



VELFERÐARRÁÐUNEYTIÐ

Ministry of Welfare

Act on the Affairs of the Elderly, No. 125/1999,
as amended by Act No. 172/2000, No. 67/2001, No. 124/2001, No. 74/2002,
No. 93/2002, No. 150/2002, No. 120/2003, No. 38/2004, No. 123/2004, No. 129/2004,
No. 122/2005, No. 147/2006, No. 166/2006, No. 29/2007, No. 32/2007, No. 40/2007,
No. 105/2007, No. 140/2007, No. 160/2007, No. 17/2008, No. 112/2008, No. 173/2008,
No. 36/2009, No. 70/2009, No. 97/2009, No. 120/2009, No. 136/2009, No. 153/2010,
No. 162/2010, No. 164/2010, No. 126/2011, No. 164/2011, No. 178/2011, No. 28/2012, No.
134/2012, No. 146/2012, No. 79/2013, No. 86/2013, No. 135/2013, No. 140/2013, No. 8/2014,
No. 125/2014, No. 88/2015, No. 124/2015, No. 125/2015 and No. 130/2015.

CHAPTER I

Purpose and Definitions.

Purpose.

Article 1

The purpose of this Act is to ensure that the elderly have access to the health and social care services they require and that such services are provided at the most appropriate level of service based on the needs and condition of the elderly person in question.

It is moreover the purpose of the Act to ensure that the elderly are able, for as long as possible, to enjoy a normal domestic life and that they are assured the required institutional services when needed.

In the implementation of this Act it should be ensured that the elderly enjoy equal rights with other citizens and that their right to self-determination is respected.

Definitions.

Article 2

For the purposes of this Act the following definitions shall apply:

1. *Elderly*: A person who has reached the age of 67 years.
- [2. *[Resident:]*¹⁾ A person residing in an institution in accordance with indent 1 of the first paragraph of Article 14, and a person residing for more than six months out of the preceding 12 months in an institution in accordance with indent 2 of the first paragraph of Article 14 or residing in a nursing ward of an institution covered by the State Budget.]²⁾
- [3.]²⁾ *Geriatric affairs*: Issues which concern the elderly and which are subject to the supervision of [the Minister]³⁾. Included are [the services to which the elderly are entitled, other than health services],⁴⁾ under this Act and the Senior Citizens' Construction Fund.
- [4.]²⁾ *[Competence and health assessment]*¹⁾ *of the elderly*: A professional individual-based assessment of the need for [admission]¹⁾ to an institution.
- [5.]²⁾ *Working districts of service councils for the elderly*: Health care centre districts ...⁵⁾ under the Act Health Service Act.

[6.]²⁾ *[Residents' committee:]*¹⁾ The elected representatives of the residents of an institution form [its residents' committee].¹⁾

¹⁾ Act No. 28/2012, Article 1. ²⁾ Act No. 74/2002, Article 26. ³⁾ Act No. 162/2010, Article 21. ⁴⁾ Act No. 160/2007, Article 19. ⁵⁾ Act No. 93/2002, Article 23.

CHAPTER II

Management of geriatric affairs and the organisation of geriatric services.

Supreme authority.

Article 3

[[The Minister]¹⁾ is the chief administrative authority of geriatric affairs under this Act and the chief administrative authority of health services for the elderly.]²⁾

[[The Ministry]²⁾ is responsible for policy formulation and planning in geriatric affairs for the country as a whole.]³⁾ Furthermore, the Ministry is responsible for the promotion of public discussion and public presentation of the living conditions of the elderly and the options available to them.

¹⁾ Act No. 126/2011, Article 293. ²⁾ Act No. 162/2010, Article 21. ³⁾ Act No. 160/2007, Article 20.

Joint committee on the affairs of the elderly.

Article 4

[[The Minister appoints a five-member Joint Committee on the Affairs of the Elderly. One of the members shall be nominated by the National Federation of Senior Citizens, one member by the Geriatric Council of Iceland, one member by the Association of Local Authorities in Iceland and two members shall be appointed without nomination and one of them shall chair the Committee.]¹⁾ The Minister shall appoint one of the members to chair the Committee. Alternates shall be appointed in the same manner as the principal members. ...²⁾³⁾

¹⁾ Act No. 162/2010, Article 21. ²⁾ Act No. 135/2013, Article 1. ³⁾ Act No. 38/2004, Article 1.

Article 5

The Joint Committee on the affairs of the elderly is entrusted with the following tasks:

1. To advise [the Minister]¹⁾ and Social Security and the State Government as regards issues which concern the elderly.
2. To act as an intermediary between ministries, institutions and associations involved in issues which concern the elderly.
3. ...²⁾

¹⁾ Act No. 162/2010, Article 21. ²⁾ Act No. 135/2013, Article 2.

Service councils for the elderly.

Article 6

A service council for the elderly shall function in each health care centre district (*cf.* Health Service Act). Municipalities may form joint service councils for the elderly when feasible.

The cost of the work carried out by service councils for the elderly shall be paid by the municipalities in the area where the council operates in proportion to the number of residents in each municipality.

