
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.

SECTION I
[Aim, definitions and scope.]1)

[Article 1

Aim.

The aim of this Act is to guarantee to those who are covered by the Act, and who require them in connection with old age, invalidity and the support of children, benefit and other payments in accordance with further provisions of this Act.

The purpose of benefit and other payments as provided for in the first paragraph, together with services and assistance provided for in other acts of law, is to increase the likelihood that those who are covered by this Act will be able to support themselves and live independent lives.]1)

[Article 2

Definitions.

The following terms are used in this Act as defined below:

1. **Pensioners**: Individuals who receive pensions to which they have earned entitlement under this Act.

2. **Payment recipients**: Individuals who receive payments under this Act.

3. **Benefit(s)**: Benefit(s) paid in cash and assistance rendered in other ways.

4. **Income-related benefit(s)**: Benefit(s) where the recipient’s income affects the amount of the payment.

5. **Residence**: Domicile as defined in [the Domicile and Residence Act],1) unless particular circumstances entail another meaning.

6. **Married couple**: Individuals in a marriage under the Marriage Act.

7. **Civil union**: A cohabitational relationship between two individuals, which is registered in the National Register, providing that they have a child together, are expecting a child together or have been cohabiting for a continuous period of more than one year.

8. **Income**: Income in accordance with Chapter II of the Income Tax Act, taking into account the provisions of Article 28 of the same Act on what is not regarded as income, the deductibles
under indents \(1, 3, 4\) and \(5\) of item \(A\) of the first paragraph of Article 30, and Article 31, of the same Act and the exemptions and limitations provided for in other acts of law; also, income of the same type which is earned abroad and is not declared in Iceland.

9. *Employment earnings:* Remuneration for work, employment or services of any kind (cf. indent \(1\) of item \(A\), and item \(B\), of Article 7 of the Income Tax Act), and also payments made in lieu of such remuneration.

10. *Pension fund income:* Payments from obligatory employment-related pension funds.

11. *Investment earnings:* Earnings under item \(C\) of Article 7 of the Income Tax Act.\(^3\)

\(^1\) Act No. 80/2018, Article 20. This amendment will take effect on 1 January 2019. \(^2\) Act No. 88/2015, Article 1.

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**Article 3**

**Scope.**

This Act applies to social security pension insurance, allowances …\(^1\) and advance payments of child maintenance and other support contributions.\(^2\)

\(^1\) Act No. 130/2015, Article 8. \(^2\) Act No. 88/2015, Article 1.

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**Article 4**

**Those who are insured under this Act.**

Any person resident in Iceland (cf. indent \(5\) of Article 2) is regarded as being insured, providing the other conditions of this Act are met, unless other arrangements follow from international agreements.

Insurance cover ceases to apply when the individual moves his/her residence (domicile) from Iceland unless other arrangements follow from international agreements or the provisions of this Chapter.

The Social Insurance Administration shall determine whether an individual is considered to be insured in Iceland under this Act.]\(^1\)

\(^1\) Act No. 88/2015, Article 1.

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**Article 5**

**Special provision on insurance cover.**

Persons who are insured under this Act are regarded as insured for an additional period of up to five years, even if they no longer meet the conditions of Article 4, while pursuing recognised courses of study abroad, providing that they are not covered by the social insurance systems in the countries in which they are studying. The same applies to spouses of students who were insured in Iceland at the commencement of the study period, and to students’ children under the age of 18 living with the students.

In response to an application, it may be determined that an individual who is insured under this Act will continue to be insured for up to one year from the date of departure from Iceland even though he/she does not meet the requirements of Article 4, providing that international agreements do not result in a different conclusion. The condition for this is that the person in question was permanently domiciled in Iceland for a period of not less than five continuous years prior to departure and that the purpose of the journey is not to seek medical treatment.

In response to an application, it may be determined that an individual who is insured under this Act will continue to be insured for up to five years, even though he/she does not meet the requirements of Article 4, providing that the person in question is working abroad for a party that is established in Iceland and conducts operations in Iceland and that social security tax (cf. the Social Security Tax Act) is paid in Iceland on his/her wages. The same applies to the person’s spouse and children under the age of 18 who go abroad to live with him/her.]\(^1\)

\(^1\) Act No. 88/2015, Article 1.

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**Article 6**

**Estates at death.**

The provisions of this Act shall apply to estates at death, as appropriate.]\(^1\)

\(^1\) Act No. 88/2015, Article 1.
[Article 7
Regulations.

The Minister may issue regulations\(^1\) on individual provisions of this Chapter, including the recording of insurance entitlements, insurance cover, what is to be regarded as a recognised course of study and temporary periods of residence abroad.\(^2\)


[SECTION II
Administration.\(^1\)

\(^1\) Act No. 88/2015, Article 2.

[Article 8
Supervision.

The Minister shall exercise overall supervision of pension insurance and other matters covered by this Act and lay down policy within the framework of the Act. The Minister shall also exercise overall supervision of the Social Insurance Administration.\(^1\)

\(^1\) Act No. 88/2015, Article 2.

