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## **1961 EUROPEAN SOCIAL CHARTER**

32nd National Report  
on the implementation of  
the European Social Charter

submitted by

**THE GOVERNMENT OF ICELAND**

Article 16 and 17

for the period 01/01/2014 - 31/12/2017

Report registered by the Secretariat on

18 June 2019

**CYCLE 2019**

# EUROPEAN SOCIAL CHARTER

32<sup>nd</sup> report on the  
implementation of the  
European Social Charter



Submitted by  
**THE GOVERNMENT OF ICELAND**  
Ministry of Social Affairs  
(for the period 1st January 2014 to 31st December 2017)

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## REPORT

on the application of Article 16 and Article 17 for the period 1<sup>st</sup> January 2014 to 31<sup>st</sup> December 2017 made by the Government of ICELAND in accordance with Article 21 of the European Social Charter and the decision of the Committee of the Ministers, taken at the 573<sup>rd</sup> meeting of Deputies concerning the system of submission of reports on the application of the European Social Charter.

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### Article 16 The right of the family to social, legal and economic protection

#### Social protection

##### *Housing for families*

##### *Housing benefit*

##### Interest benefit

Those who pay interest expenses on loans for the purchase or construction of residential housing for their own use may be entitled to interest benefit. The same applies to those who have purchased the right of habitation or a share in a lease purchase apartment. The right is established in the year when the flat or share is acquired or construction begins. A limit is set on the maximum interest expense amount used to calculate interest benefits. Table 1 shows the maximum interest expenses for the calculation of interest benefits by year.

**Table 1. Maximum interest expense (in ISK) for the calculation of interest benefit.**

	2014	2015	2016	2017
<i>For a single person</i>	800,000	800,000	800,000	800,000
<i>For a single parent</i>	1,000,000	1,000,000	1,000,000	1,000,000
<i>For married or co-habiting couples</i>	1,200,000	1,200,000	1,200,000	1,200,000

Source: The Directorate of Internal Revenue.

Table 2 shows the proportion of the income base that is deducted from the interest expenses by year.

**Table 2. The proportion of the income base that is deducted from the interest expenses.**

2014	2015	2016	2017
8.5%	8.5%	8.5%	8.5%

Source: The Directorate of Internal Revenue.

Calculated interest benefit is reduced if net assets (assets minus debts) exceed certain limits shown in Table 3.

**Table 3. Asset limits (in ISK) at which interest benefit begins to be reduced.**

	2014	2015	2016	2017
<i>For a single person/single parent</i>	4,000,000	4,000,000	4,000,000	4,500,000
<i>For a married/co-habiting couple</i>	6,500,000	6,500,000	6,500,000	7,300,000

Source: The Directorate of Internal Revenue.

Entitlement to interest benefit is fully cancelled at a particular net asset limit as shown in Table 4.

**Table 4. Asset limit (net assets in ISK) at which interest benefit is fully cancelled.**

	2014	2015	2016	2017
<i>For a single person/single parent</i>	6,400,000	6,400,000	6,400,000	7,200,000
<i>For a married/co-habiting couple</i>	10,400,000	10,400,000	10,400,000	11,680,000

Source: The Directorate of Internal Revenue.

Maximum interest benefit per year can amount to a particular amount shown in Table 5.

**Table 5. Maximum interest benefit (in ISK).**

	2014	2015	2016	2017
<i>For a single person</i>	400,000	400,000	400,000	400,000
<i>For a single parent</i>	500,000	500,000	500,000	500,000
<i>For married/co-habiting couples</i>	600,000	600,000	600,000	600,000

Source: The Directorate of Internal Revenue.

Table 6 shows the number of individuals who received interest benefit, by year.

**Table 6. Number of individuals who received interest benefits 2014-2017.**

2014	2015	2016	2017
37,754	29,170	26,107	18,985

Source: The Ministry of Finance and Economic Affairs

A criticism that has been made of the interest benefit system is that support is not sufficiently directed towards the lower income groups. As a consequence of this, housing support in the form of interest benefit has been reduced, and a new system has been established to support first-time homebuyers; this will be discussed in greater detail later in this report.

### Rent benefit

The Rent Benefit Act, No. 137/1998, was repealed on 1 January 2017 at the commencement of the Housing Benefit Act, No. 75/2016, which is examined below.

Table 7 shows the base amount of rent benefit per apartment by year in 2014-2016.

**Table 7. Base amount of rent benefit (in ISK) per apartment paid every month.**

2014	2015	2016
17,500	17,500	17,500

Source: Ministry of Welfare.

Particular amounts were added to the rent benefit base amount in respect of children in the household, as shown in Table 8.

**Table 8. Additions for children in the household (in ISK).**

	2014	2015	2016
First child	14,000	14,000	14,000
Second child	8,500	8,500	8,500
Third child	5,500	5,500	5,500

*Source: Ministry of Welfare.*

The children had to be domiciled in the rented housing. In addition, 15% of the rent amount between ISK 20,000 and ISK 50,000 was paid (i.e. up to ISK 4,500).

Maximum monthly rent benefit, therefore, could amount to the figures shown in Table 9.

**Table 9. Maximum amount of rent benefit on a monthly basis (in ISK).**

	2014	2015	2016
Childless	22,000	22,000	22,000
One child	36,000	36,000	36,000
Two children	44,500	44,500	44,500
Three or more children	50,000	50,000	50,000

*Source: Ministry of Welfare.*

Rent benefit pursuant to these base amounts, however, could never be higher than the equivalent of 50% of the rent amount.

Monthly rent benefit was reduced by a particular proportion of annual income in excess of certain income limits as shown in Table 10.

**Table 10: Reduction of rent benefit due to income: proportion (%) and income limits (in ISK).**

	2014	2015	2016
Proportion	0,67%	0,67%	0,67%
Income limits	2,550,000	2,550,000	2,550,000

*Source: Ministry of Welfare.*

‘Income’ here meant the aggregate total income of all those who were domiciled in, or whose home address was in, the rented property. The income of the applicant’s children aged twenty and older were included unless the said person was engaged in studies for six months or more during the year. Exempted were social security benefit from the Social Insurance Administration (Tryggingastofnun ríkisins), rent benefit from the previous year and income payments that were tax exempt.

Assets reduced rent benefit if their aggregate value, minus debts, was higher than the asset limits shown in the following table.

**Table 11. Asset limits (in ISK) at which rent benefit begin to be reduced.**

2014	2015	2016
6,927,000	6,983,000	7,124,000

Source: Ministry of Welfare.

In such cases, 25% of the excess amount was added to the income used to calculate the rent benefit. The reference amount took account of changes to the consumer price index as of 1 January each year. Account was taken of the aggregate net assets (aggregate assets minus debts) of all those who were domiciled in, or whose home address was in, the rented property.

Table 12 shows the number of households that received rent benefit in 2014 to 2016.

**Table 12. Number of households that received rent benefit.**

2014	2015	2016
15,362	14,999	14,250

Source: The Local Authorities' Equalisation Fund.

In addition to the general rent benefit paid in accordance with the Act on Rent Benefits, *cf.* the discussion above, local authorities could pay *special rent benefit* intended for tenants living under very difficult social and financial conditions. In such cases, the municipal authorities were responsible for setting rules on such benefit, such as the benefit amount and terms.

Table 13 shows the number of households that received special rent benefit in 2014 to 2016.

**Table 13. Number of households that received special rent benefit.**

2014	2015	2016
4,913	4,919	4,779

Source: The Local Authorities' Equalisation Fund.

At the commencement of the new housing benefit system on 1 January 2017, the Local Authorities' Social Services Act was amended: all local authorities (municipalities) are now obliged to provide special housing support (previously termed *special rent benefit*). Special rent benefit used to be available from about one third of municipalities in the country. Special housing benefit is still, as before, intended for tenants living under very difficult social and financial conditions. The municipal authorities are responsible for setting rules on such benefit, such as the benefit amount and terms. One innovation introduced by the new act was that the local authorities are required to pay special housing benefit to the parents of children aged 15-17 who rent rooms in school dormitories or student housing far from their legal domicile; previously, rent benefit was paid for this group.

