



VELFERÐARRÁÐUNEYTIÐ

Ministry of Welfare

Housing Benefit Act No. 75/2016 as amended by Act No. 80/2018.

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](#).

CHAPTER I

Scope, aim and definitions.

Article 1

Scope.

This Act applies to housing benefit paid to tenants.

Article 2

Aim.

The aim of this Act is to reduce lower-income tenants’ housing costs through the payment of benefit in connection with the rental of residential premises.

Article 3

Definitions.

In this Act, the following terms are used as defined below.

1. *Half-way house*: A residential home operated with the aim of promoting the rehabilitation of individuals who in most cases have been in treatment or rehabilitation institutions, or in prison.
2. *Residence*: The situation in which an individual lives in the rented premises and is registered as being domiciled there according to the Domicile [and Residence]¹⁾ Act.
3. *Members of the household*: All those who are resident in the rented residential premises.
4. *Housing benefit*: Monthly payments made to reduce lower-income tenants’ housing costs in Iceland.
5. *Studies*: Continuous studies, practical or theoretical, in a recognized educational institution within the ordinary educational system in Iceland which last for at least six months. The term also applies to post-secondary-level (university level) studies and all other studies for which the requirements regarding prior studies are comparable to those made for university studies. Individual short courses are not regarded as constituting studies.

¹⁾ Act No. 80/2018, Article 20. This amendment will take effect on 1 January 2019.

CHAPTER II

Administration.

Article 4

Supervision.

The Minister shall exercise supervision of housing benefit under this Act.

Article 5

Administrative entity.

The Directorate of Labour shall handle the administration of housing benefit payments under this Act. When decisions are made concerning rights and obligations under this Act, the Administrative Procedure Act shall apply.

The cost of the application of this Act shall be paid by the Treasury in accordance with the budget legislation at any given time.

The Minister may issue further rules in a regulation¹⁾ on procedure under this Act, including electronic access and processing.

¹⁾ Regulation No. 1200/2016.

Article 6

Authorisation for appeals to the Welfare Appeals Committee.

Appeals against decisions taken by the administrative entity on the basis of this Act may be lodged with the Welfare Appeals Committee within three months of the date on which the party was informed of the decision (*cf.* the Welfare Appeals Committee Act). The Welfare Appeals Committee Act and the Administrative Procedure Act shall apply regarding the handling of the case by the committee.

Rulings by the Welfare Appeals Committee on the application of this Act shall be final at the executive level and may not be referred to a higher executive authority.

Article 7

Non-disclosure obligation.

Those who are involved in the application of this Act may not divulge to unauthorised persons information of a personal nature of which they gain knowledge in the course of their work and which, according to law or the nature of the case, should be kept confidential. This non-disclosure obligation shall remain in force even after the person leaves his/her position.

CHAPTER III

Qualifying conditions for housing benefit.

Article 8

Monthly housing benefit payments.

Housing benefit payments are monthly payments made to the applicant (*cf.*, however, the fourth paragraph of Article 21) and shall be determined and calculated with reference to the base amounts which take account of the number of members of the household (*cf.* item 3 of Article 3), having account to income (*cf.* Article 17), assets (*cf.* Article 18) and participation in the payment of housing costs (*cf.* Article 19).

Article 9

Qualifying conditions for housing benefit.

Any person who rents residential premises is entitled to housing benefit providing the conditions of this Act are met.

Housing benefit under this Act shall only be granted if the following conditions are met:

- a. the applicant and the other persons named by the applicant as members of the household in the application are resident in the residential premises (*cf.*, however, Article 10);
- b. the applicant is 18 years old or over;
- c. the premises are residential premises in Iceland consisting of normal and satisfactory household facilities with at least one bedroom, together with a private kitchen or private cooking facility, a private toilet and bathroom facility (*cf.*, however, Article 11);
- d. the applicant is a party to a registered lease covering the residential premises that is to run for at least three months (*cf.*, however, Article 12);
- e. the applicant and other members of the household aged 18 years and older shall have given their written authorisation for the gathering of information (*cf.* the second paragraph of Article 14).