Article 7

[Municipal councils in health care centre districts (*cf.* the Health Service Act) shall appoint five representatives to the service council for the elderly following municipal elections. [The medical director of a health care centre shall nominate a physician specialising in the field of geriatric or general medicine and the nursing director shall nominate a nurse with experience in geriatric services.]¹⁾ Municipal councils shall appoint, without nomination, two representatives who have experience of social services for the elderly. One of these shall be a social worker or have comparable education. Associations of the elderly in the area shall nominate one representative from their own membership ...²⁾³⁾

Municipal councils shall elect a chairman for the council from among the members of the committee.

¹⁾ Act No. 93/2002, Article 24. ²⁾ Act No. 29/2007, Article 1. ³⁾ Act No. 67/2001, Article 1.

Article 8

The service council for the elderly shall be responsible for the following tasks in its district:

1. Monitoring the health and social welfare of the elderly and co-ordinating services.
2. Submitting proposals to the municipal councils concerning geriatric services.
3. Seeking to ensure that the elderly receive the services they need and informing the elderly of options available to them.
4. ...¹⁾

The service council shall be guided in its work by the purpose of the Act as stated in Article 1.

¹⁾ Act No. 29/2007, Article 2.

CHAPTER III

The Senior Citizens' Construction Fund.

Article 9

The Senior Citizens' Construction Fund is responsible for promoting and strengthening geriatric services throughout Iceland.

[The Minister appoints the Fund's Board. One of the Board members shall be nominated by the National Federation of Senior Citizens, one by the Association of Local Authorities in Iceland and one by the Althingi's Budget Committee. One Board member shall be appointed without nomination and he/she shall be the chairman. Alternates shall be appointed in the same manner as the principal members.]¹⁾

[Funds from the Senior Citizens' Construction Fund shall be used:

1. For the construction of service centres and [day-care centres],²⁾ (*cf.* indents 2 and 3 of Article 13) and the construction of institutions for the elderly (*cf.* Article 14) but not, however, for the construction of apartments owned by individuals, NGOs and municipalities.
2. To meet the costs of necessary alterations and maintenance of buildings used for services to the elderly (*cf.* indents 2 and 3 of Articles 13 and 14), with the exception of apartments owned by individuals, NGOs and municipalities.
3. For the maintenance of the premises of [day-care centres and]²⁾ homes for the elderly and nursing homes.
4. ...³⁾
5. For other projects which contribute to the development of geriatric services.

Furthermore, the Senior Citizens' Construction Fund may pay the part of rent which constitutes initial cost in relation to rent in a nursing home for the elderly which has been approved for construction after 1 January 2005 at the expense of parties other than the State, following a call for tenders. It is a condition for the payment of rent that no grants from the Senior Citizens' Construction Fund according to [the third paragraph]¹⁾ or other grants from the State must have been provided for the construction of the nursing home. Rent paid in this manner is regarded as the equivalent of initial cost. Exemptions may be granted from the tendering procedures under sentence 1 in special circumstances and when a tender is not believed to result in lower rental costs for the State and the municipalities.

When the State and municipalities have co-operated in the building of nursing homes the participation of the municipality shall not be less than the equivalent of 15% of the initial cost and the proportion of ownership shall be the same as the division of initial costs. The participation of municipalities in the payment of rent for nursing homes according to [the fourth paragraph]¹⁾ shall not be less than the equivalent of 15% of the rent. If a municipality participates in the initial cost or rental payment in respect of the construction of other nursing homes, its approval of participation in the payment shall be granted before the issue of a construction permit and operation licence. Contributions from the Senior Citizens' Construction Fund constitute State contributions.

[Contributions under the third paragraph and rent under the fourth paragraph shall not be granted unless the Minister has issued a construction permit and an operating licence according to Article 16.]¹⁾ Applications for allocations from the Senior Citizens' Construction Fund shall be submitted on the

appropriate forms prepared by [the Ministry].⁴⁾ The forms shall be accompanied by separate documents stipulating the terms for the allocation.]⁵⁾

Construction work under [the third paragraph]¹⁾ shall, as appropriate, fall within the scope of the Public Projects Procedure Act.

¹⁾ Act No. 135/2013, Article 3. ²⁾ Act No. 28/2012, Article 2. ³⁾ Act No. 166/2006, Article 14. ⁴⁾ Act No. 162/2010, Article 21. ⁵⁾ Act No. 38/2004, Article 2.

Article 10

[The Senior Citizens' Construction Fund shall receive revenue from a tax that is imposed by [the Director of Internal Revenue]¹⁾ on those who are tax liable under Article 1 of Act No. 90/2003, on Income Tax. The tax shall be [ISK 10,464]²⁾ for each taxpayer, and it shall be revised annually when the government budget is prepared.