### Housing benefit

A new item of legislation, the Housing Benefit Act, No. 75/2016, entered into force on 1 January 2017, repealing and replacing the earlier Rent Benefit Act. With the commencement of the new

act, administration of financial support to tenants (previously termed (general) ‘rent benefit’, now termed ‘housing benefit’) was transferred from the municipalities to the state, i.e. to the Housing Benefit Payment Office, a department of the Directorate of Labour. The municipalities, on the other hand, are in charge of special housing support to tenants (previously termed ‘special rent benefit’); all municipalities are now obliged to offer special housing support to tenants if certain conditions, which each municipality sets and are defined in detail, are met. Prior to this date, the municipalities were permitted, but not obliged, to offer special rent benefit, and about one-third of them did so. At the same time as these changes were made, the arrangements for sharing the cost of general housing support to renters in the form of rent benefit between central and local government were changed; rent benefit as general housing support is paid by the state, while the cost of special housing support is paid by the municipalities.

The main change in general housing support in the form of housing benefit instead of (general) rent benefit is that the basic amount of housing benefit rises according to the number of persons in the home, irrespective of their age; thus, it is not bound by the type of the family. For comparison, the basic amount of (general) housing benefit used to be largely linked to the number of children in the home. In this context it may also be mentioned that a change was made on adoption of the housing benefit system by which, in those cases where parents of children do not live together, the parent who has charge of the child for a minimum of 30 days per year is able to register the child as being a member of his or her household, even though the child is legally domiciled with the other parent.

Housing benefit is linked to both earnings and assets, as rent benefit used to be. All earnings and assets, those of the applicant and of members of the household who are aged 18 and older, are added together, forming a joint earnings base and asset base, which reduces the amount of housing benefit payments if it is above the threshold for housing benefit; this threshold used to be ‘flat’ under the old system, i.e. it took no account of the number of persons in the home. Housing benefit can, at its maximum level, amount to 75% of rent, while maximum rent benefit in the old system could reach only 50% of rent.

The new housing benefit system means considerably greater state housing support for tenants, and housing support given to households of various types has been made more equal than it used to be.

Table 14 shows basic housing benefit amounts, taking account of the number of persons in the home, during 2017.

**Table 14. Basic housing benefit (ISK) paid monthly for each home unit.  
2017**

<b>Persons in the home</b>	<b>Basic housing benefit</b>
1	31,000
2	41,000
3	48,000
4 or more	52,000

Source: Ministry of Welfare.

The basic amounts are reviewed in each year's state budget, taking account of wage trends, price-level changes and the economy. If these factors make for an upward revision of the amounts, they are to be changed by means of a regulation.

When housing benefit is calculated, the basic amount is reduced by 9% of the aggregate annual income of all persons in the home, aged 18 and older, in excess of the following income thresholds. The sums shown are housing benefits for a full calendar year, taking account of the number of persons in the home, irrespective of their ages, according to co-efficients stated in the first paragraph of Article 16 of the Housing Benefit Act.

**Table 15. Income thresholds (ISK) above which household benefit was reduced in 2017.**

<b>Persons in the home</b>	<b>Threshold (annual income)</b>
1	3,373,000
2	4,461,064
3	5,222,710
4 or more	5,657,936

Source: Ministry of Welfare.

The income thresholds (above which income results in a reduction of benefit) are revised each year in the national budget, taking account of wage trends, price levels and the state of the economy. Where these factors make for an upward revision, new benefit amounts are set out in regulations.

The basic benefit amounts, possibly adjusted in the light of income, are then reduced by the proportion of the aggregate assets of all members of the household aged 18 and older which is above ISK 6,500,000, ceasing to apply when the proportion reaches 60%. This means that an individual with an income under the threshold, but with assets worth ISK 10,400,000 or more, would receive no housing benefit.

Total income benefit in 2017 amounted to ISK 5,249,637,296. This was paid to 20,028 applicants.

*The 'adjustment' and support for first-time homebuyers under Act No. 35/2014 and Act No. 111/2016*

The 'adjustment'

Act No. 35/2014, on the Adjustment of Index-Linked Mortgages, took effect on 18 May 2014. Under this act, individuals could apply to the Directorate of Internal Revenue for an adjustment (or 'correction') of index-linked mortgages on the website [www.leidretting.is](http://www.leidretting.is) during the period 18 May – 1 September 2014. This was part of a package of actions taken by the government to reduce the principal of mortgages following the economic collapse of several years earlier. The maximum reduction available came to ISK 4 million; reductions that borrowers had already secured under previous measures were offset against this amount.



The same act contained provisions permitting people to draw on their private pension savings and use them to pay off mortgages, on the one hand, and as savings for the purchase of housing, on the other, without such withdrawals being viewed as taxable income.

#### Use of pension savings to pay off mortgages

Up to a certain maximum, it is permitted to use disbursed private pension savings to pay off the principal of mortgages taken out for the purchase or construction of residential housing for the individual's own use. This applies to both the wage-earner's and the employer's parts of the pension premiums, up to a certain sum and proportion of total premiums. Sums withdrawn from private pension funds for this purpose, and within the applicable limits, are not treated as taxable income of the entitled person.

Applications for the adjustment must be made to the Directorate of Internal Revenue via the website [www.leidretting.is](http://www.leidretting.is). Originally, the scheme covered private pension premiums in the wage period 1 July 2014 to 30 June 2017; this has been extended to cover the period from 1 July 2017 to 30 June 2019.

#### Use of pension savings to purchase housing

Those who do not own residential housing for their own use may be entitled to withdraw funds from their private pension savings that were formed from the premium base during the wage period 1 July 2014 to 30 June 2017, up to a certain limit, if they purchase such housing by 30 June 2019 at the latest.

When the housing has been purchased or built, application must be made to the Directorate of Internal Revenue via the website [www.leidretting.is](http://www.leidretting.is); up to that time, it is sufficient to have paid premiums to a private pension fund to qualify for the arrangement.

Under the Support for First-Time Apartment Purchase Act, No. 111/2016, an authorisation was made in law providing for the withdrawal of private pension savings without incurring taxation liability in connection with the first-time purchase of residential housing. The provisions of this act have applied as from 1 July 2017.

#### *Loans from the Icelandic Housing Financing Fund (Íbúðalánasjóður)*

Reference is made to the discussion in the last report.

#### Apartments acquired by the Housing Financing Fund at auctions

An amendment was made in October 2017 to the regulation on the rental of apartments acquired at auctions by the Housing Financing Fund. The fund acquired large numbers of apartments following the economic collapse of 2008. Up to that time, it had been required to sell such properties as quickly as possible. Under the amendment, the fund was made to postpone the sale of those of its apartments that were already being let out and to continue to let them from 1 August to 31 July 2018. Thus, these apartments were not sold, and meanwhile attention was given to the question of how they could be put to better use in the service of people in the most difficult situations on the housing/rental market.

#### *Socially assisted housing*

Reference is made to the discussion in the last report.

Table 16 shows the number of rental apartments owned by the municipalities in the years 2014-2017.

**Table 16. Number of municipal rental apartments.**

2014	2015	2016	2017
4,656	4,707	4,840	5,124

*Source: Reserve Fund for Housing*

Since 2012, the Reserve Fund for Housing has had surveys made of the types of rental properties owned by the local authorities – i.e. whether these are socially-assisted apartments, apartments for the elderly or the disabled, or other types. The findings from the surveys for 2014 – 2017 are shown in Table 17.

**Table 17. Municipal rental housing by type in 2014-2017**

	2014	2015	2016	2017
<b>Socially-assisted rental housing</b>	3,507	3,481	3,562	3,498
<i>Proportion</i>	71%	69.7%	70.0%	68.3%
<b>Housing for the elderly and the disabled</b>	1,158	1,225	1,296	1,439
<i>Proportion</i>	23.4%	24.5%	25.4%	28.1%
<b>Other housing</b>	272	286	231	187
<i>Proportion</i>	5.5%	5.7%	4.5%	3.6%

*Source: Reserve Fund for Housing*

#### The Public Rental Dwellings Act, No. 52/2016

Draft legislation on public rental dwellings was submitted to the Althingi at the end of 2015. The bill was passed about six months later, and took effect on 15 June 2016 as the Public Rental Dwellings Act, No. 52/2016.