[Article 9
Role of the Social Insurance Administration.

The Social Insurance Administration (SIA) handles implementation of social security pension insurance and other matters covered by this Act. The SIA is also required to attend to the tasks assigned to it according to other acts of law, administrative instructions or decisions by the Minister.

The SIA shall also attend to other aspects of the administration of pension insurance, including the following:

a. Advising the Minister and other government authorities and providing them with information on matters under its purview.

b. Providing the public with services and advice regarding rights and obligations according to the legislation under which it operates.

c. Informing the public about its rights through publicity work.

d. Publishing information about its activities on a regular basis.

e. Drawing up an annual operating plan and budget.

f. Drawing up an annual estimate of benefit payments for the coming year.\(^1\)

\(^1\) Act No. 88/2015, Article 2.

[Article 10
Operation of the Social Insurance Administration.

The SIA’s operating expenses shall be paid by the Treasury in accordance with each year’s budget. The SIA’s accounts for the previous year shall be completed not later than 1 July each year. They shall be audited in the same way as the accounts of other state bodies.\(^1\)

\(^1\) Act No. 88/2015, Article 2.

[Article 11
Board.

The Minister shall appoint five persons to the board of the SIA; one shall be appointed chairman and the other vice-chairman. The same number of persons shall be appointed as alternates.

The board of the SIA shall approve its organisational structure, its annual operating plan and its budget and lay down long-term policy for the administration. The board shall monitor the activities of the SIA and ensure that its operations are in accordance with its policy and within the framework of the national budget at any given time.

The chairman of the board shall give the Minister regular reports on its activities (cf. the second paragraph). The chairman of the board shall also alert the Minister if the activities of the administration, the services it provides or its operations are not in conformity with the law or official instructions.

The chairman of the board shall call board and direct board meetings. The director shall attend board meetings and have the right to address them and make proposals.
The Minister shall set the board procedural rules\textsuperscript{1)} and determine remunerations to the board members; these shall be paid out of the administration’s operating funds.\textsuperscript{2)}

\textsuperscript{1)} Regulation No. 880/2004. \textsuperscript{2)} Act No. 88/2015, Article 2.

[Article 12

Director.

The Minister shall appoint the director of the SIA for periods of five years at a time after receiving the board’s proposals. The director shall have completed studies at university level and shall have experience of management and administration that will be of use in the position, in addition to possessing knowledge in the sphere of welfare.

The Minister shall issue the director with a letter of appointment stating the main aims in the operation of the SIA and the tasks it is to handle both in the long and the short term. The letter of appointment shall also lay down how communication between the director and the board of the SIA is to take place.

The director shall engage the SIA’s employees and attend to its day-to-day operations. The director shall be responsible for the SIA’s activities and for ensuring that it functions in accordance with the law, official instructions and the letter of appointment (cf. the second paragraph). The director shall ensure that operational expenses and the operational balance are in accordance with the national budget and that funds are used in way that produces results.\textsuperscript{1)}

\textsuperscript{1)} Act No. 88/2015, Article 2.

[Article 13

Administrative appeals.

In the event of a dispute as to the basis of, conditions for, or amount of, benefit or other payments under this Act, the Welfare Appeals Committee (cf. the Welfare Appeals Committee Act), shall deliver a ruling on the matter. The same applies to disputes regarding demands for reimbursement and payments in excess of what was due and how such items are to be collected (cf. Article 55).

Appeals to the Welfare Appeals Committee shall be made in writing and shall be submitted within three months of the date when the parties to the dispute were informed of the decision in question. Forms shall be available from the SIA and its service branches for this purpose, and the SIA’s staff shall provide all assistance necessary for filling them out.

Appeals against administrative decisions shall not defer their legal effect; however, an appeal against an administrative decision shall suspend enforcement measures by the SIA on the basis of a decision for the recovery of excess benefit payments (cf. Article 55).

Rulings by the Welfare Appeals Committee regarding the reimbursement of payments in excess of what was due in accordance with the first paragraph are enforceable.

At the demand of a party to a dispute, the committee may defer the legal effects of its decision if it considers there is reason to do so. Demands to this effect shall be made not later than ten days after the announcement of the decision. The deferral of the legal effects of a decision shall be subject to the condition that the party refer the matter to the courts within 30 days of the decision on deferral, requesting that it receive accelerated treatment. Deferral of the legal effects of a decision shall expire if a court action is not brought within 30 days. If a court action is brought in connection with a ruling by the committee, it may postpone examination of comparable cases undergoing treatment by the committee until judgment has been delivered in the case.

The SIA may bring a court action to have a ruling by the Welfare Appeals Committee set aside.\textsuperscript{1)}

\textsuperscript{1)} Act No. 88/2015, Article 2.

[Article 14

Regulations.