Exempt from this tax are children under the age of 16 and those who are 70 years and older by the end of the income year. Also exempt from the tax are individuals who have an income tax base, according to indents 1 and 3 of Article 61 of Act No. 90/2003, on Income Tax, which is less than [[ISK 1,361,468]³⁾ for the year preceding the tax assessment year].⁴⁾ In the case of married couples or people with joint taxation, the joint capital income according to the third paragraph of Article 66 of Act No. 90/2003 shall, however, be divided in equal portions between them when this income criteria is determined. These income criteria shall be adjusted every year in accordance with the adjustments to personal tax allowances according to section A of Article 67 of Act No. 90/2003, on Income Tax, and the revenue collection ratio for the relevant withholding tax year according to the first paragraph of Article 9 of Act No. 45/1987, on Withholding Tax. [The Director of Internal Revenue]¹⁾ shall cancel this tax with respect to the elderly and the disabled who stay in residential care homes.]⁵⁾

The levy and collection of this tax shall, as appropriate, be governed by the rules applicable to the levy and collection of income tax pursuant to [Act on Income Tax, No. 90/2003.]⁶⁾ Instead of ten due dates, however, there shall be one due date, [1 July]⁷⁾ of each year. If the publication of the Register of Levies is postponed until after [1 July]⁷⁾ the due date will be transposed to the first day of the month following the publication of the Register of Levies.

The revenues of the Senior Citizens' Construction Fund shall also include voluntary contributions, other incidental income and interest income.

In the mid-month of each quarter [the Ministry in charge of financial accounts of the state]⁸⁾ shall deliver to the Senior Citizens' Construction Fund a quarter of the income of the Fund for that year.

¹⁾ Act No. 136/2009, Article 94. ²⁾ Act No. 125/2015, Article 48. ³⁾ Act No. 120/2009, Article 17. ⁴⁾ Act No. 36/2009, Article 1. ⁵⁾ Act No. 32/2007, Article 1. ⁶⁾ Act No. 129/2004, Article 136. ⁷⁾ Act No. 124/2015, Article 23. ⁸⁾ Act No. 126/2011, Article 293.

Article 11

The Senior Citizens' Construction Fund shall be in the custody of [the Ministry].¹⁾ [The Board of the Senior Citizens' Construction Fund shall be responsible for the administration of the Fund. The Board shall have a special secretary and all costs due to the Board's work shall be paid by the Senior Citizens' Construction Fund.]²⁾

[The Board of the Senior Citizens' Construction Fund shall submit proposals annually to the Minister concerning allocations.]²⁾

¹⁾ Act No. 162/2010, Article 21. ²⁾ Act No. 135/2013, Article 4.

Article 12

[The Minister]¹⁾ shall establish further provisions on the Senior Citizens' Construction Fund by the issue of a regulation²⁾ and shall moreover establish its working procedures.

¹⁾ Act No. 162/2010, Article 21. ²⁾ Regulation No. 468/2014.

CHAPTER IV

Geriatric services.

Open geriatric services.

Article 13

Open geriatric services according to this Act include:

1. Home care services provided to the elderly residing at home. The service shall be based on case-by-case assessments of service needs and shall be geared to support for self-help. The service is twofold. On the one hand there is the health care aspect of the home care services ...¹⁾ (*cf.* the Health Service Act). On the other hand there is the social aspect of the home care services provided by the municipality in question, or the parties with which the municipalities have contracted (*cf.* the Act on Local Authorities' Social Services). Home care services shall be provided in the evening, at night and on week-ends if necessary. An effort shall be made to organise and co-ordinate the health care and social aspects of the home care services with the welfare and needs of the elderly person in mind.
2. Service centres for the elderly which are operated by municipalities to ensure that senior citizens are provided with company, nourishment, exercise, recreation, entertainment and health surveillance. Service centres may work independently or in connection with other services enjoyed by the elderly.
3. [Day-care centres]²⁾ for the elderly as a supporting measure for those who require supervision and care on a regular basis in order to continue to live at home. [Day-care centres]²⁾ for the elderly shall provide nursing services and be fitted with facilities for exercise and medical services. Transportation services shall be provided to and from the home of the individual, as well as health assessments, exercise, recreation, social support, education, counselling and assistance in the activities of daily life. Construction permits and operating licences for [day-care centres]²⁾ for the elderly shall be governed by the provisions of [Article 16.]³⁾
4. Serviced apartments for the elderly which may be privately owned, rented or residential rights apartments. Prior to the construction of serviced apartments for the elderly, construction permits must be obtained from [the Minister]¹⁾ (*cf.* Article 16). Serviced apartments for the elderly shall be fitted with security systems and a choice of varied services, such as catering, laundry and cleaning and access to social activities. Payment for services provided shall be governed by the provisions of Article 20. The residents of serviced apartments shall be entitled to the same home and watch services as other residents of the municipality.

¹⁾ Act No. 28/2012, Article 2. ²⁾ Act No. 160/2007, Article 26. ³⁾ Act No. 38/2004, Article 3.

Institutions for the elderly.

