected to seizure or attachment or retained to pay public levies other than insurance premiums under this Act.

Article 58

Benefit recipients resident in countries with which the government concludes agreements, or with which the Minister has negotiated agreements on the basis of Article 64, shall be paid the same benefits as they would have been entitled to if they were resident in Iceland.¹⁾

...²⁾

The [Minister]³⁾ may issue a regulation⁴⁾ determining that benefits paid to a benefit recipient under foreign legislation be deducted from benefits to which the recipient is entitled in Iceland for the same period.

¹⁾ Regulation No. 1076/2006. ²⁾ Act No. 112/2008, Article 57. ³⁾ Act No. 160/2007, Article 7. ⁴⁾ Regulation No. 463/1999.

B. Premiums, Collection, etc.

Article 59

[The Director of Internal Revenue]¹⁾ shall assess premiums under Article 36 together with income tax and enter them in the tax records, *cf.* Article 98 of the Income Tax Act, No. 90/2003, and the provisions of Article 99 of that Act, and of the Tax Supervision Committee Act, No. 30/1992, shall apply to the premiums as appropriate.

The provisions of the Social Security Contribution Act, No. 113/1990, with subsequent amendments, shall apply regarding the payment base, payment obligation, payment period, assessment and collection of premiums from the vessel owner in connection with seamen's occupational injury insurance. At the end of the income year, the premium shall be decided finally in accordance with wage returns, and the premium shall be specially designated in the assessment records and tax records. The Director of Internal Revenue shall maintain a register of parties liable to pay premium and shall, as appropriate, seek confirmation that vessel owners have paid premium when the obligation of [the HII]²⁾ to make payments is determined.

The due date for premium payments shall be determined in a regulation.

¹⁾ Act No. 136/2009, Article 110. ²⁾ Act No. 112/2008, Article 57.

Article 60

Occupational injury insurance premiums shall be collected by the State Treasury's and the local authorities' collection agents or by special collection bodies. The provisions of the Income Tax Act, No. 90/2003, including those applying to arrears interest and the right to attach property, shall apply to the collection of premiums.

Article 61

Premiums paid by the vessel owners relating to the occupational injury insurance of seamen under Article 36 shall rest as statutory liens on the relevant vessels, taking priority over all liens other than statutory liens for levies to the State Treasury.

C. Other provisions.

Article 62

The Minister may entrust the SIA to make agreements with business enterprises by which they employ invalids who receive invalidity pensions, invalidity allowances, rehabilitation pensions under the Social Assistance Act or occupational injury benefit of under 50% and have working capacity that has not been utilised on the labour market and no other substantial income for their sustenance, other than social security benefits. The reduction of their benefits during employment periods shall be determined by the general rules on reduction at any given time. Regulations¹⁾ shall be issued setting more detailed provisions on this work by invalids.

¹⁾ Regulation No. 159/1995.

Article 63

Any person who obtains an executive ruling awarding him/her maintenance payments for a child he/she supports, or other payments under Section IX of the Children's Act, No. 76/2003, may apply to the SIA and receive advance payment of child maintenance or other maintenance contributions according to the ruling. The same shall apply on submission of a certified agreement on child maintenance payments and other payments under Section IX of the Children's Act. Advance payment of child maintenance from the SIA shall at all times be within the limits set by Article 20 of this Act regarding the monetary amount of the payments and the age of the children.

Similarly, the mother of a child shall receive the following payments from the SIA in accordance with an executive ruling or a confirmed agreement:

- a. A maintenance pension for up to three months under paragraph 1 of Article 25 of the Children's Act.
- b. A nursing care and maintenance allowance for up to nine months under paragraph 2 of Article 25 of the Children's Act.
- c. Expenses relating to pregnancy and the birth under paragraph 1 of Article 26 of the Children's Act.

As soon as a district commissioner receives a request from a mother to obtain an admission of paternity from the person she names as the father, she may receive maintenance payments for the child within the limits set by Article 20 of this Act.

The SIA may pay child maintenance for up to 12 months retroactively, counting from the beginning of the month in which the executive ruling, confirmed agreement or a certificate from a district commissioner stating that he/she has received a request from the mother to obtain an admission of paternity is received by the institute, providing that paragraph 4 of Article 20 does not apply.

Those who see to the support of a child following the death of its parents, or for other lawful reasons, including the local authority in the local government area in which a child is supported, if it has paid for its support, shall have the same rights as a parent, as appropriate.

Regulations may be issued on the application of this Article, containing provisions on matters including the advance payment of child maintenance when the parent or the children are resident abroad and the maximum payments to be made by the SIA.

Article 64

The SIA shall send the Child Support Collection Centre a notification within a month of the first payment under Article 63. The notification shall be accompanied by a copy of the executive ruling or certified agreement.

The Child Support Collection Centre shall reimburse the SIA for payments under paragraphs 1-3 of Article 63 every month according to the success of the collection process. The payment of sums owed that have not been collected shall be subject to the provisions of the Child. Support Collection Centre.