The Minister may issue regulations on individual provisions in this Chapter, including as regards the implementation of social insurance, the activities of the Social Insurance Administration and its role.\textsuperscript{1)}

\textsuperscript{1)} Act No. 88/2015, Article 2.
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 indents 1, 3, 4 and 5 of item A of the first paragraph 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] when calculating invalidity pensions, invalidity allowances, [age-related invalidity supplements] and pension supplements under [Articles 18–19] and [Articles 21–22] of this Act. In the case of a couple, income under the first sentence 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, the fourth paragraph). When calculating the pension supplement invalidity pensioners’ employment earnings of ISK 300,000 shall not be taken into account.

b1. When calculating the amount of benefits under Section III of this Act and [allowances] under Article 48, spouses’ income shall not be taken into consideration (cf., however, item a of this paragraph).

d. [Notwithstanding the second paragraph, when invalidity pensions under Article 18 are calculated, benefits under this Act, [the Social Security Occupational Injury Insurance Act] and the Social Assistance Act, financial assistance from the local authorities, payments from mandatory employment-related pension funds, private pension savings and supplementary insurance cover under the Act on Mandatory Pension Insurance and on the Activities of Pension Funds, shall not be regarded as income. Same shall apply for comparable benefits from states which Iceland has concluded agreements under Article 68.

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 [Articles 39 and 40]. In the case of a new application for benefit, income shall be estimated on the basis of information from the parties listed in Articles 39 and 40, 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 40].]
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. [Articles 39, 40 and 46] 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.]4)

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

B. Benefits.

Article 17

Old-age pension.

[Those who have reached the age of 67 and have been resident (domiciled) in Iceland (cf. Section I) for at least three calendar years between the ages of 16 and 67, shall be entitled to an old-age pension. Full entitlement shall be earned through residence in Iceland for at least 40 years between the ages of 16 and 67. In the case of shorter periods, pension entitlement shall be calculated in proportion to the residence period. The pensions of married couples, both of whom receive old-age pensions, may nevertheless be based on the residence period of the spouse who has the longer entitlement period.

Drawing of old-age pension may be postponed until a maximum age of 80, resulting in a permanent increase of the pension amount (cf. the second paragraph of Article 23). This authorisation shall be dependent on the condition that the person in question has not received old-age pension disbursements from the social security system or from obligatory employment-related pension funds (cf., however, the fourth paragraph). Applicants for this arrangement shall nevertheless be permitted to retract their applications within 30 days of their processing without this having an effect on their right to increased pension payments. If any disbursement of pension has taken place, then full repayment thereof shall be the condition for retraction.

Drawing of old-age pension may commence as from the age of 65, resulting in a permanent reduction of the pension amount (cf. the third paragraph of Article 23).

Half of the acquired old-age pension entitlement under this Act may be paid from the age of 65 to those who are entitled to old-age pensions from obligatory employment-related pension funds and have received the consent of the funds in question to draw half a pension from them and to postpone the drawing of the other half.

Authorisations provided for in the third and fourth paragraphs shall be subject to the condition that applications for acquired pension entitlements from all obligatory employment-related pension funds have been approved and that the combined old-age pension entitlements from pension funds and from the social security system (cf. also the second paragraph of Article 52), taking account of the permanent reduction under the third paragraph of Article 23, amount to at least as much as a full old-age pension under the first paragraph of Article 23.]

The provisions of the first, second, third, fourth and fifth paragraphs also apply to household supplement payments under the Social Assistance Act.

The Minister shall issue regulations\(^1\) on particular aspects of the application of this Article, including as regards the acquisition of entitlements, residence periods and flexibility in the drawing of old-age pension.\(^2\)

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 them 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.


Article 18
Invalidity pension.

Persons who have been resident in Iceland, [(cf. Section I)]\(^1\), [are 18 years old or older, but have not reached the age for drawing old-age pension (cf. Article 17)]\(^2\) 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 regulations\(^3\) 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 …\(^4\) connected with the assessment of individuals’ rehabilitation potential.

[Full disability pension shall be ISK 478,344 per year. When residence periods are determined (cf. the first paragraph of Article 17), the time remaining until the applicant reaches the age for drawing old-age pension (cf. Article 17) shall be taken into account.\(^5\)]

[The invalidity pension shall be reduced if the invalidity pension recipient’s income under the second and third paragraphs of Article 16 is greater than ISK 2,095,501 per year; this shall be done in accordance with Article 16.]\(^6\) If income is above this figure, then the invalidity pension shall be reduced by 25% of the surplus income until it lapses entirely.


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 the first paragraph of Article 18. Such allowances shall also be granted to those who meet the conditions of the first sentence 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 the first paragraph 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. [The provisions of this Act regarding reduction of benefit due to income shall not affect entitlement to the payment of child pension.]¹)

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 [or that the child’s mother is not present due to special or unusual circumstances].²)

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, the fourth paragraph of Article 64).

Child pension for each child shall be ISK 219,408 per year. …¹)


**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 the Social Security Occupational Injury Insurance Act].¹) 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 the first paragraph, (cf. the second paragraph), the second sentence of the fourth paragraph and the fifth paragraph of Article 18 regarding periods of residence, invalidity assessment and reduction due to income.]²) The amount of the supplement, (cf. the second paragraph), shall be based on the age at which the individual was first assessed with an invalidity of 75% under the first and second paragraphs of Article 18 [or the Social Security Occupational Injury Insurance Act],³) or meets the requirements of Article 7 of the Social Assistance Act.