Article 14

Institutions for the elderly according to this Act are:

1. Homes for the elderly, communal residences and apartments which are specifically designed for the needs of the elderly who are unable to maintain a home in spite of home care services. These institutions shall feature 24 hour surveillance, a security system in each apartment and a choice of varied services, such as catering, laundry, cleaning and social and recreational activities. Facilities shall be available for nursing, medical aid and rehabilitation. Services shall be based on individual-based assessments of the needs of the elderly person and shall be geared to assistance to self-help.
2. Nursing homes or nursing wards in geriatric institutions intended for elderly individuals who are too ill to reside in homes for the elderly, communal residences or specially designed apartments (*cf.* indent 1). These shall provide nursing and medical services and rehabilitation facilities. Special facilities shall be available for elderly individuals showing symptoms of dementia. The services shall be based on individual-based assessments of the health and social needs of the elderly person. The possibility of admitting individuals for [short-term stays],¹⁾ if necessary, shall

be available. In the design of institutions a particular effort shall be made to create a domestic atmosphere and private rooms for as many residents as possible.

Construction permits and operating licences for institutions according to indents 1 and 2 of the first paragraph shall be subject to the provisions of [Article 16.]²⁾

[Notwithstanding the provisions of indent 2 of the first paragraph, individuals who are younger than 67 years of age may give their consent for admission to nursing homes and nursing wards for the elderly, provided they have had a pre-admission evaluation for admission under Article 15. Payment participation shall be governed by this Act.]³⁾

¹⁾ Act No. 28/2012, Article 3. ²⁾ Act No. 38/2004, Article 3. ³⁾ Act No. 130/2015, Article 1, cf. also Article 15 of the same Act.

[Competence and health assessment.]¹⁾

¹⁾ Act No. 28/2012, Article 4.

Article 15

[The governing body of the day-care centre (cf. indent 3 of Article 13) shall take a decision regarding admission to day care, and shall take decisions together with the governing bodies of the institutions for the elderly (cf. Article 14) regarding admission to the institutions in question, providing that the other conditions of this Article are met.

Before anyone is admitted to a nursing or residential home in response to his/her application, all other realistic options aimed at enabling people to live in their own homes shall have been exhausted. No one may reside on a long-term basis in a nursing home or residential home without having undergone an assessment by a competence and health assessment committee to establish the need for such placement. The Minister shall appoint a three-man committee in each health jurisdiction to make these assessments. Each committee shall consist of a physician with special training in geriatric or general medicine or chronic illnesses, a nurse with a knowledge of the geriatric services or the nursing of the chronically ill and a social worker, psychologist or geriatric specialist with a knowledge of the social services for the elderly or the chronically ill. Competence and health assessment committees in populous health jurisdictions may consist of six persons, providing that the committee members meet the same educational requirements as are set for three-man committees and that the balance of specialist expertise is the same. Alternates shall be appointed who meet the same educational requirements as the principal committee members. In handling cases, the committees shall comply with the Administrative Procedure Act, in addition to the present Act.

Competence and health assessment committees shall also assess the need of individual who live in their own homes for short-term stays (cf. indent 2 of the first paragraph of Article 14) of up to eight weeks in response to their applications.

In cases where elderly individuals have been in hospital for more than six weeks without receiving particular treatment, their need for admission to a geriatric institution, or for another solution, shall be assessed.

The Minister shall issue further provisions in regulations¹⁾ on health and competence assessments.]²⁾

¹⁾ Regulation No. 466/2012. ²⁾ Act No. 28/2012, Article 4.

[Construction permits and operating licenses.]¹⁾

¹⁾ Act No. 38/2004, Article 4.

Article 16

[[Prior to the construction of [a day-care centre]¹⁾ for the elderly according to indent 3 of Article 13, or an institution for the elderly according to Article 14, a construction permit and operating licence shall be obtained from [the Minister]²⁾ [in charge of the affairs of the Senior Citizens' Construction Fund].³⁾⁴⁾ [With respect to an institution for the elderly according to indent 2 of the first paragraph of Article 14, [the Minister]²⁾ must have issued a licence for the operation of health services at such institutions (cf. the Act on Health Services) prior to the issuing of a construction permit.]⁴⁾ Applications for construction permits

and operating licences shall be submitted on the appropriate forms ...⁴⁾ The forms shall be accompanied by separate documents stipulating the terms of the allocation.]⁵⁾

Prior to the construction of serviced apartments for the elderly according to indent 4 of Article 13, construction permits must be obtained from [the Minister].²⁾ The same applies to older buildings converted for such use. This applies equally to construction undertaken by municipalities and constructions undertaken in the open market. Furthermore, the approval of [the Ministry]²⁾ must be obtained for the drawings before construction begins and the Ministry informed of the party responsible for the operation of common areas and common services in the building.

[Requests for construction permits and operating licences (*cf.* the first paragraph) in respect of [day-care centres]¹⁾ or institutions for the elderly, shall be accompanied by a report and a needs analysis from the service council for the elderly in the area in which the institution will be located. Also attached shall be information on the scope of activities of the institution and location as well as drawings of the buildings, the site and its surroundings and situation, together with a description of the premises. Also attached shall be a statement on financing, on the owners of the institution and their finances and a report on the proposed operating budget, board of directors, staff, arrangements of the operation and the number of [residents]⁶⁾ that the institution is intended to serve.]⁵⁾

[Requests for construction permits and operating licences for major alterations to existing facilities and the operation of an institution for the elderly shall be accompanied by information on location, drawings of the buildings, the site and its surroundings and situation as well as a description of the premises. Also included shall be information on whether the alterations will have an impact on the scope of the operation and whether they will lead to an increase or decrease in the number of [residents].⁶⁾ Information on the financing of the alterations shall be attached as well.]⁵⁾

[The Minister shall grant a construction permit and operating licence if the institution meets health requirements and the provisions of this Act and if it may be expected to perform its tasks in an acceptable manner in compliance with the Health Service Act.]⁵⁾

¹⁾ Act No. 28/2012, Article 2. ²⁾ Act No. 162/2010, Article 21. ³⁾ Act No. 135/2013, Article 5. ⁴⁾ Act No. 160/2007, Article 28. ⁵⁾ Act No. 38/2004, Article 4. ⁶⁾ Act No. 28/2012, Article 1.