The State Treasury shall reimburse the SIA for payments of child maintenance in respect of fathers who have the right of support abroad, and for child maintenance paid under paragraph 4 of Article 63 until a maintenance ruling has been made.

When the SIA acts as an intermediary in the payment of maintenance for a child under paragraph 1 of Article 63 and the parent who has the obligation to pay maintenance becomes entitled to a child pension for the child under Article 20, the institute may nevertheless have the child pension payment used for the advance payment of maintenance in respect of the same period. In such a case, no claim will be established against the party who is obliged to pay maintenance for that period.

Article 65

The SIA may undertake accounting and day-to-day customer service for individual pension funds.

Article 66

The SIA may undertake voluntary injury insurance. If this is done, then insurance policies shall be issued in all cases. Furthermore, the institute may, subject to the approval of the Minister, undertake liability insurance.

The Minister shall determine the details of the insurance arrangements under this Article, including the extent to which the risk undertaken by the SIA is to be reinsured.

Article 67

The vessel owners shall take out insurance to cover risks in connection with occupational injuries, *cf.* Section IV of this Act and paragraph 1 of Article 36 of the Seamen's Act, No. 35/1985, with [the HII].¹⁾

[The HII]¹⁾ shall pay vessel owners a monetary sum equivalent to full wages and/or the catch shares of their seamen for up to two months.

Vessel owners shall pay premiums according to Article 36.

Vessel owners who so wish may give notice of the termination of insurance, *cf.* paragraph 1 of this Article, by 1 November each year, taking effect in the following year. Notice of termination shall be submitted to [the HII].¹⁾ After termination takes effect, vessel owners shall not be entitled to receive payments to cover wages or catch shares during absence from work due to injury, but shall qualify for occupational injury insurance applying to ordinary wage-earners.

Accounts covering insurance under this Article shall be kept separate from the accounts covering other activities of [the HII].¹⁾

Per diem payments according to Article 33 ...¹⁾ shall be made to [the HII]¹⁾ for the time during which wages and catch shares are being paid.

¹⁾ Act No. 112/2008, Article 57.

Article 68

The Government may enter into agreements with foreign states and [the minister involved]¹⁾ may make agreements with foreign social security institutes on mutual entitlements to the perquisites granted by social security. Provisions may be included in such agreements stating, amongst other things, that residence periods, employment periods or insurance periods in another state that is party to the agreement shall be regarded as the equivalent of residence in Iceland, whether this applies to Icelandic citizens or those of other state parties to the agreement. Furthermore, provision may be made in the agreements on entitlement to benefit payments under the Social Security Act in the event of residence in another state party to the agreement, *cf.* Articles 17 and 58.

In agreements under paragraph 1 of this Article it shall furthermore be permitted to agree on the advance payment of child maintenance between contracting states, *cf.* Article 63, as if these were benefits of social security.

¹⁾ Act No. 160/2007, Article 8.

Article 69

Social security benefits and payments under Article 63 and amounts under Article 22, shall change each year in accordance with the national budget legislation current at any given time. The amounts shall be determined so as to take account of wage trends, though in such a way that they will never rise less than prices as reflected in the consumer price index.

Article 70

[The Minister]¹⁾ may issue regulations²⁾ on the application of this Act in further detail. Furthermore, [...]¹⁾ the minister]³⁾ may publish in the form of regulations⁴⁾ the social security rules of the European Union, with adaptations under the EEA Agreement and the social security rules of the Charter of the European Free Trade Association.

¹⁾ Act No. 162/2010, Article 37. ²⁾ Regulation No. 213/1991, *cf.* 321/1991, 204/1999, 110/2000, 300/2008 and 1196/2008. Rules No. 374/1996. Regulation No. 660/1998, *cf.* 137/2002. Regulation No. 808/1998, *cf.* 691/2000 and 441/2001. Regulation No. 379/1999. Regulation No. 463/1999, *cf.* 1158/2007. Regulation No. 471/2001. Regulation No. 245/2002. Regulation No. 280/2005. Regulation No. 576/2005, *cf.* 350/2007 and 694/2007. Regulation No. 1076/2006. Regulation No. 1190/2008, *cf.* 633/2009. Regulation No. 1191/2008. Regulation No. 1202/2008. Regulation No. 598/2009, *cf.* 1059/2009. Regulation No. 945/2009. Regulation No. 1052/2009, *cf.* 516/2010 and 1007/2010. Regulation No. 1055/2009. Regulation No. 1057/2009. Regulation No. 661/2010. Regulation No. 991/2010. Regulation No. 1009/2010. Regulation No. 1010/2010. Regulation No. 35/2011. ³⁾ Act No. 160/2007, Article 9. ⁴⁾ Advert. 550/1993, 367/1994 and 291/1997, *cf.* reg. 587/2000, 588/2000 and 811/2000. Regulation No. 847/2001. Regulation No. 507/2002. Regulation No. 356/2003. Regulation No. 777/2004, *cf.* 819/2004. Regulation No. 11/2006. Regulation No. 463/2007. Regulation No. 790/2007. Regulation No. 647/2008. Regulation No. 367/2008. Regulation No. 855/2008. Regulation No. 29/2009. Regulation No. 420/2009. Regulation No. 503/2009. Regulation No. 524/2009. Regulation No. 833/2009. Regulation No. 994/2009.