The background to this legislation is that on 9 September 2013, the Minister of Social Affairs and Housing appointed a task force on the future arrangement of housing affairs, with reference to Parliamentary Resolution No. 1/142, on measures to address the problem of debts faced by households in Iceland, which had been approved by the Althingi on 28 June 2013. The task force was to submit proposals on the future policy on housing and a new mortgage system, with a view, amongst other things to securing an active rental market and effective social solutions for those who needed them. The task force submitted its proposals to the minister in May 2014, after which the government issued a declaration on actions to be taken. This consisted of 11 points covering certain aspects of taxation and welfare, including actions on housing.

In its statement in May 2015 on measures to facilitate the conclusion of collective agreements in the private sector, the government stated that, in collaboration with the Association of Local Authorities and the organizations of the social partners, it was undertaking to create more favourable conditions for the development of the housing market. It said measures would be taken to provide people in Iceland with greater choice of housing and also greater housing security in

accordance with their needs in individual cases; this was to apply, in particular, to families in the lower income groups. In collaboration with the City of Reykjavík and other local authorities, the state announced its intention to take measures to make larger numbers of appropriate and economical dwellings available, to stimulate the rental market, support those purchasing their own homes for the first time and ensuring an adequate availability of housing. In particular, the aim was to improve the position of low-income families and young people on the housing market. Low-income families, who up to that time had had access to apartments in the socially-assisted housing schemes run by the local authorities, would be granted access by these means to inexpensive and secure rental dwellings. Furthermore, the intention was to lay the foundation of a new socially-assisted rental scheme in which the emphasis was to be on increasing the number of suitably-sized and inexpensive apartments so as to guarantee low-income families rental accommodation in the long term.

In accordance with the declaration described above, the Public Rental Dwellings Act took effect on 15 June 2016. The objective of the act, as stated in Article 1, is to improve the housing security of families and individuals who are under the specified income and asset ceilings at the beginning of the rental period by broadening access to secure and appropriate dwellings for rent. At the same time, it laid down the requirement that the cost of this housing would be in accordance with tenants' payment capacity, i.e., generally not more than a quarter of their income. The act authorised the state and municipalities to make foundation capital contributions for the construction and purchase of public rental dwellings so as to increase the likelihood that rental dwellings would be on offer at an affordable price for those who need them, including students, young people, elderly people, disabled people and people who were not able to acquire housing of their own in view of adverse social circumstances or serious financial difficulties. Those renting public rental dwellings shall be under certain income and asset ceilings. At the beginning of the lease period, the annual income of tenants renting public rental dwellings was not, at the beginning of the lease period, to exceed ISK 4,749,000 in the case of each individual or ISK 6,649,000 in the case of a married or cohabiting couple (in 2016 and 2017). To these sums ISK 1,187,000 was to be added in 2016 and 2017 for each child or young person up to the age of 20 years who lived in the home. In 2016 and 2017, the aggregate assets of tenants of public rental dwellings, less their liabilities, as defined in Articles 72-75 of the Income Tax Act and according to their tax returns for the previous year as confirmed by the Directorate of Taxation, could not exceed ISK 5,126,000.

Financial capital contributions as provided for under the Act are designed to reduce the funding requirements of those who build and operate rental dwellings for lower-income tenants, so enabling them to offer rental properties at affordable rents. State and municipal foundation capital contributions, combined, amount to 30% of the establishment cost of the dwellings. State foundation capital contributions amount to 18% of the establishment cost of public rental dwellings, in the form either of a direct cash contribution or an interest subsidy on loans made for the construction or purchase of public rental dwellings. A further contribution of four per cent may be made by the state for dwellings operated by the municipalities and for dwellings intended for students and disabled people. Furthermore, up to a further six per cent may be contributed by the state for dwellings in areas where there is a shortage of rental dwellings and construction has been at a minimum, or where there are obstacles to raising funding. Foundation capital contributions from municipalities amount to 12% of the establishment cost of public rental dwellings. They may take the form of direct contributions, or the allocation of building lots or the waiving of fees which applicants for contributions would otherwise be required to pay the municipality in respect of the

dwellings. A precondition for the granting of a municipal foundation capital contribution is that the applicant is also granted a foundation capital contribution by the state. Municipalities may also grant additional capital contributions of up to 4% in the case of dwellings in areas where there is a shortage of rental premises and the construction of dwellings has been at a minimum, or where there are particular difficulties relating to obtaining financing. Recipients of foundation capital contributions then have to finance the remainder, i.e. 70% of the establishment cost of public rental dwellings, themselves.

By the end of 2017, a total of ISK 4.6 billion had been disbursed in the form of foundation capital contributions for the construction and purchase of about 900 dwellings.

*Adequate housing for families*  
*Secure tenure supported by law*

Protection of property rights  
Reference is made to the discussion in the last report.

The Rent Act  
Reference is made to the discussion in the last report.

A bill to amend the Rent Act, No. 36/1994, was submitted to the Althingi in December 2015. This was part of the work produced by the above-mentioned task force appointed by the government under Parliamentary Resolution No. 1/142, on measures to address the problem of debts faced by households in Iceland. The task force submitted its proposals in the form of a report on 6 May 2014; one of its proposals was that the Rent Act be revised with the aim of establishing a firm framework for the rental market and making more effective remedies available to tenants and landlords. The bill was approved in June 2016 and the Act Amending the Rent Act, No. 36/1994, took effect on 22 June 2016. It covers leases made after the entry-into-force of the act.

The main aim of the amendment was to put tenants in a stronger legal position and introduce more regularity and stability in dealings between tenants and landlords so as to avoid the emergence of disputes later on. Amongst other things, clearer provisions were set regarding remedies available if rental premises are in an unsatisfactory condition or if they are not properly maintained, and changes were also made to the provisions on notice periods to be given by the landlord in cases where the landlord is the municipality or a commercial rental company. Also, provisions were introduced stating that adequate fire precautions and fire-prevention measures in accordance with the legislation and regulations on such matters were to be among the conditions to be met for rental premises to be considered as being in a satisfactory condition at the beginning of the lease period, and requiring the landlord to maintain the precautions in a satisfactory condition throughout the lease period. The requirement was also made that there are to be smoke-detectors and fire extinguishers in all rental dwellings. Amendments were also made to the provisions covering the deposits that landlords are able to demand from tenants: if the landlord demands a deposit from the tenant, he is obliged to return it to the tenant within four weeks of the end of the rental, instead of two months as used to be the case. The provisions on how rental dwellings are to be inspected were changed: instead of applying to the building officer in the local government area where the dwelling is located, the parties are able to agree on an inspector. The length of the required notice period for termination was also amended. The provision allowing for six months' notice to be given by the

landlord to an individual renting the dwelling remains in force, while the requirement of year's notice in cases where the tenant has rented the dwelling for more than five years was repealed. It was regarded as encumbering for an individual who wanted to let out his apartment for a long period to have to give a full year's notice of termination of the rent if the tenant had occupied it for five years where in practise he could avoid this by letting it out under a series of short-term leases. Different considerations apply in situations where a commercial rental company lets residential dwellings; there, the aim is to ensure tenants security regarding housing providing that they keep their side of the lease agreement. Thus, the notice period to be given by such companies was lengthened to twelve months if the tenant has rented the premises for more than one year. The motive behind this change was to bring more stability to the rental market and, not least, to improve the housing security of tenants who rent dwellings from entities that let out residential dwellings on a commercial basis. Rulings by the Housing Complaints Committee in cases involving the making and application of lease agreements were made binding on the parties to the case; under the earlier legislation, the committee stated opinions only, and these were not binding. Finally, provisions on exemptions from the rules of the Rent Act were substantially tightened; the fundamental principle of the act is that it is unlawful to enter into lease agreements under which the tenant of a residential dwelling undertakes more onerous obligations, and acquires lesser entitlements, than are provided for in the act unless such deviations are expressly permitted in the act itself.

#### Cooperative Housing Associations Act

Reference is made to the discussion in the last report.