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

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>18 to 24 years (inclusive)</td>
<td>100%</td>
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<tr>
<td>25 years</td>
<td>95%</td>
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<td>26 years</td>
<td>90%</td>
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<td>27 years</td>
<td>85%</td>
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<td>28 and 29 years</td>
<td>75%</td>
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<td>30 and 31 years</td>
<td>65%</td>
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<tr>
<td>32 and 33 years</td>
<td>55%</td>
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<td>34 and 35 years</td>
<td>45%</td>
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<tr>
<td>36 and 37 years</td>
<td>35%</td>
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<tr>
<td>38 and 39 years</td>
<td>25%</td>
</tr>
</tbody>
</table>
| 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%

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


Article 22

Pension supplement.

The SIA shall pay a pension supplement to those who receive …1) invalidity or occupational injury pensions under this Act [or the Social Security Occupational Injury Insurance Act].2) 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 1)],3) cf. …3) and the first paragraph and the second sentence of the fourth paragraph of Article 18), shall be entitled to pension supplement. Article 16 …1) and the fourth paragraph of Article 18 shall apply to the calculation of the pension supplement.

…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 the second and fourth paragraphs 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.4]

The combined reduction of …1) 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.

…4)

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 issued5) on the application of this Article in further detail.


Article 23

[Old-age pension amounts. Flexible retirement age.

Full old-age pension shall be ISK 2,553,312 per year. Old-age pension shall be reduced by 45% of the old-age pensioner’s income (cf. Article 16) until the pension amount becomes zero. As a general allowance, when the reduction of old-age pensions is calculated, pensioners’ income of ISK 25,000 shall not be taken into account. [Furthermore, as a special allowance, ISK 100,000 of pensioners’ employment earnings shall not be taken into account when calculating reduction of old-age pensions.]1) Reductions in view of income shall not, however, extend to the half of an old-age pension that is paid under the fourth paragraph of Article 17 until the drawing of a full pension commences.

If the drawing of an old-age pension has been postponed (cf. the second paragraph of Article 17), the amount of old-age pension shall be permanently increased, based on actuarial considerations and calculated from the age when the person reaches the entitlement age for an old-age pension under Article 17 until the time when the drawing of pension commences.

If the drawing of old-age pension has been brought forward (cf. the third and fourth paragraphs of Article 17), the old-age pension amount shall be proportionally reduced, permanently, based on actuarial considerations and calculated from the age when the person reaches the entitlement age for an old-age pension under Article 17 until the time when the drawing of pension commences.

When half of acquired old-age pension entitlement is paid under the fourth paragraph of Article 17, the amount shall be reduced in accordance with the third paragraph and the amount of the
postponed part of the pension shall be increased in accordance with the second paragraph of this Article.

The Minister shall issue regulations\(^2\) covering individual points relating to the application of this Article, including changes in proportions applying in the case of the bringing forward or postponement of the drawing of pensions, based on actuarial considerations.]\(^3\)


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.


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

…\(^1\)

\(^{1}\) Act No. 88/2015, Article 7.

SECTION V

[Obligation to provide guidance and information; authorisation regarding monitoring.]\(^1\)

\(^{1}\) Act No. 8/2014, Article 2.

[A. Obligation regarding guidance; obligation regarding examination.]

\(^{1}\) Act No. 8/2014, Article 2.

[Article 37

Obligation regarding guidance.

The SIA shall examine the personal circumstances of applicants and benefit recipients and explain their rights to them under this Act and other acts of law under which it operates, regulations issued on the basis of these acts of law and the SIA’s own procedural rules. Applicants’ or recipients’ standing and entitlements shall be examined as a whole when their cases are processed. The SIA shall give applicants guidance regarding their legal position, the materials that are to be submitted with applications and the future moves regarding their applications.

The SIA shall inform applicants and benefit of the authorisations it holds to process personal data. This shall include information on the parties from whom the SIA is permitted to call for data, what data is involved and the purpose for which it is to be used.

If a case does not come under the purview of the SIA, it shall be forwarded to the right place as soon as possible, and the person concerned shall be given all possible guidance.]\(^1\)

\(^{1}\) Act No. 8/2014, Article 2.

[Article 38

Obligation regarding examination.

The SIA shall ensure that matters are examined in sufficient detail before a decision on benefit entitlement is taken; this shall include ensuring that all the necessary materials and information are to hand.]\(^1\)

\(^{1}\) Act No. 8/2014, Article 2.
[B. Obligations regarding information; authorisation for monitoring/ supervision.

Article 39

Applicants’ and payment recipients’ obligations to provide information.

It is appropriate, and obligatory, for applicants and payment recipients to take part in the processing of their cases, this including attending interviews and providing the SIA with the information needed for the taking of decisions regarding their benefit entitlements, the amount and payment of benefits and other payments under this Act, and their review. Furthermore, it shall be obligatory to report changes in income or other circumstances that could affect benefits or other payments.