Housing benefit under this Act shall not be granted:

- a. if the applicant or any of the other persons whom the applicant designates in the application as members of the household is already considered as the member of another household in rented premises (*cf.*, however, the third paragraph of Article 10) according to an application for housing benefit that has been approved;
- b. for premises that are intended for purposes other than residence but are rented for residence, in their entirety or in part;
- c. for the rental of part of a residential housing unit, e.g. for the rental of single rooms (*cf.*, however, Article 11);
- d. if any member of the household is entitled to support for mortgage interest;
- e. when any member of the household is the owner of the residential premises in question; the same shall apply when the owner of the residential premises is a legal person, providing that the member of the household, or his/her spouse or cohabiting partner, holds a controlling position there by virtue of ownership share or membership of the board; an individual is considered as holding a controlling position in this context if he/she, together with his/her spouse, cohabiting partner, children, parents, siblings, other close relatives or household member or members, owns a total share of 50% or more in the legal person in question;
- f. when housing benefit is already being paid in respect of the same residential premises.

The administrative entity shall assess whether the conditions of this Act are met.

Article 10

Exemption from the conditions regarding residence.

Notwithstanding the condition of indent *a* of the second paragraph of Article 9 regarding residence, an individual may be entitled to housing benefit in respect of rented residential premises even though he/she is registered as being legally domiciled elsewhere in Iceland, providing that he/she is temporarily resident in the premises:

- a. in connection with studies (*cf.* item 5 of Article 3) which he/she is pursuing far from his/her legal domicile, providing that he/she submits a certificate of attendance of an educational institution;
- b. in connection with illness, providing that he/she submits a certificate from a physician stating that it is necessary for him/her to make use of health services far from his/her registered place of domicile;
- c. in connection with residence in a half-way house (*cf.* item 1 of Article 3), providing that he/she submits confirmation from the half-way house in question stating that he/she is temporarily resident there, and what his/her housing costs are,
- d. for up to three years in connection with work which he/she performs far from his/her registered place of domicile, providing that an employment contract is submitted in confirmation of this.

Notwithstanding the condition of indent *a* of the second paragraph of Article 9 regarding residence, children under the age of 18 years who are temporarily resident with foster-parents under placement in temporary foster care according to the Child Protection Act shall be regarded as members of the household of their parents or legal guardians. The same shall apply when a child under the age of 18 years is temporarily resident in a school boarding hostel or student residence, providing that the child is registered as being legally domiciled with his/her parents or legal guardian (*cf.*, however, the third paragraph).

When a child's parents do not live together, then notwithstanding the condition of indent *a* of the second paragraph of Article 9 regarding residence, the child shall be regarded as being resident at his/her registered place of domicile and also in the residential premises of the parent or guardian with whom he/she is not registered as being domiciled, providing that the child lives with that parent or guardian for at least 30 days each year under an access agreement that has been approved by a district commissioner (*cf.* the fifth paragraph of Article 46 of the Children Act), an access ruling by a district commissioner under Article 47 or Article 47 *a* of the same Act, or a court judgment or a settlement made in court. In such cases, the child shall be considered as a member of the household of both parents, or legal guardians, until he/she reaches the age of 18 years.

Article 11

Exemptions from the conditions regarding residential premises.

Notwithstanding the conditions of indent *c* of the second paragraph and indent *c* of the third paragraph of Article 9 regarding residential premises, housing benefit may be paid where individuals share premises in the following cases due to their social circumstances, providing that the other conditions of this Act are met.

- a. Where disabled persons live in communal residences provided as housing solutions under Article 10 of the Act on the Affairs of Disabled People.
- b. Where individuals share premises in a half-way house (*cf.* item 1 of Article 3).
- c. Where students share premises in school boarding hostels or student residences connected with recognised educational institutions within the ordinary educational system in Iceland.

Article 12

Exemptions from the condition regarding the registration of leases.

Notwithstanding the condition of indent *d* of the second paragraph of Article 9 regarding a registered lease, providing that the other conditions of this Act are met, housing benefit may be paid even though no registered lease is available in the following circumstances.