An amendment was made to this act on 3 May 2106 under Act No. 29/2016, Amending the Cooperative Housing Associations Act, No. 66/2003. One of the amendments made was that a ceiling was placed on the residence rights fee; this may now never be greater than the equivalent of one-third of the market value of the residence unit in question at the time that the right is purchased. At the same time, provision was made for residence rights to be heritable in accordance with the Inheritance Act; heirs are therefore able to exercise the residence right unless the board of the housing association produces valid reasons against this.

#### Sale in Execution Act

Reference is made to the discussion in the previous report. Together with the amendments that were made to the Rent Act and the Cooperative Housing Associations Act as described above, amendments were made to the Sale in Execution Act in order to give tenants and residence rights holders rights comparable to those of apartment owners when dwellings are sold in sales in execution.

Thus, item 11 of the first paragraph of Article 28 of the Sale in Execution Act states that in the case of the sale in execution of a dwelling which the tenant has for his personal use under a lease, he is to be entitled to continue to use the dwelling for the remainder of the lease period, having been given notice, as appropriate, though in no case for more than twelve months after the acceptance of a bid, in return for the payment of rent which is, in the opinion of the district commissioner, equivalent to moderate rent; the district commissioner may demand that the tenant put up a deposit to cover damage that may be caused to the rental dwelling. This amendment was made by Act No. 63/2016, amending the Rent Act, No. 36/1994.

Also, Act No. 29/2016, Amending the Cooperative Housing Associations Act, provided that in the event of the sale in execution of a residence apartment which residence rights holder has for his own personal use, he is to be entitled to continue to use the apartment for a certain length of time, amounting to up to twelve months, following the approval of a bid, in return for a payment which is to go to the purchaser and which is equivalent, in the opinion of the district commissioner, to the sum which the residence rights holder would have paid each month in the form of a residence rights fee under the residence contract covering the apartment. The district commissioner may demand that the tenant put up a deposit to cover damage that may be caused to the rental dwelling. This provision is to be found in the fifteenth paragraph of Article 20 of the Cooperative Housing Associations Act.

*Promotion of an adequate supply of housing*

Reference is made to the discussion in the last report and to what is stated above regarding the public rental dwellings system that was established in 2016.

*Adequate size and standard of housing and essential services*

Reference is made to the discussion in the last report.

*Legal and non-legal remedies*

Reference is made to the discussion in the last report and to the discussion mentioned above of the change by which rulings made by Housing Complaints Committee under the Rent Act are now binding.

Tenant Assistance

Reference is made to the discussion in the last report.

***Childcare facilities***

*Preschools*

The Preschools Act, No. 90/2008, as amended, applies to the operation of preschools. The preschool is the first school level in the school system and is intended for children below the age of compulsory education. Preschools administer the upbringing, care and education of children of preschool age in accordance with the Act at the request of the parents. Regulation No. 655/2009 on the Preschool Working Environment, as amended, has been issued on the basis of the Act. The regulation covers the facilities, equipment, accident prevention and safety issues in preschool premises and in preschool playgrounds.

Under Article 4 of the Preschools Act, local authorities are responsible for preschool operations. Local authorities are to take the initiative in ensuring places for children in preschool and are responsible for the general organisation of operations of the municipality's preschools, the development of individual preschools, housing and facilities, special solutions on offer in preschools, specialist services, evaluation and monitoring, information collection and distribution and for the implementation of preschool activities in the municipality. Local authorities are required to formulate a general policy for preschool operations in the municipality and present it to its residents.

*Day-care in private homes*

Under Article 32 of the Local Authorities Social Services Act, No. 40/1991, as amended, municipalities are responsible for the development and operation of preschools and for decisions on their administration. In addition, Article 33 states that municipal councils shall do their utmost to ensure the availability of day-care facilities. In order to ensure that the service accords as well as possible with the needs of children in the municipality, the councils must assess the need for such facilities at least every two years. Article 34 of the Act, furthermore, states that the social services committee, or such other committee as is designated by the municipal council for the purpose, is responsible for issuing permits for day-care in private homes and the running of supervised playgrounds for children. The Minister is to issue a regulation on the activities and operation of supervised playgrounds and day-care in private homes.

A regulation, No. 907/2005, on Day-care in Private Homes, has been issued on the basis of the above regulatory authorisation. It applies to the day-care of children under primary school age on a commercial basis in private homes. Under the regulation, the local authorities are responsible for managing and monitoring the operations of day-parents. The social services committee/social services council in each municipality bears general responsibility for the welfare of children in the municipality and is to ensure that they receive adequate care, as provided for in the first paragraph of Article 30 of the Local Authorities' Social Services Act. The social services committee, or other such committee as designated by the municipal council for the purpose, grants permits for the day-care of children in private homes. The social services committee shall collaborate with the health inspectorate and the child protection committee as regards the adequate care of children staying with day-parents as considered necessary.

Number of children (under the age of six) in preschools

The following table shows the number of children under the age of six in preschools in Iceland during 2014-2017, together with the total number of that age during the period in question.

**Table 16. Number of children (aged 0-5 years) in preschools in Iceland**

	2014	2015	2016	2017
<i>Number of children aged 0-5 in preschools</i>	19,938	19,362	19,090	19,013
<i>Total number of children aged 0-5</i>	27,879	27,554	26,698	26,031
<i>Proportion of children in preschools of the total number of children aged 0-5</i>	71.52%	70.27%	71.50%	73.04%

*Source: Statistics Iceland.*

**Legal protection**

***Equality of rights and responsibilities between spouses***

Reference is made to previous reports.

*The project Peace at Home*

Reference is made to the previous report and information concerning the certified treatment programme, formerly entitled “Men taking responsibility”, for perpetrators of domestic violence all over the country.

In the year 2014, 551 individuals came for an interview, 54 new individuals came for therapy sessions and 41 continued with their therapy sessions that had begun the previous year. During this period, 28 women attended sessions in the capacity of spouses/partners. In 2015, 710 individuals came for an interview, 67 new individuals attended sessions and 36 continued with treatment that

had begun the previous year. Twenty five spouses attended therapy sessions in 2015. In 2016, 421 individuals came for an interview, 42 new individuals attended sessions and 41 continued with treatment that had begun the previous year. Eighteen spouses attended therapy sessions in 2016. In 2017, 453 individuals came for an interview, 62 new individuals attended sessions and 31 continued with treatment that had begun the previous year. Twenty-two spouses attended therapy sessions in 2017.

*The Women's Refuge (Kvænnaathvarfið)*

Reference is made to the previous report; updated statistics are shown below.

**Table 19. Admissions and interviews at the Women's Refuge 2014-2017.**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Total admissions</b>	706	846	624	637
<b>Interviews*</b>	606	720	508	489
<b>Stay periods</b>	100	126	116	148
<b>Number of women without children</b>	51	76	66	87
<b>Number of women with children</b>	49	50	50	61
<b>Number of children</b>	84	74	79	103

Source: Women's Refuge's Annual Report for the year 2017.

\*Interviews during stay not included.

The number of admissions in 2014 was 706. Many women were admitted more than once, either for interviews or periods spent in the refuge; this figure represents 100 women who sought admission to stay there during 2014, including 42% who had not previously applied to the refuge. The number of children staying at the shelter declined between 2013 and 2014 from 97 to 84. The average length of time spent by individuals at the shelter in 2014 was 15 days. On average, women with children stayed for longer period than those without children did, and women of foreign origin stayed longer than Icelandic women did. The average number of days that children spent at the shelter was 19 days. On average, there were four women and four children at the refuge every day during 2014. The number of interviews taken during that year was 746, which was a record. On average, each woman that registered at the centre attended two interviews during the year. In 2014, 84 children accompanied their mothers on stays in the refuge: 49 boys and 35 girls. The youngest children came as new-born infants, directly from the maternity ward; the eldest were aged 16. Almost 60% of the children were under the age of 6.