The provisions of the first paragraph shall also apply to applicants’ or payment recipients’ spouses/partners, as appropriate.\(^1\)

\(^1\) Act No. 8/2014, Article 2.

Article 40

Information on income.

The SIA may, after receiving written consent from applicants and payment recipients, obtain the necessary information on applicants’ and payment recipients’ income from the tax authorities and on payments from pension funds, the Directorate of Labour and comparable institutions abroad, when appropriate, electronically or by other means.

In the case of married couples, the SIA may, after receiving written consent from both spouses, obtain information on a spouse’s income and on payments to the spouse from the entities named above if these could have an influence on benefit amounts. The same shall apply to the income of cohabiting couples who meet the conditions for joint taxation under the third paragraph of Article 62 of the Income Tax Act.

If an applicant, payment recipient or spouse considers that information provided by these entities is not correct, he/she shall submit evidence to the contrary.\(^1\)

\(^1\) Act No. 8/2014, Article 2.

Article 41

Lack of information.

If it proves impossible to take a decision on benefit entitlement, the amount or payment of benefits and their review because of a lack of the necessary information which can be attributed to the applicant, recipient of payments or his/her spouse, the SIA may defer the decision, and the payment of benefit, until the situation is rectified. The SIA shall, without delay, notify the person in question if such deferral is to take place, urge him/her to provide the necessary information and explain the consequences if the call to provide this information is not heeded.\(^1\)

\(^1\) Act No. 8/2014, Article 2.

Article 42

Obligation of health-care workers to provide information.

Those health-care workers who are responsible for the maintenance of medical records (cf. the Medical Records Act) shall be obliged to provide physicians and the health-care workers employed by the SIA with the information and materials that are necessary for the SIA in connection with decisions on the payment of benefit and its supervisory role. Furthermore, physicians and health-care workers employed by the SIA may examine that part of the medical records which is necessary for supervision and on which invoicing to the SIA is based. Such examination shall take place at the location where the medical records are kept.\(^1\)

\(^1\) Act No. 8/2014, Article 2.

Article 43

Obligation of other entities to provide information.

The tax authorities, the Directorate of Labour, the National Register, the Child Support Collection Centre, the Prison and Probation Administration, the Directorate of Immigration, the Office of the National Commissioner of Police, the Icelandic Transport Authority, pension funds, hospitals, old people’s rest homes and nursing homes, municipal authorities, the Icelandic Student Loan Fund,
recognised educational institutions within the ordinary school system and post-secondary educational institutions shall provide the SIA with information, electronically or by other means, to the extent that such information is necessary in order to apply this Act.

Furthermore, the SIA and Icelandic Health Insurance shall, in the same way, exchange information on disability assessment and other information to the extent necessary to apply this Act.¹)

¹) Act No. 8/2014, Article 2.

[Article 44

Obligation to provide information free of charge.

Information and materials which the SIA requests, and which can be provided, shall be provided free of charge (cf., however, Article 20 of the National Registry and Public Registration Act) and in the form requested, providing that authorisation on the gathering of this data is found in the provisions of this chapter.¹)

¹) Act No. 8/2014, Article 2.

[Article 45

Monitoring and sanctions.

The SIA shall regularly verify whether benefits, payments and the information on which its decisions are based are correct. For the purpose of monitoring, the SIA may call for such information from the entities listed in Article 43 as may be necessary to verify whether decisions and payments are correct.

The basis on which entitlement to benefit rests may be reviewed and any time and benefit payments may be brought into line with changes that have taken place in the personal circumstances of the recipient.

If there is reason to suspect that no benefit entitlement exists, payments may be temporarily deferred which the matter is investigated further, and payments may be discontinued if it is found that no benefit entitlement exists. Article 55 shall apply in the event of excess or insufficient payment.

If there is reason to suspect that benefit has been paid on the basis of incorrect or misleading information from the recipient, information may be obtained from a third party that may be expected to give important information for the purpose of correcting benefit payments.

If it comes to light that incorrect, misleading or insufficient information has been intentionally given, or that an individual has neglected to provide the necessary information in order to enjoy insurance cover or receive wrongful payments, the recipient shall repay the excess amount paid, with a 15% supplement.¹)

¹) Act No. 8/2014, Article 2.

[C. Protection of personal data.]¹)

¹) Act No. 8/2014, Article 2.

[Article 46

Non-disclosure obligation and the handling of personal data.

Employees of the SIA and its branches may not, on pain of the sanctions prescribed in the General Penal Code for offences in public office, disclose information of which they become aware in the course of their work and which should be kept secret. This non-disclosure obligation shall remain in force even when they have left the employ of the SIA.

The non-disclosure obligation shall also apply to the board of the SIA and to those who carry out tasks for the SIA but are not its employees.