- a. The rental of residential premises owned by the state, a local authority or a corporation that is wholly owned by the state or a local authority, providing that a written lease exists.
- b. The rental by students of a room or apartment in a school boarding hostel or student residence connected with a recognised educational institution within the ordinary educational system in Iceland, providing that a written lease exists.
- c. The temporary use by a holder of residence rights under the fifteenth paragraph of Article 20 of the Housing Cooperatives Act, the respondent under item 6 of the first paragraph of Article 28 of the Sale in Execution Act or the tenant, under item 11 of the first paragraph of Article 28 of the same Act, of residential premises which he/she had for private use at the time of the sale in execution for up to twelve months, in return for payment, according to a decision by a district commissioner.
- d. Where individuals live communally in half-way houses (*cf.* item 1 of Article 3), providing that a written lease exists.

CHAPTER IV

Applications for housing benefit; obligation to provide information.

Article 13

Applications for housing benefit.

Applicants shall apply for housing benefit to the administrative entity as defined in Article 5. Applications shall be made in writing, on special forms, and shall be accompanied by the necessary materials. The administrative entity may call for any further information and materials it considers necessary in order to verify the applicant's entitlement to housing benefit. Members of the applicant's household aged 18 years and over shall sign the application in confirmation of the information contained therein.

Applications shall be processed when all the necessary information and materials have been received. The administrative entity may turn down an application for housing benefit if the necessary information and materials have not been received 45 days after the date on which the application was received by the administrative entity.

The Minister may set further rules in a regulation¹⁾ on applications for housing benefit, whether they are made electronically or on paper, how electronic applications are to be signed, what information is to be included in applications and what materials are to accompany them, how the materials that are supposed to accompany electronic applications are to be submitted and the length of time for which applications are to remain valid.

¹⁾ Regulation No. 1200/2016.

Article 14

Obligation of applicants and other members of their households to submit information.

Applicants shall provide the administrative entity with all the information and supporting materials that are required and are necessary to verify their entitlement to housing benefit.

Applicants and other members of their households aged 18 years and over shall give written authorisations permitting the administrative entity to obtain the information and materials necessary to process their applications for housing benefit and apply this Act in other respects.

Applicants shall inform the administrative entity of any changes that may occur in their personal circumstances or those of the other members of their households or other matters that may affect their entitlement to housing benefit under this Act during the time for which they receive housing benefit payments.

Article 15

Authorisation to obtain information.

The administrative entity may, after receiving a written authorisation from the applicant and the other members of the household aged 18 years and over (*cf.* the second paragraph of Article 14) obtain all information from the tax authorities, the National Register, the Icelandic Student Loan Fund, local authorities, district commissioners, landlords of residential premises under items *a*, *b* and *d* of Article 12 and recognised educational institutions within the ordinary educational system in Iceland that is necessary to be able to apply this Act. The same shall apply, as appropriate, to the obtaining of necessary information from comparable entities abroad.

The entities listed in the first paragraph shall provide the administrative entity with information that has been requested; non-disclosure provisions in law shall not interfere with the obligation to provide such information. Information and materials which the administrative entity has requested, and which it is possible to provide, shall be provided without recompense and in the form required (*cf.*, however, the second sentence of the first paragraph of Article 18 of the National Register and Public Registration Act).

The administrative entity may obtain information under the first paragraph electronically or in such other manner as it decides. Measures shall be taken to ensure that the gathering of the information and the processing of personal data do not exceed what is necessary for the application of this Act.

If an applicant or another member of the household considers that information which the administrative entity obtains from the entities listed in the first paragraph is incorrect, the person concerned shall inform the administrative entity of this and submit materials to confirm the allegation.

CHAPTER V

Calculation of housing benefit.

Article 16

Basic amounts of housing benefit payments.

The basic amounts of housing benefit payments take account of the number of members of the household, irrespective of their ages, according to the following coefficients.

<i>No. of members of the household</i>	<i>Coefficient</i>
1	1
2	1.3225806
3	1.5483871
4 or more	1.6774194

The basic amounts of housing benefit per year are as follows.

<i>No. of members of the household</i>	<i>Basic housing benefit</i>
1	ISK 372,000
2	ISK 492,000
3	ISK 576,000
4 or more	ISK 624,000

Earnings, assets and participation in the payment of housing costs according to Articles 17–19 shall reduce the basic amounts of housing benefit payments under the second paragraph.

Changes in the premises on which housing benefit is calculated under Articles 16–19 shall affect entitlement to housing benefit as from the change of month after which they occur.