One hundred and twenty-six arrivals were registered at the shelter in 2015 and 720 follow-up interviews were taken, making a total of 846 for the year, which is a slight increase from the year before. Many of these represent multiple arrivals by the same women; overall, 396 women sought assistance at the shelter during the year. The number of arrivals of women had then fallen between years. The number of women staying at the shelter rose from 100 in 2014 to 126 in 2015. The number of children staying at the shelter declined, on the other hand, from 84 in 2014 to 74 in 2015. In 2015 the women spent an average of 19 days at the refuge. The average time that children spent at the shelter was 20 days. On average there were seven women and four children staying at the shelter each day. In 2015, 74 children accompanied their mothers on stays in the refuge: 40 boys



and 34 girls. The youngest children came as infants aged a few days old; the eldest were 17. Nearly 50% of the children were aged under 6, including 8 in their first year of life.

In 2016 there were 116 arrivals registered at the shelter and 508 follow-up interviews were taken, making a total of 624 for the year, which is a considerable reduction from the year before. Many of these represent multiple arrivals by the same women; overall, 350 women sought assistance at the shelter during the year, including 50% who had not previously applied to the refuge. The number of women staying at the shelter fell from 126 in 2015 to 116 in 2016. The number of children staying at the shelter grew slightly, from 74 in 2015 to 79 in 2016. In 2016 the women spent an average of 28 days at the refuge, which was nine days longer than in the previous year. The average length of time that children spent at the shelter was 41 days, 21 days longer than the previous year. On average there were nine women and nine children staying at the shelter each day. Seventy-nine children accompanied their mothers on stays in the Women's Refuge in 2016: 41 boys and 38 girls. The youngest children came to the shelter directly from the maternity ward, aged only a few days old; the eldest was 17.

In 2017 there were 148 arrivals registered at the shelter and 489 follow-up interviews were taken, making a total of 637 for the year. Many of these represent multiple arrivals by the same women; overall, 257 women sought assistance at the shelter during the year. A slightly higher proportion (54%) arrived for the first time in 2017 than the previous year, and more of those arriving for stays had injuries from physical violence than had been the case in 2016. The number of women staying at the shelter rose from 116 in 2016 to 148 in 2017. The number of children staying at the shelter rose, from 79 in 2016 to 103 in 2017. In 2017 the women spent an average of 31 days at the refuge, which was three days longer than previous year. The average time that children spent at the shelter was 35 days, 6 days less than the previous year. On average there were thirteen women and ten children staying at the shelter each day. In 2017, 103 children accompanied their mothers on stays in the refuge; the youngest came direct from the maternity ward at the age of only a few days. The eldest was 15.

#### *The Centre for Sexual Abuse Victims (Stígamót)*

Stígamót is a counselling and information centre for those who have been subjected to sexual abuse. Stígamót accepts both men and women. Relatives and loved ones, moreover, are welcome to seek advice and support. The service involves counselling interviews and the operation of self-help groups. All Stígamót services are free of charge to those seeking the assistance of the Centre. In addition to the services provided to victims, the Centre is heavily engaged in educational activities.

Six hundred and seventeen individuals turned to Stígamót in 2014, including 280 seeking help for the first time with situations primarily affecting themselves.

Six hundred and seventy-seven individuals came to Stígamót in 2015, including 302 seeking help for the first time with situations primarily affecting themselves.

Six hundred and fifty-four individuals came to Stígamót in 2016. These included 349 seeking help for the first time with situations primarily affecting themselves.

Nine hundred and sixty-nine individuals came to Stígamót in 2017, including 453 seeking help for the first time with situations primarily affecting themselves. The centre had never before received so many new cases since it opened.

The probable reasons why more people than ever before requested sessions to discuss their problems in 2017 are to be found in a television fund-raising campaign in support of Stígamót in November 2016 and the wave of awareness-raising and publicity given to the phenomenon of sexual abuse on social media, including the “MeToo” revelations. Stígamót began working together with Bjarkarhlíð, a centre for violence victims, and this may also have played a part in the surge in applications to Stígamót. During 2017, Stígamót also began sending SMS reminders to those who had already attended consultations, and this could have raised the overall number of consultation sessions and individuals attending them.

From the beginning, women have formed a far greater proportion of those who have applied to Stígamót, but the proportion of men has risen and stood at 18% in 2017.

**Table 20. Persons received by Stígamót for the first time by gender.**

	2014		2015		2016		2017	
	Number	Prop.	Number	Prop.	Number	Prop.	Number	Prop.
<b>Women</b>	226	90%	246	89%	241	91%	265	82%
<b>Men</b>	24	10%	32	12%	23	9%	58	18%

*Source: The Centre for Abuse Victims (Stígamót) Annual Report for the years 2014, 2015, 2016 and 2017.*

#### *Bjarkarhlíð – centre for the victims of violence*

Bjarkarhlíð, a centre for the victims of violence, was formally opened on 2 March 2017. This is a two-year experimental collaborative project (2017-2019) involving the Ministry of Welfare (now the Ministry of Social Affairs), the Ministry of the Interior (now the Ministry of Justice), the City of Reykjavík, the Metropolitan Police, Stígamót, the Women’s Refuge, Drekaslóð, the Women’s Counselling Service (Kvennaráðgjöf) and the Icelandic Centre for Human Rights. It offers consultation sessions for victims of violence and counselling from social workers, the police and lawyers, free of charge. Stígamót offers its services at the centre one day each week, and a spokeswoman from Stígamót sits in both the centre’s board and executive committee.

Three hundred and sixteen victims of violence applied to Bjarkarhlíð in 2017. Women have been in the majority, but the number of men has risen and stood at 11%. Some of those using the counselling services of Bjarkarhlíð are of foreign origin.

#### *The Emergency Reception Centre*

An Emergency Reception Unit for Victims of Sexual Abuse is in operation in the Casualty Department of the National Hospital (*Landspítalinn*) in Reykjavík and at the Akureyri Hospital. The services of nurses, doctors and psychologists are available at these units, and a team of lawyers also provides legal advice to victims and assists them in their dealings with the police and the courts.

In 2014, 123 individuals sought the assistance of these emergency units; in 2015 the figure was 133, 169 in 2016 and 187 in 2017.

The following table presents the number and age of persons admitted to the Emergency Reception Centre for the victims of rape and sexual abuse in 1993-2017.

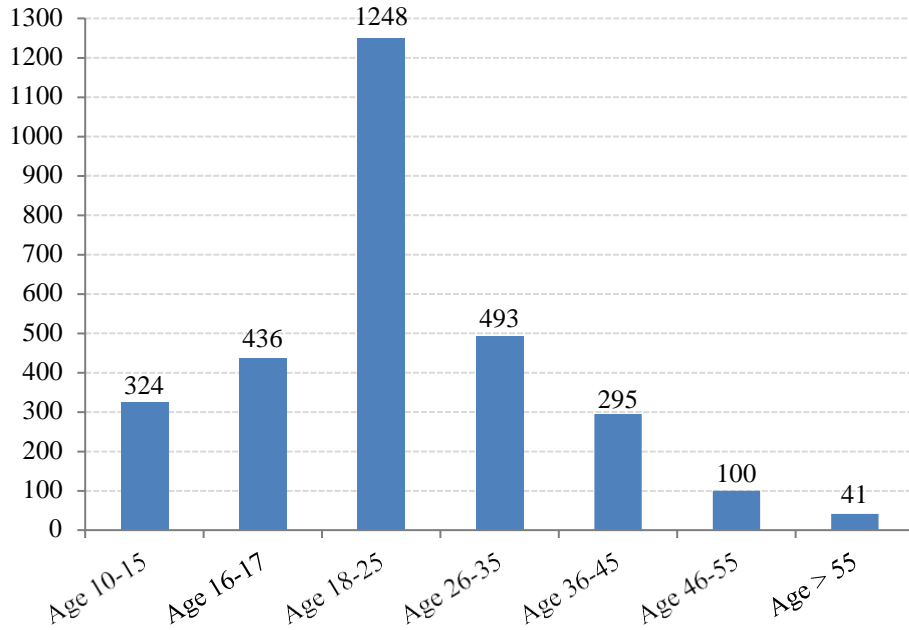
**Table 21. Age of rape victims admitted to the Emergency Reception Unit in 1993-2017.**