The SIA shall ensure that the conditions of the Act on [Data Protection and the Processing of Personal Data]¹) are observed in the handling of all personal data it acquires. The SIA shall ensure that maximum security precautions are taken when sending and handling personal data and shall set itself a security policy, carry out a risk assessment and take other security precautions in accordance with the Act on [Data Protection and the Processing of Personal Data]¹) and regulations that have been issued thereunder. In addition, the SIA shall observe the provisions of the Medical Records Act, as appropriate.

Data collected in connection with monitoring according to the provisions of this chapter shall not be kept longer than is necessary, and shall be deleted after its use for the purpose of monitoring.¹)
SECTION VI
[General Provisions.]1)

1) Act No. 88/2015, Article 23.

[Article 47]

[The Administrative Procedure Act.]

The Administrative Procedure Act shall apply when decisions are taken on rights and obligations under this Act, unless applicants and recipients of payments are granted superior rights under this Act or other relevant acts of law. Consistency shall be maintained when decisions are taken on comparable cases.1)2)

1) Act No. 88/2015, Article 8. 2) Act No. 8/2014, Article 2.

...1)

1) Act No. 88/2015, Article 9.

Article 48

[Mutually exclusive rights and duplication of benefits.]1)

[No one may simultaneously receive more than one type of benefit payment under this Act and the Social Security Occupational Injury Act in respect of the same event or for the same period unless provision is specifically made there for other arrangements. However, pensioners may receive, in addition to their pensions, benefits and grants intended to meet incurred costs resulting from the same event.

If pensioners are entitled to more than one type of benefit under this Act or the Social Security Occupational Injury Act which are mutually exclusive, they shall be paid their higher or highest benefit amount.

If individuals receive benefits according to other acts of law for the same period as that for which benefit is paid under this Act, they shall be regarded as income when calculating income-related benefit as specified in further detail in the provisions of this Act.

If a pensioner has already received pension payments under the Social Security Occupational Injury Act, this shall be taken into account when calculating invalidity pension due to ordinary invalidity for the same period.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 admission]2) 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 the first sentence 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.

...3)

Hospitals and institutions under the fifth ...3) paragraph shall send the SIA monthly data on [admissions].2)

[When a pension and related benefits cease in accordance with the fifth paragraph, an old-age or invalidity pension recipient who is placed in a hospital [or institution for the elderly]1) in Iceland may be paid [an allowance]1) of up to [ISK 766,464 per year].3) When the amount of [the allowance]1) is calculated, income [(cf. item 8 of Article 2, cf. also the fourth paragraph)5] of Article 16 shall reduce]3) [the allowance]1) by 65%. [The allowance shall cease]3) to be paid completely if the recipient has income amounting to [ISK 1,179,180]4) per year. ...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.

Regulations7) may be issued on the application of this provision in further detail.

Article 49

[Legal standing of people in civil unions.]

Individuals living in civil unions (cf. indent 7 of Article 2), shall have the same rights and obligations as married couples under this Act. Article 16 shall apply regarding the investment earnings of people in civil unions.

A common domicile, or cohabitation lasting more than one year as attested by other unequivocal evidence, shall be regarded as the equivalent of the registration of a civil union in the National Register.\(^1\)

\(^1\) Act No. 88/2015, Article 10.

Article 50

[Payments to third parties.]

If there is considered to be a risk that payments intended for recipients, or for their support-givers for purposes of their support, will be used in a way that is incompatible with the aims of this Act, then under special circumstances they may be paid, in full or in part, to parties other than the recipient or support-giver. Decisions of this type shall at all times be temporary and shall be taken in consultation with the social services department of the local authority concerned, or with the child protection committee in the case of payments in connection with the support of children.\(^1\)

\(^1\) Act No. 88/2015, Article 11.

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 submitted for all benefits and payments under this Act. Nevertheless, those who receive invalidity pensions do not need to apply specially for old-age pension under Article 17 when they reach [the entitlement age for an old-age pension (cf. Article 17)].\(^1\)

Applications shall be submitted on the SIA’s forms or sent electronically in a manner considered satisfactory by the SIA. When applications are examined, care shall be taken to ensure that all the necessary materials and information are to hand (cf. Article 38) so that it is possible to take decisions on benefit entitlement and the amount and payment of benefits and other payments under this Act. In particular, care shall be taken to ensure that applicants who have acquired entitlements in obligatory employment-related pension funds have submitted applications for the entitlements they have acquired in the pension funds concerned, and the SIA may defer a decision on the payment of benefits until information on this point has been received (cf. Article 41).

When examining cases and processing applications, the SIA may obtain from the entities named in Article 43, and in the fourth paragraph of Article 45, the information necessary to be able to take decisions on benefit entitlement and the amount and payment of benefits and other payments under this Act. The same shall apply regarding necessary information obtained from institutions abroad, where appropriate.

The SIA may obtain information under the third paragraph electronically or in another manner. Care shall be taken to ensure that the gathering of data and its processing do not exceed what is necessary in order to apply this Act.

\(...\)\(^1\)\(^2\)\(^3\)

\(^1\) Act No. 116/2016, Article 8. \(^2\) Act No. 88/2015, Article 12. \(^3\) Act No. 8/2014, Article 3.