Article 17

...¹⁾
¹⁾ Act No. 38/2004, Article 5.

Board of directors of institutions.

Article 18

The owners of institutions for the elderly (*cf.* Article 14) shall constitute the board of directors of the institution.

If the institution has a direct working relationship with hospitals the board of directors shall be governed by the provisions of the Health Service Act.

The council of employees shall nominate one representative from their ranks to participate in the meetings of the board of directors of the institution for the elderly and shall have full rights to speak and submit proposals. The same applies to [residents' committees].¹⁾

¹⁾ Act No. 28/2012, Article 1.

CHAPTER V

The cost of geriatric services.

[*Day care.*]¹⁾

¹⁾ Act No. 28/2012, Article 2.

Article 19

Persons [making use of the services of the day-care centres]¹⁾ shall participate in the cost of [day care]²⁾ up to a maximum amount equivalent to the uncurtailed basic pension for individuals pursuant to the Social

Security Act. In other respects the cost of [day care]²⁾ shall be met by [the Health Insurance Administration].³⁾

¹⁾ Act No. 28/2012, Article 5. ²⁾ Act No. 28/2012, Article 2. ³⁾ Act No. 130/2015, Article 2.

[Services other than home care services.]¹⁾

¹⁾ Act No. 74/2002, Article 28.

Article 20

Residents of serviced apartments (*cf.* indent 4 of Article 13) shall pay for the services provided, other than home-care services ...¹⁾ in accordance with the decision of the operator.

¹⁾ Act No. 88/2015, Article 25.

[Day-rate institutions.]¹⁾

¹⁾ Act No. 74/2002, Article 29.

Article 21

[Pensions pursuant to the Social Security Act and benefits related thereto paid out to [residents]¹⁾ in homes for the elderly which are not provided for in the permanent State Budget (*cf.* indent 1 of the first paragraph of Article 14) shall lapse from the first day of the month following the start of residence. [If a resident has no income (*cf.* Article 26), the Health Insurance Administration shall pay to the home for the elderly a residence contribution as payment for the resident's cost of residence in the institution. The residence contribution shall be the maximum cost of residence, as negotiated under Chapter IV of the Act on Health Insurance (*cf.* however Article 22 of this Act).]²⁾

Pensions under the social security pension insurance, and benefits related thereto, paid out to [residents]¹⁾ in an institution (*cf.* indent 2 of the first paragraph of Article 14) which is not provided for in the State Budget, shall lapse (*cf.* [Article 48 of the Social Security Act, No. 100/2007]).³⁾ Participation in the payment of the cost of residence shall be governed by the provisions of Article 22.

Cost of residence in an institution for the elderly according to the first paragraph means a day rate as [negotiated under Chapter IV of the Act on Health Insurance].²⁾⁴⁾

¹⁾ Act No. 28/2012, Article 1. ²⁾ Act No. 130/2015, Article 3. ³⁾ Act No. 160/2007, Article 29. ⁴⁾ Act No. 74/2002, Article 29.

[Participation by [residents]¹⁾ in the payment of the cost of residence and method of calculating income.]²⁾

¹⁾ Act No. 28/2012, Article 1. ²⁾ Act No. 74/2002, Article 29.

Article 22

[[Residents]¹⁾ receiving an income (*cf.* Article 26) in excess of [ISK 74,696]²⁾ per month shall participate in the payment of the cost of residence in an institution for the elderly. However, their payment participation shall never exceed the amount of the daily rates of an institution as [negotiated under Chapter IV of the Act on Health Insurance (*cf.* however Article 24 of this Act)].²⁾

The following applies to payments made by [residents]¹⁾ toward the cost of residence in homes for the elderly and nursing homes or nursing wards in geriatric institutions not covered by the State Budget and nursing wards covered by the State Budget when [the resident]¹⁾ pays his/her living expenses with his/her income in full or in part:

1. If [the resident]¹⁾ has an income (*cf.* Article 26) in excess of [ISK 74,696]²⁾ per month, then he/she shall use the income exceeding the said amount to participate in the payment of the cost of residence (*cf.* the first paragraph) from the time that the payment of benefits from the Social Insurance Administration ceases.
2. [If the income of the resident of a home for the elderly or nursing home falls short of the ISK 74,696 per month, the Health Insurance Administration shall pay his/her cost of residence.]²⁾
3. ...³⁾

¹⁾ Act No. 28/2012, Article 1. ²⁾ Act No. 130/2015, Article 4. ³⁾ Act No. 17/2008, Article 8.