Year	10-15 yrs	16-17 yrs	18-25 yrs	26-35 yrs	36-45 yrs	46-55 yrs	>55 yrs	Year's total
1993	10	10	12	9	4	1	0	46
1994	2	15	29	7	10	2	0	66
1995	6	14	20	14	16	4	2	76
1996	11	15	27	12	11	2	2	80
1997	16	18	38	19	13	3	0	107
1998	18	14	33	16	13	7	1	102
1999	16	15	26	21	21	3	1	103
2000	15	21	45	9	4	1	2	97
2001	17	21	55	18	15	9	0	135
2002	19	14	46	18	16	4	2	119
2003	16	16	48	17	12	6	4	119
2004	14	13	50	12	12	1	2	104
2005	24	19	47	17	17	4	1	130
2006	14	23	65	22	15	5	1	145
2007	13	19	53	35	12	2	2	136
2008	17	28	45	18	4	4	2	118
2009	26	19	50	14	12	7	2	130
2010	9	14	61	19	11	3	0	117
2011	6	15	63	18	11	2	3	118
2012	13	25	62	22	9	5	3	139
2013	10	13	73	25	10	8	3	142
2014	8	20	62	22	8	2	1	123
2015	11	15	65	24	13	2	3	133
2016	11	26	70	41	14	5	0	167
2017	2	14	103	44	12	8	4	187
<b>Total, by age group</b>	<b>324</b>	<b>436</b>	<b>1248</b>	<b>493</b>	<b>295</b>	<b>100</b>	<b>41</b>	<b>2,939</b>

Source: The Emergency Reception Unit.

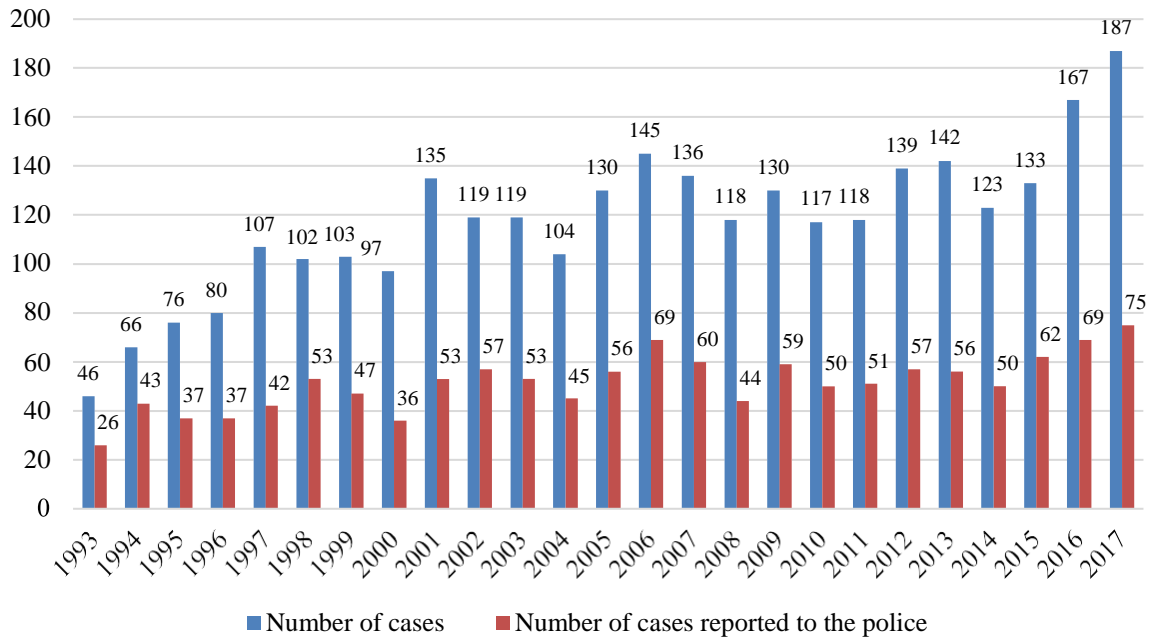
The table below shows the age distribution of those who sought the assistance of the emergency unit in 1993-2017.

**Table 2. Age distribution of those who sought the assistance of the emergency unit in 1993-2017.**



The table below shows the number of cases in which the emergency unit has been involved and where a complaint has been lodged with the police, by year, during the period 1993-2017.

**Table 23. Number of cases in which the emergency unit has been involved and where a complaint has been lodged with the police.**



### Economic protection of families

### ***Family benefits***

#### ***Personal tax credit in 2014-2017.***

Personal tax credit was ISK 605,976 per year in 2014; ISK 610,824 in 2015; ISK 623,040 in 2016 and ISK 634,884 in 2017. 100% of personal tax credit has been transferable between spouses since 2003.

An amendment was made to the Income Tax Act at the end of 2015 reducing the number of taxation brackets from three to two; this took effect on 1 January 2017 and was applied in the deduction of tax at source in 2017 and the assessment of tax made in 2018 relating to taxes on earnings in 2017.

The income tax rate in 2017 was 36.94% on income from ISK 0 to 834,707 and 46.24% on income above ISK 834,707 kr. The tax-free income ceiling was ISK 149,192 per month for a single person.

The income tax rate in 2016 was 37.13% on income from ISK 0 to ISK 336,035, 38.35% on income from ISK 336,036 to ISK 836,990 and 46.25% on income above ISK 836,990. The tax-free income ceiling was ISK 145,659 per month for a single person.

The income tax rate in 2015 was 37.30% on income from ISK 0 to ISK 309,140, 39.74% on income from ISK 309,141 to ISK 836,404 and 46.24% on income above ISK 836,404. The tax-free income ceiling was ISK 142,153 per month for a single person.

The income tax rate in 2014 was 37.30% on income from ISK 0 to ISK 290,000, 39.74% on income from ISK 290,000 to 784,619 and 46.24% on income above ISK 784,619. The tax-free income ceiling was ISK 135,330 per month for a single person.

The tax-free income ceiling for the years 2014-2017 per month for cohabiting couples if the secondary had no income in those years would be double the above amount, as the person in the role of wage earner would be fully utilising the tax card of the spouse.

The employee's contribution to pension funds, 4% of earned income, is deductible from taxable income.

### ***Child benefits***

Reference is made to the previous report.

Persons who have unlimited tax liability in Iceland, and who support children younger than 18 at the end of an income year, are entitled to child benefit. Persons who have unlimited tax liability in Iceland are persons residing/living in Iceland and those who stay in Iceland for more than a total of 183 days in every twelve-month period. A single parent is paid full child benefit for a child supported by that parent. A single parent means a parent whose child lives with him/her and who is solely responsible for supporting the child. Anyone who pays child support for a child is not considered its provider in this context.

Child benefit was income-linked in 2011 and determined according to tax returns. When calculating child benefit, capital gains are included in the income base, as are payments from international bodies that are not taxed. Income from overseas has an impact on child-benefit calculations in the same manner as income in Iceland.

## 2014

The amount varied depending on whether the custodial parent was single or not. Benefit was partly linked to income. In 2014, for the income year 2013, all parents received ISK 100,000 per year for children younger than seven years of age, irrespective of income. For the income year 2013, maximum child benefit for single parents was ISK 279,087 for the first child and ISK 286,288 for each child after the first. Maximum child benefit for couples was ISK 152,331 for the first child and ISK 199,455 for each child after the first. Child benefit payments to married couples were reduced if their annual income exceeded ISK 4,800,000; the corresponding reference amount for a single parent was ISK 2,400,000. The reduction was 3% for one child, 5% for two children and 7% for three or more children.

## 2015

The amount varied depending on whether the custodial parent was single or not. Benefit was partly linked to income. In 2015, for the income year 2014, all parents received ISK 115,825 per year for children younger than seven years of age, irrespective of income. For the income year 2014, maximum child benefit for single parents was ISK 323,253 for the first child and ISK 331,593 for each child after the first. Maximum child benefit for couples was ISK 194,081 for the first child and ISK 231,019 for each child after the first. Child benefit payments to married couples were reduced if their annual income exceeded ISK 4,800,000; the corresponding reference amount for a single parent was ISK 2,400,000. The reduction was 4% for one child, 6% for two children and 8% for three or more children.