Article 53

[Commencement and end of benefit entitlement; payment arrangements.]

Entitlement to benefit becomes established as from and including the date on which the applicant is considered to meet the benefit requirements, and benefit shall be calculated from the first day of the month after that in which entitlement is established. Benefit payments shall be ended at the end of the month in which entitlement comes to an end.
Payments shall be made in advance, on the first day of each month.

At the request of the applicant or recipient, benefit payments may be deferred and paid in a lump sum after final information on the applicant’s or recipient’s income for the year is available when the tax authorities assess taxes.

At no time shall benefit be determined more than two years back in time from when the SIA receives an application and the other materials needed to be able to take a decision on benefit entitlement and benefit amounts.\textsuperscript{2)}

\textsuperscript{1)} Act No. 116/2016, Article 9. \textsuperscript{2)} Act No. 88/2015, Article 13.

\textbf{Article 54}

\textsuperscript{...1)}
\textsuperscript{...2)}

The SIA shall issue invalidity certificates to those who meet the conditions of the first paragraph of Article 18 and have health insurance in Iceland [under the Health Insurance Act].\textsuperscript{3)}

\textsuperscript{1)} Act No. 88/2015, Article 14. \textsuperscript{2)} Act No. 116/2016, Article 10. \textsuperscript{3)} Act No. 112/2008, Article 57.

\textbf{Article 55}

If the SIA or its agencies \textsuperscript{...1)} has overpaid benefits to a recipient under this Act, the institute shall deduct the excess amount from any benefits to which the recipient may subsequently become entitled (\textit{cf.}, however, the second paragraph). In addition, the SIA \textsuperscript{...1)} is entitled to a reimbursement demand against the benefit recipient [or his/her estate at death]\textsuperscript{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]\textsuperscript{2)} (\textit{cf.} [Article 39.])\textsuperscript{3)}

[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/her obligation of payments according to the contract.]\textsuperscript{3)}

If the SIA \textsuperscript{...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]\textsuperscript{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 (\textit{cf.}, however, Article 53). The same shall apply when, as a result of the conclusion of [the Welfare Appeals Committee (\textit{cf.} Article 13)],\textsuperscript{3)} a person is entitled to receive benefit, yet was refused benefit or granted a lower rate of benefit by the SIA \textsuperscript{...1)} (\textit{cf.}, however, Article 53). If less than the proper amount of benefit has been paid as a consequence of a lack of information (\textit{cf.} [Article 41]\textsuperscript{3)}, then interest shall not apply.

\textsuperscript{...3)}

[The decisions of the SIA on reimbursement demand of excess benefit payments under this provision are enforceable (\textit{cf.}, however, [Article 13]\textsuperscript{1)}).]\textsuperscript{3)}

Regulations\textsuperscript{4)} 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.

\textsuperscript{1)} Act No. 88/2015, Article 15. \textsuperscript{2)} Act No. 120/2009, Article 7. \textsuperscript{3)} Act No. 8/2014, Article 5. \textsuperscript{4)} Regulation No. 598/2009, cf. 1056/2009 and 1118/2013.
Article 56

[Imprisonment.]\(^1\)

If a pensioner is serving a prison sentence, or intentionally avoids serving a prison sentence, all benefit payments to him/her shall be cancelled (cf. Article 53). If a pensioner is remanded in custody or committed to confinement in an institution, all benefit payments to him/her shall expire after four months’ continuous confinement. When benefit payments have been cancelled, payment of an allowance as provided for in the eighth paragraph of Article 48 may be made. If the pensioner is not sentenced to imprisonment following remand in custody, benefit shall be paid to him/her for the period of duration of custody on remand.\(^1\)

The SIA …\(^1\) 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. 88/2015, Article 16.

Article 57

[Prohibition on assignment and pledging of benefit claims.

Benefit claims under this Act may not be assigned or pledged; nor may they be made the object of attachments or measures to enforce judgments, and they may not be retained for the payment of taxes and public levies.\(^1\)

\(^1\) Act No. 88/2015, Article 17.

Article 58

[Transfer of benefit payments abroad; duplication of benefits.

Benefit recipients resident in states with which the Government enters into agreements, or with which the Minister has negotiated under Article 68, shall be paid benefits in accordance with the further details of such agreements.

The Minister may determine in a regulation\(^1\) that benefits which benefit recipients receive under foreign legislation and which pertain to the same period as that for which benefits are paid in Iceland shall be deducted from benefits to which they are entitled in Iceland.\(^2\)

\(^1\) Regulation No. 463/1999.  \(^2\) Act No. 88/2015, Article 18.

Articles 59–62

\(^1\) Act No. 88/2015, Article 19.

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 the first paragraph of Article 25 of the Children’s Act.

b. A nursing care and maintenance allowance for up to nine months under the second paragraph of Article 25 of the Children’s Act.

c. Expenses relating to pregnancy and the birth under the first paragraph 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 the fourth paragraph 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\(^1\) 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 the first, second and third paragraphs 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 the fourth paragraph 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 the first paragraph 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.