[Collection of the cost of residence.]¹⁾

¹⁾ Act No. 74/2002, Article 29.

Article 23

[Day-rate institutions according to indents 1 and 2 of the first paragraph of Article 14 shall, at the beginning of each month, collect payment from [the resident]¹⁾ personally of the resident's daily share of the cost of residence for the preceding month when the resident participates in the payment of the cost of residence according to Article 22. Care shall be taken to ensure that [the resident]¹⁾ retains monthly disposable funds according to Article 22. The institution shall inform [the Health Insurance Administration]²⁾ of its collection of payments for the preceding month prior to the 15th day of the following month. [If an institution does not succeed in collecting [a resident's]¹⁾ share of his cost of residence, [the Health Insurance Administration]²⁾ shall be permitted to withhold the corresponding part of its monthly [residence contribution]³⁾ to the institution in question.]⁴⁾

Institutions covered by the State Budget shall, at the beginning of each month, collect payment from [the resident]¹⁾ personally of the resident's daily share of the cost of residence ...²⁾ for the preceding month when the resident participates in the payment of the cost of residence according to Article 22. This income shall be entered into the accounts of the institution as self-generated revenues. [The Ministry in charge of financial accounts of the State]⁵⁾ may, based on information from [the Ministry]⁶⁾, withhold from its direct financial contributions according to the State Budget an amount corresponding to such self-generated revenues.

...²⁾⁷⁾

¹⁾ Act No. 28/2012, Article 1. ²⁾ Act No. 130/2015, Article 5. ³⁾ Act No. 28/2012, Article 6. ⁴⁾ Act No. 120/2009, Article 18. ⁵⁾ Act No. 126/2011, Article 293. ⁶⁾ Act No. 162/2010, Article 21. ⁷⁾ Act No. 74/2002, Article 29.

[Article 24

[The Minister decides with regulation the maximum payment participation of a resident in the cost of residence in an institution, irrespective whether the institution is provided for in permanent State Budget or not. However, the payment participation shall never exceed the agreed amount of cost of residence. The Act on Health Insurance shall not apply if agreements on service wards for the elderly have been obtained.]¹⁾²⁾

¹⁾ Act No. 130/2015, Article 6. ²⁾ Act No. 74/2002, Article 29.

[Article 25]¹⁾

The cost of operating home-care services is divided so that the municipality bears the cost of the social aspect while the State Treasury bears the cost of the health-care aspect.

Municipal councils may decide the payment participation of individuals using the home-care services provided by the municipality, as further provided in the Act on Local Authorities' Social Services.

Exempted from the payment obligation for home-care services are persons who do not have any income other than the old-age pension and pension insurance pursuant to the Social Security Act.

¹⁾ Act No. 74/2002, Article 30.

[Definition of income etc.]¹⁾

¹⁾ Act No. 166/2006, Article 17.

[Article 26

[Income according to Chapter V of this Act is income under Chapter II of the Act on Income Tax, No. 90/2003, taking into consideration the provisions of Article 28 of the same act describing what does not fall under income and deductible items according to indents 1, 3, 4 and 5 of section A of the first paragraph of Article 30 and Article 31 of the same Act, or exemptions and limitations according to other special legislation. On the determination of the income base, however, the following shall apply:

- a. [Income exceeding ISK 90,000 per year under section C of Article 7 of Act on Income Tax, No. 90/2003, shall be [considered as income]¹⁾ when computing [the residence contribution]²⁾ according to Article 21 (*cf.* Article 22 of this Act).]³⁾ In the case of a married couple, the income

referred to in the first section of this paragraph shall be divided equally between the couple when computing the benefits. It is of no importance which person of the married couple is the owner of the properties generating the income or if it is separate property or matrimonial property.

- b. The occupational income of [the resident]⁴⁾ shall be a factor in the computation of the amount of [the residence contribution]²⁾ according to Article 21 (*cf.* Article 22). [When [the residence contribution]²⁾ is calculated, [the resident's]⁴⁾ occupational income up to [ISK 1,315,200]⁵⁾ shall be exempted].²⁾⁶⁾ ...³⁾
- c. [When computing the amount of [the residence contribution]²⁾ according to Article 21 (*cf.* also Article 22) the income of the spouse should not be included in the computation (*cf.*, however, indent *a* of this paragraph).]³⁾
- d. ...³⁾

[Notwithstanding the first paragraph, social security pension benefits under the Social Security Act are not considered income nor are benefits according to laws on social assistance, financial assistance from the local communities, payments from supplementary pension savings and similar payments from states with which Iceland has made agreements according to Article 68 of the Social Security Act, No. 100/2007. ...¹⁾³⁾

The Social Insurance Administration shall be responsible for the calculation of income according to Articles 21 and 22 and this Article [but the Health Insurance Administration pays]⁷⁾ [the residence contribution]²⁾ to institutions according to the first paragraph of Article 21.