## 2016

The amount varied depending on whether the custodial parent was single or not. Benefit was partly linked to income. In 2016, for the income year 2015, all parents received ISK 119,300 per year for children younger than seven years of age, irrespective of income. For the income year 2015, maximum child benefit for single parents was ISK 332,950 for the first child and ISK 341,541 for each child after the first. Maximum child benefit for couples was ISK 199,839 for the first child and ISK 237,949 for each child after the first. Child benefit payments to married couples were reduced if their annual income exceeded ISK 4,800,000; the corresponding reference amount for a single parent was ISK 2,400,000. The reduction was 4% for one child, 6% for two children and 8% for three or more children.

## 2017

The amount varied depending on whether the custodial parent was single or not. Benefit was partly linked to income. In 2017, for the income year 2016, all parents received ISK 122,879 per year for children younger than seven years of age, irrespective of income. For the income year 2016, maximum child benefit for single parents was ISK 342,939 for the first child and ISK 351,787 for each child after the first. Maximum child benefit for couples was ISK 205,834 for the first child and ISK 245,087 for each child after the first. Child benefit payments to married couples were reduced if their annual income exceeded ISK 5,400,000; the corresponding reference amount for a single parent was ISK 2,700,000. The reduction was 4% for one child, 6% for two children and 8% for three or more children.

## *Maternity/paternity leave*

Reference is made to the previous report.

When it came to preparing the budget for 2014, it was found that it was not possible to lengthen parental leave as had been intended because of the difficult situation in state finances. Thus, it was proposed in the legislation package submitted by the Minister of Finance and Economic Affairs to the 143<sup>rd</sup> session of the Althingi covering the year 2014, it was proposed that the plan for lengthening parental leave be abandoned and parental leave should remain at 9 months instead of 12. On the other hand, it was considered important to ensure that the disruption to household income of parents taking parental leave should be kept to a minimum, and moves were thus taken to resuscitate the parental leave system by raising the ceiling on payments, so making up, in part, for the reduction of payments that had previously taken place. At the same time therefore, it was proposed, in the legislation package, that maximum payments to the parents of children born, adopted or taken into permanent fosterage in 2014 or later would rise from ISK 350,000 to ISK 370,000. Thus, the emphasis has been on raising the maximum benefit amount within the room for manoeuvre available in state finances at any given time, the aim being to make benefit comparable with what it was prior to 2009. In addition, the aim is to lengthen parental leave to 12 months.

## 2014

**Table 24. Payments from the Parental Leave Fund in 2014 (ISK)**

Monthly payments from the Parental Leave Fund to a parent taking full parental (maternity or paternity) leave were 80% of average total wages or calculated remuneration for a specific period in respect of children born in 2014 or later, though at no time more than:	<b>370,000</b>
The monthly payment during parental leave to a parent in 25 – 49% employment was never lower than:	<b>97,786</b>
The monthly payment during parental leave to a parent in 50 – 100% employment was never lower than:	<b>135,525</b>

**Table 25. Payments of birth grants during 2014 (ISK)**

The monthly birth grant to a parent not on the labour market, or in a job proportion of less than 25%, was:	<b>59,137</b>
The monthly birth grant to a parent in full-time (75 – 100%) studies was:	<b>135,525</b>

## 2015

**Table 26. Payments from the Parental Leave Fund in 2015 (ISK)**

Monthly payments from the Parental Leave Fund to a parent taking full parental (maternity or paternity) leave are 80% of average total wages or calculated remuneration for a specific period in respect of children born in 2015 or later, though at no time more than:	<b>370,000</b>
The monthly payment during parental leave to a parent in 25 – 49% employment was never lower than:	<b>100,720</b>
The monthly payment during parental leave to a parent in 50 – 100% employment was never lower than:	<b>139,591</b>

**Table 27. Payments of birth grants during 2015 (ISK)**

The monthly birth grant to a parent not on the labour market, or in a job proportion of less than 25%, was:	<b>60,911</b>
The monthly birth grant to a parent in full-time (75 – 100%) studies was:	<b>139,591</b>

2016

**Table 28. Payments from the Parental Leave Fund in 2016 (ISK)**

Monthly payments from the Parental Leave Fund to a parent taking full parental (maternity or paternity) leave were 80% of average total wages or calculated remuneration for a specific period, though at no time more than:	<ul style="list-style-type: none"> <li>• <b>370,000</b> (in respect of children born, adopted or taken into permanent fosterage prior to 15 Oct. 2016)</li> <li>• <b>500,000</b> (in respect of children born, adopted or taken into permanent fosterage on or after 15 Oct. 2016)</li> </ul>
The monthly payment during parental leave to a parent in 25 – 49% employment was never lower than: :	<ul style="list-style-type: none"> <li>• <b>110,490</b> (in respect of children born, adopted or taken into permanent fosterage prior to 15 Oct. 2016)</li> <li>• <b>118,335</b> (in respect of children born, adopted or taken into permanent fosterage on or after 15 Oct. 2016)</li> </ul>
The monthly payment during parental leave to a parent in 50 – 100% employment was never lower than:	<ul style="list-style-type: none"> <li>• <b>153,131</b> (in respect of children born, adopted or taken into permanent fosterage prior to 15 Oct. 2016)</li> <li>• <b>164,003</b> (in respect of children born, adopted or taken into permanent fosterage on or after 15 Oct. 2016)</li> </ul>

**Table 29. Payments of birth grants during 2016 (ISK)**

The monthly birth grant to a parent not on the labour market, or in a job proportion of less than 25%, was:	<ul style="list-style-type: none"> <li>• <b>66,819</b> (in respect of children born, adopted or taken into permanent fosterage prior to 15 Oct. 2016)</li> <li>• <b>71,563</b> (in respect of children born, adopted or taken into permanent fosterage on or after 15 Oct. 2016)</li> </ul>
The monthly birth grant to a parent in full-time (75 – 100%) studies was:	<ul style="list-style-type: none"> <li>• <b>153,131</b> (in respect of children born, adopted or taken into permanent fosterage prior to 15 Oct. 2016)</li> <li>• <b>164,003</b> (in respect of children born, adopted or taken into permanent fosterage on or after 15 Oct. 2016)</li> </ul>

2017

**Table 30. Payments from the Parental Leave Fund in 2017 (ISK)**

Monthly payments from the Parental Leave Fund to a parent taking full parental (maternity or paternity) leave were 80% of average total wages or calculated remuneration for a specific period, though at no time more than:	<ul style="list-style-type: none"> <li>• <b>370,000</b> (in respect of children born, adopted or taken into permanent fosterage prior to 15 Oct. 2016)</li> <li>• <b>500,000</b> (in respect of children born, adopted or taken into permanent fosterage on or after 15 Oct. 2016)</li> </ul>
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The monthly payment during parental leave to a parent in 25 – 49% employment was never lower than:	<ul style="list-style-type: none"> <li>• <b>110,490</b> (in respect of children born, adopted or taken into permanent fosterage prior to 15 Oct. 2016)</li> <li>• <b>118,335</b> (in respect of children born, adopted or taken into permanent fosterage on or after 15 Oct. 2016)</li> </ul>
The monthly payment during parental leave to a parent in 50 – 100% employment was never lower than:	<ul style="list-style-type: none"> <li>• <b>153,131</b> (in respect of children born, adopted or taken into permanent fosterage prior to 15 Oct. 2016)</li> <li>• <b>164,003</b> (in respect of children born, adopted or taken into permanent fosterage on or after 15 Oct. 2016)</li> </ul>

**Table 31. Payments of birth grants during 2017 (ISK)**

The monthly birth grant to a parent not on the labour market, or in a job proportion of less than 25%, was:	<ul style="list-style-type: none"> <li>• <b>66,819</b> (in respect of children born, adopted or taken into permanent fosterage prior to 15 Oct. 2016)</li> <li>• <b>71,563</b> (in respect of children born, adopted or taken into permanent fosterage on or after 15 Oct. 2016)</li> </ul>
The monthly birth grant to a parent in full-time (75 – 100%) studies was:	<ul style="list-style-type: none"> <li>• <b>153,131</b> (in respect of children born, adopted or taken into permanent fosterage prior to 15 Oct. 2016)</li> <li>• <b>164,003</b> (in respect of children born, adopted or taken into permanent fosterage on or after 15 Oct. 2016)</li> </ul>

As of the year 2000, and in accordance with the aims of the Act on Maternity/Paternity and Parental Leave, the focus has been on ensuring that both parents have the same opportunities to attend to their families and their work outside the home. Experience has shown that one of the key factors in reconciling family and working life is the equal rights of parents to maternity/paternity leave. In addition, it is considered no less important to ensure children have the opportunity of spending time with both their parents. In order to achieve this goal, fathers were ensured an independent right to a three-month paternity leave instead of the two weeks they had previously, and it was considered particularly important that the independent right of the father could not be assigned to the mother.