Temporary Provisions.

1.

Those who decided to defer the drawing of old-age pension prior to 1 January 1992, *cf.* Article 11 of the Social Security Act, No. 67/1971, shall retain their entitlements. The SIA shall amend the monetary amounts in view of the deferral so as to bring them into line with the changes undergone by monetary amounts in social security at any given time. In the event of the death of a person who deferred the drawing of an old-age pension until after reaching the age of 67, this being done before 1 January 1992, and who is survived by his/her spouse, the spouse shall be entitled, in addition to his/her own pension, to the increase to which the deceased person was entitled due to the deferral.

2.

The provisions of Article 1 of the Act No. 62/1999 shall apply to those persons who are assessed with invalidity for the first time following the commencement of that Act, but not to those who had been assessed with invalidity under the provisions of older legislation, unless they apply specifically to this effect.

3.

Patients who were entitled to benefits under item *f* of paragraph 1 of Article 24 of the Act No. 117/1993 prior to 1 January 2001 shall retain their entitlement under Section III of that Act.

4.

In the provisions of sentence 3 of items *b* and *d* of paragraph 2 of Article 16 of this Act, the proportions 75% and 25% shall be 65% and 35% during 2007.

5.

Notwithstanding the provisions of item *c* of paragraph 2 of Article 16 of this Act, pension payments to pension recipients shall count for 80%, and pension payments to their spouses shall count for 20% when the amount of the additional pension supplement is calculated for 2007.

6.

Notwithstanding the provisions of the paragraphs 2-4 of Article 22 of this Act, the reduction proportion shall be 39.95% during the period 1 January 2007 to 31 December 2007 (inclusive).

7.

Notwithstanding the provisions of Article 69 of this Act, old-age pensions, invalidity pensions and the additional pension supplement under Articles 17, 18 and 22 of this Act shall rise by 2.9% during 2007 in accordance with the agreement between the Government and the National Senior Citizens' Federation of 19 July 2006.

8.

In the period from 1 January 2007 to 31 December 2008 (inclusive), it shall be possible to request the SIA to make a comparison between the calculation of the old-age and invalidity pensions and the additional pension supplement prior to and following the commencement of this Act. If the comparison results in higher benefit amounts under the older legislation, the institute shall pay the higher benefit amounts during that period.

[9.

...¹⁾²⁾

[10.

...³⁾⁴⁾

[11.

Notwithstanding the provisions of sentence 3 of item *b* of paragraph 2 of Article 16 of this Act, income from employment up to ISK 109,600 per month shall not be taken into account when pension

supplement is calculated for persons receiving an invalidity pension during the period 1 July 2009 to 1 January 2010.]⁵⁾

[12.

Notwithstanding sentence 2 of Article 69 of this Act, benefits under social security, and also payments under Article 63 and the monetary amounts stated in Article 22, shall be raised by 9.6% during 2009.]³⁾

[13.

Notwithstanding the provisions of paragraphs 2, 3 and 4 of Article 22 of this Act, the reduction proportion shall be 45% during the period 1 July 2009 to 31 December 2013 (inclusive).]⁶⁾

[14.

Notwithstanding the provisions of sentence 3 of item *b* of paragraph 2 of Article 16 of this Act, income from employment of ISK 1,315,200 shall not be taken into account when the additional pension supplement is calculated for persons receiving an invalidity pension during the period 1 January to 31 December [2011]⁷⁾ (inclusive).

15.

Notwithstanding the provisions of Article 69 of this Act, social security benefits and also payments under Article 63 and amounts under Article 22, shall not change during the year [2011].⁷⁾⁸⁾ [Nevertheless, the Minister may, after receiving the approval of the Government, raise those amounts if substantial changes take place in wage trends and the premises underlying the national economy after the budget is approved. When the aforementioned conditions result in a raising of amounts, the Minister shall change them by means of a regulation.]⁹⁾

¹⁾ Act No. 112/2008, Article 57. ²⁾ Act No. 160/2007, Article 10. ³⁾ Act No. 173/2008, Article 15. ⁴⁾ Act No. 17/2008, Article 7. ⁵⁾ Act No. 70/2009, Article 15. ⁶⁾ Act No. 70/2009, temp. prov. V. ⁷⁾ Act No. 164/2010, Article 27. ⁸⁾ Act No. 120/2009, Article 8. ⁹⁾ Act No. 51/2011, Article 1.

[16.

Notwithstanding the provisions of Articles 16, 18, 19, 21 and 22, payments of invalidity pension, invalidity allowance, age-related invalidity supplements and pension supplements shall not be reduced during the period 1 January 2011 to 31 December 2013 (inclusive), due to general increase of payments from pension funds.]¹⁾

¹⁾ Act No. 106/2011, Article 1.

*[This translation is published for information only.
The original Icelandic text is published in the Law Gazette.
In case of a possible discrepancy, the original Icelandic text applies.]*