Income limits under Article 22 shall be adjusted in accordance with adjustments to pension supplements according to [Article 17 of the Social Security Act, No. 100/2007].⁸⁾

The calculation of [the residence contribution]²⁾ of each month shall be based on 1/12 of the projected income of the payment year. The payment year is the calendar year. Estimates of income data shall be based on the most recent information supplied by the tax authorities, the applicant, [the resident]⁴⁾ or other such parties mentioned in [[Articles 39 and 40]⁹⁾ of the Social Security Act No. 100/2007].⁸⁾ In the event of a new application for [residence contribution]²⁾, the income shall be estimated based on information from the parties mentioned above and the right to [residence contribution]²⁾ should be calculated from [the resident's]⁴⁾ income and, as the case may be, his/her spouse's income earned from the time when entitlement was acquired.

The Social Insurance Administration shall supervise that estimated income is in accordance with information gathered by the Administration from the tax authorities' withholding tax registry or from other such parties referred to in [[Article 40]⁹⁾ of the Social Security Act, No. 100/2007].⁸⁾

After complete information is received concerning the income for the year of tax payments at the tax assessment by the tax authorities, the Social Insurance Administration shall recalculate the amount of [the residence contribution]²⁾ based on income according to this Article. For this recalculation, the Social Insurance Administration may take account of general changes in wages from the time period which the estimated income of [the resident]⁴⁾ belongs to and until the time to which the final income is related.

If it emerges during recalculation that [the residence contribution]²⁾ has not been paid in full by [the Health Insurance Administration],⁷⁾ then [the Health Insurance Administration]⁷⁾ shall pay to a institution the remaining balance. [If the residence contribution has been overpaid, the recovery shall be subject to the provisions of the fifth paragraph of Article 45 and the first and second paragraphs of Article 55 of the Social Security Act, No. 100/2007].¹⁰⁾ An institution shall correct payments to [the resident]⁴⁾ following recalculation by the Social Insurance Administration.

The Social Insurance Administration shall inform an applicant or [the resident]⁴⁾ of the presumptions of the calculations and provide an opportunity to send in reservations or comments. The duty to inform with respect to income is subject to the provisions of [[Articles 39 and 40]⁹⁾ of the Social Security Act, No. 100/2007].⁸⁾

[The Social Insurance Administration may, at the request of [a resident]⁴⁾, distribute the income of [the resident]⁴⁾ originating from financial income that has been withdrawn in a lump sum over a period of up to 10 years. It is not permitted to distribute such income more than once during every term.]³⁾

When a new [resident]⁴⁾ arrives to stay at an institute according to indents 1 and 2 of the first paragraph of Article 14, the administrators of the institute shall request that [the Health Insurance Administration]⁷⁾ enquire whether or not the person in question shall participate in the payment of accommodation expenses (cf. the third paragraph of Articles 21 and 23).

Regulations may be issued concerning the further implementation of this Article.]¹¹⁾]¹²⁾

¹⁾ Act No. 173/2008, Article 6. ²⁾ Act No. 28/2012, Article 6. ³⁾ Act No. 17/2008, Article 9. ⁴⁾ Act No. 28/2012, Article 1. ⁵⁾ Act No. 86/2013, Article 3. ⁶⁾ 70/2009, Article 16. ⁷⁾ Act No. 130/2015, Article 7. ⁸⁾ Act No. 160/2007, Article 33. ⁹⁾ Act No. 8/2014, Article 7. ¹⁰⁾ Act No. 88/2015, Article 25. ¹¹⁾ Act No. 166/2006, Article 17. ¹²⁾ Act No. 74/2002, Article 31.

CHAPTER VI Miscellaneous Provisions.

[Article 27

Employees according to indent 1 of Article 14 shall maintain confidentiality with respect to the health, circumstances and other personal information concerning [residents].¹⁾ Confidentiality continues to apply after the death of [the resident]¹⁾ and after the worker has left his/her job. Confidentiality of employees in institutions according to indent 2 of Article 14 shall be governed by the Act on Patients' Rights.]²⁾

¹⁾ Act No. 28/2012, Article 1. ²⁾ Act No. 74/2002, Article 32.

[Article 28]¹⁾

Institutions for the elderly which are already in operation on the entry into effect of this Act, shall in all respects be subject to the provisions of this Act.

¹⁾ Act No. 74/2002, Article 32.

[Article 29]¹⁾

[The Minister shall establish by regulation²⁾ further provisions on the implementation of this Act.]³⁾

¹⁾ Act No. 74/2002, Article 32. ²⁾ Regulation No. 45/1990 (on day-care centre for the elderly), cf. 1104/2006. Regulation No. 357/2005 (on authorisation for the Social Insurance Administration to extend the payment of benefits notwithstanding a hospital stay or stay at an institution for the elderly), cf. 296/2008. Regulation No. 1112/2006 (on institutional services for the elderly), cf. 1228/2007, 299/2008, 1195/2008, 634/2009, 1079/2010, 1222/2013 and 1217/2014. Regulation No. 598/2009 (on the calculation, recalculation and settlement of income-linked benefits and admission contribution). Regulation No. 427/2013 (on payments of geriatric institutions for health services). Regulation No. 460/2013 (on personal allowance and per diem benefits due to residence of pensioners in an institution).³⁾ Act No. 160/2007, Article 34.