**Articles 65–67**

\(^1\) Act No. 88/2015, Article 19.

**Article 68**

[International agreements.]

The Government may negotiate agreements with foreign states on mutual rights and obligations under this Act, and the Minister may negotiate with foreign insurance administrations in the contracting states on the implementation of such agreements in further detail. In the agreements, exemptions, amongst other things, may be made from the provisions of this Act and restrictions may be permitted on its application.

Agreements under the first paragraph may contain provisions stating, amongst other things, that periods of residence, employment and insurance cover in another contracting state are to be regarded as equivalent to periods of residence in Iceland. Furthermore, provision may be made in the agreements regarding entitlement to benefit payments when the recipient is living in another contracting state, equality in how cases are treated, duplication of benefits and applicable law. In agreements under the first paragraph, provisions may also be negotiated on payment of child support in advance between contracting states (cf. Article 63) as if these were social security benefits.

In the application of this Act, international agreements in the field of social insurance and social affairs to which Iceland is a party shall be taken into consideration.\(^2\)

\(^2\) Act No. 88/2015, Article 20.

**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**

[Authorisation for regulations.]

The Minister may issue further provisions on the application of this Act in regulations.\(^1\)\(^2\)


**Article 71**

Transposition of EEA regulations.

The Minister may transpose, by means of regulations\(^1\), the social insurance rules of the European Union as they are incorporated in Protocol VI to the Agreement on the European Economic Area (cf. Act No. 2/1993, with subsequent amendments; cf. also the decision of the EEA Joint Committee, No. 76/2011, of 1 July 2011, which incorporated into the Agreement Regulation (EC) No. 883/2004, with subsequent amendments, on the coordination of social security systems, and Regulation (EC) No. 987/2009, on its implementation.) Regulations of the European Union that are adopted in the EEA Agreement and entail amendments or additions to these regulations may also be transposed by means of a regulation. The same shall apply to the social insurance rules of the Convention founding the European Free Trade Association.\(^2\)


**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 the first paragraph 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 the third sentence of items b and d of the second paragraph 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 the second paragraph 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 second, third and fourth paragraphs 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. Notwithstanding the provisions of the third sentence of item b of the second paragraph 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.

10. Notwithstanding the second sentence 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.

11. Notwithstanding the provisions of the second, third and fourth paragraphs of Article 22 of this Act, the reduction proportion shall be 45% during the period 1 July 2009 to 31 December 2013 (inclusive).

12. Notwithstanding the provisions of the third sentence of item b of the second paragraph 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 2013 to 31 December 2018 (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]. 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.

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.

17. Notwithstanding the provisions of Article 69 of this Act, social security benefits and also payments under Article 63, shall be raised by 3.5% during 2012. Nevertheless, monetary amounts of income from employment under Articles 16–18, 21–22 and 48 shall not change during the year 2012.

18. When calculations are made of the pension supplements of those recipients of invalidity and rehabilitation pensions who receive payments from obligatory employment-related pension funds, comparison shall be made, during the period 1 January [2018] down to and including 31 December [2018], between the calculation of pension supplements, on the one hand according to the rules applying during [2018], and according to the rules that were in force during 2013, on the other, in addition to a [31.75%] increase and with allowance made for the permitted income threshold resulting from the application of indent 16 in this Article. The calculation that results in the higher payment shall be applied.

19. Without prejudice to the second paragraph of Article 17, the authorisation for postponement of the drawing of old-age pension until the age of 80 shall only apply to those who were born in 1952 or later. Those who were born in 1951 or earlier shall be able to postpone the drawing of old-age pension to the age of 72 in accordance with the rules that were in force until the commencement of this Act.

20. Without prejudice to the second paragraph of Article 23, the old-age pension amount during 2017 shall increase by 0.5% for each month during which the drawing of old-age pension is postponed.

21. Without prejudice to the third paragraph of Article 23, the old-age pension amount during 2017 shall be reduced by 0.5% for each month during which pension is paid prior to the entitlement age for old-age pension under Article 17.

22. When calculating old-age pensions, the SIA shall compare calculations with the calculation of payments to those old-age pensioners who receive old-age pensions at the time of commencement of this Act. The SIA shall compare, on the one hand, old-age pensions, pension supplement, household supplement and special pension supplements paid in view of caring for dependents, according to the rules that were in force in 2016, revised to the real price-levels for each year and, on the other, old-age pensions and household supplement according to the rules applying as from 1 January 2017. If the outcome of this comparison is that higher levels of benefit would have been paid under the older provisions of the Act, then the SIA shall pay the difference in such a way that if the old-age pensioner’s aggregate income (cf. indent 8 of the second paragraph, and also the third paragraph, of Article 16) is ISK 100,000 per month, or lower, then the difference shall be paid in full. The amount...
paid shall be reduced by 1% for each additional ISK 1,000 of income, becoming zero when the old-age pensioner’s aggregate income reaches ISK 200,000 per month.]¹⁸


[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.]