[Article 30]¹⁾

This Act shall enter into force immediately. ...

¹⁾ Act No. 74/2002, Article 32.

[Temporary provisions

I.

For the third sentence of indent *b* and indent *d* of the first paragraph of Article 26 of the Act, the following ratios shall apply: 75% and 25% shall be 65% and 35% during 2007.]¹⁾

¹⁾ Act No. 166/2006, Article 18.

[II.

Notwithstanding the provisions of indent *c* of the first paragraph of Article 26 of the Act, the pension payments to [the resident]¹⁾ shall have a weight of 80% and the pension payments of the spouse shall have a weight of 20% for the calculations of the amount of [the residence contribution]²⁾ for 2007.]³⁾

¹⁾ Act No. 28/2012, Article 1. ²⁾ Act No. 28/2012, Article 6. ³⁾ Act No. 166/2006, Article 18.

[III.]

Notwithstanding the provisions of the second paragraph of Article 9 of the Act, funds from the Senior Citizens' Construction Fund shall also be applied for the operation of institutional services for the elderly in special circumstances during 2007.]¹⁾

1) Act No. 166/2006, Article 18.

[IV.]

For the calculation of [the residence contribution]¹⁾ according to Article 21 of the Act, requests may be submitted to the Social Insurance Administration during the period 1 January 2007 to and through 31 December 2008 that there should be performed a comparison of the calculations for old age pension payments, disability pension payments and income supplements for the period prior to and after the entry into force of this Act. If the comparison leads to higher benefits under the older act, [the residence contribution]¹⁾ must be adjusted for the previously mentioned period.]²⁾

1) Act No. 28/2012, Article 6. 2) Act No. 166/2006, Article 18.

[V.]

For the calculation of [the residence contribution]¹⁾ according to Article 21 of the Act, requests may be submitted to the Social Insurance Administration during the period 1 April 2008 to and through 31 December 2009 that there be performed a comparison of the calculations for [the residence contribution]¹⁾ for the period prior to and after the entry into force of this Act. If the comparison leads to an increased funding participation by [the resident]²⁾ under the older act, [the residence contribution]¹⁾ must be adjusted for the previously mentioned period.]³⁾

1) Act No. 28/2012, Article 6. 2) Act No. 28/2012, Article 1. 3) Act No. 17/2008, Article 10.

[VI.]

For the purpose of calculating [the residence contribution]¹⁾ under Article 21, it shall be possible during the period [1 January 2013–31 December 2013]²⁾ to request that the Social Insurance Administration compare calculations of [the residence contribution]¹⁾ before and after the commencement of the Act No. 166/2006 and [the Act No. 120/2009].³⁾ If this comparison results in greater contribution by [the resident]⁴⁾ as compared with the situation prior to the commencement of these acts, then [the residence contribution]¹⁾ in respect of the period stated above shall be corrected accordingly.]⁵⁾

1) Act No. 28/2012, Article 6. 2) Act No. 134/2012, Article 3. 3) Act No. 164/2010, Article 24. 4) Act No. 28/2012, Article 1. 5) Act No. 120/2009, Article 19.

[VII.]

The Senior Citizens' Construction Fund may allocate money from the fund to meet the cost of providing nursing accommodation for the elderly during the operational years [2011],¹⁾ [2012, [2013, [2014, 2015 and 2016]²⁾]³⁾].⁴⁾⁵⁾

1) Act No. 153/2010, Article 7. 2) Act No. 125/2015, Article 49. 3) Act No. 125/2014, Article 11. 4) Act No. 140/2013, Article 14. 5) Act No. 120/2009, Article 19.

[VIII.]

For the purpose of calculation the residence contribution under Article 21, it shall be possible during the period 1 January 2014 to and through 31 December 2014 to request that the Social Insurance Administration compare calculations of the residence contribution before and after the commencement of Act No. 166/2006 and Act No. 120/2009. If this comparison results in greater contribution by the resident as compared with the situation prior to the commencement of these acts, then the residence contribution in respect of the period stated above shall be corrected accordingly.]¹⁾

1) Act No. 140/2013, Article 15.

[IX.

For the purpose of calculation the residence contribution under Article 21, it shall be possible during the period 1 January 2015 to and through 31 December 2015 to request that the Social Insurance Administration compare calculations of the residence contribution before and after the commencement of Act No. 166/2006 and Act No. 120/2009. If this comparison results in greater contribution by the resident as compared with the situation prior to the commencement of these acts, then the residence contribution in respect of the period stated above shall be corrected accordingly.]¹⁾

¹⁾ Act No. 125/2014, Article 12.

[X.

For the purpose of calculation on the residence contribution under Article 21, it shall be possible during the period 1 January 2016 to and through 31 December 2016 to request that the Social Insurance Administration compare calculations of the residence contribution before and after the commencement of Act No. 166/2006 and Act No. 120/2009. If this comparison results in greater contribution by the resident as compared with the situation prior to the commencement of these acts, then the residence contribution in respect of the period stated above shall be corrected accordingly.]¹⁾

¹⁾ Act No. 125/2015, Article 50.

*[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.]*