Statistics from the Directorate of Labour indicate that the number of fathers exercising their right to paternity leave fell steadily as from 2009; one of the reasons for this may be the reduction of maximum payments made to parents taking maternity/paternity (parental) leave. In 2008, the number of applications from fathers to take paternity leave was about 90% that of mothers; in 2016, the proportion had fallen to just under 82%, declining further to 76.5% in 2017. Furthermore, it seems that fathers took fewer days of paternity leave, as compared with 2009: 19% of fathers took less than the full three months earmarked specifically for them; the same proportion rose to just over 38% in 2016 and 43% in 2017. It seems likely that the disruption of households' income resulting from the taking of maternity/paternity and parental leave is the major factor in determining how parents will decide to avail themselves of their entitlements. Where earnings undergo little change as a result of childbirth, there will be more likelihood that people will have children; a reproductive rate of 2.1 children per woman is needed to maintain a stable population in the long term. In 2016, the rate stood at 1.75 children during the lifetime of each woman, the lowest rate since records began in 1853.

Table 32 below shows the data on maternity/paternity leave taken by men and women in the period 2014-2017. Information on the average number of days indicates the genders' overall use of their basic entitlements, shared entitlements and extra entitlement (extension due to illness, multiple births, etc.). According to this, fathers had begun to avail themselves of a lower number of days of paternity leave up until 2017 and, correspondingly, mothers took more days of maternity leave.

**Table 32. Data on maternity/paternity leave taken by men and women in the period 2014-2017.**

	2014	2015	2016	2017
Applications from men <sup>1</sup>	81.2%	81.0%	82.7%	84.7%
Av. number of days taken by men <sup>2</sup>	88	87	86	78
Av. number of days taken by women <sup>3</sup>	182	182	183	182
No. of men taking more than basic entitlement <sup>4</sup>	436	392	445	481
Proportion of men taking more than basic entitlement	14.0%	13.3%	13.8%	14.5%
No. of women taking more than basic entitlement <sup>5</sup>	3,232	3,075	3,657	3,657
Proportion of women taking more than basic entitlement	96.0%	96.0%	94.1%	93.5%
No. of men taking less than basic entitlement	1,050	1,014	958	1,195
Proportion of men taking less than basic entitlement	33.7%	34.3%	29.8%	36.1%
No. of women taking less than basic entitlement	34	32	36	38
Proportion of women taking less than basic entitlement	1%	1%	0,9%	1%
Men taking leave as a continuous period <sup>6</sup>	31.9%	33.6%	32.6%	33.6%
Women taking leave as a continuous period	32.4%	34.1%	34.2%	29.8%
Men taking leave in disjunct period	68.1%	66.4%	67.4%	66.4%
Women taking leave in disjunct period	67.6%	65.9%	65.8%	70.2%

Source: Maternity/Paternity Leave Fund.

#### *Child pension.*

Child pension (*barnalífeyrir*) is paid in respect of children under 18 years of age, either of whose parents is deceased or is receiving invalidity pension, provided that the child itself or either of its parents has been resident in Iceland for at least three years immediately prior to application. If both parents are deceased or receive invalidity pension the child pension is doubled. Adopted children and step-children enjoy the same legal status in the same circumstances. Child pension per child (unless doubled) per month amounted to ISK 26,081 in 2014; ISK 26,863 in 2015; ISK 29,469 in 2016 and ISK 31,679 in 2017.

A total of 6,130 providers received child pension in 2014, 6,140 in 2015, 6,307 in 2016 and 6,506 in 2017. Child pension was paid for 9,468 children in 2014; 9,445 in 2015; 11,510 in 2016 and 11,704 in 2017.

<sup>1</sup> i.e. applications by men as a proportion of those by women

<sup>2</sup> Based only on those who received payments from Maternity/Paternity Leave Fund, not those who received grants.

<sup>3</sup> Based only on those who received payments from Maternity/Paternity Leave Fund, not those who received grants.

<sup>4</sup> i.e. the proportion of men taking more than their separate entitlement.

<sup>5</sup> Three months.

<sup>6</sup> Leave can be divided into various periods, or else taken as a continuous period.

### *Social assistance*

A range of legal acts provide for various social assistance measures.

#### Death allowance

A person who is domiciled in Iceland and widowed before reaching the age of 67 may be entitled to an allowance for six months following the death of his or her spouse. On 1 January 2017 this allowance amounted to ISK 47,186 per month (ISK 43,894 in 2016; ISK 40,013 in 2015 and ISK 38,848 in 2014). If the recipient maintained a child under 18 years of age or in other special circumstances, he or she was entitled to an allowance for a further period of at least 12 months and up to 48 months, at the rate of ISK 35,347 per month (ISK 32,881 in 2016; ISK 29,974 in 2015 and ISK 29,101 in 2014). A total of 130 persons received death allowances in 2017 (125 in 2016; 124 in 2015 and 156 in 2014).

#### Child's educational allowance

The State Social Security Institute may pay a child's educational allowance to a young person aged 18 to 20 who is domiciled in Iceland and engaged in studies or vocational training if either or both parents are deceased or either or both parents are receiving old age or invalidity pension, *cf.* Art. 3 of the Social Assistance Act, No. 99/2007, with subsequent amendments. The child's educational allowance amounted to ISK 31,679 per month in 2017. It is a precondition that the studies or vocational training take place for at least 6 months each year.

A total of 444 children received an educational allowance in 2014, 385 in 2015, 407 in 2016 and 376 in 2017. Expenses due to children's educational allowances were ISK 189 million in 2014, ISK 181 million in 2015, ISK 187 million in 2016 and ISK 180 million in 2017.

#### Allowance for those caring for chronically ill and/or children with disabilities

Those who maintain and care for chronically ill and/or children with disabilities may be entitled to assistance from the State Social Security Institute if the illness or disability (mental or physical) entails appreciable expenditure or calls for special supervision or care. The full allowance amounted to ISK 141,117 per month in 2014; in 2015 ISK 145,351; in 2016 ISK 159,450 and in 2017 ISK 171,409.

#### Allowance for parents of chronically ill or severely disabled children

The parents of chronically ill or severely disabled children who are neither able to pursue employment outside the home nor studies because their child requires substantial care due to a very serious and chronic illness or disability are entitled to monthly financial assistance on the basis of Act No. 22/2006 on Payments to Parents of Chronically Ill or Severely Disabled Children, with subsequent amendments. The monthly basic payments to parents in 2017 were ISK 215,319. In addition, the parent was entitled to monthly child benefit payments amounting to ISK 31,679 for each child under the age of 18 for whom the parent was obliged to provide. If the parent was single and provided for his/her two or more children under the age of 18, the parent was entitled to special child support payments amounting to ISK 9,171 per month for two children and ISK 23,844 per month for three children.

#### Single parent's allowance

Single parent's allowance may be paid to single parents who support their children under the age of eighteen and reside in Iceland. The Minister issues regulations containing further provisions on the payment of single parent's allowance. In the regulations, the payment of single parent's allowance may also be made subject to the condition that a ruling on the payment of child maintenance has been issued or that a confirmed agreement has been reached on the payment of child support.

The single parent's allowance in the year 2014 was ISK 7,550 per month for two children and for three or more children ISK 19,630 per month; in 2015 ISK 7,777 per month for two children and for three or more children ISK 20,219 per month; in 2016 ISK 8,531 per month for two children and for three or more children ISK 22,180 per month and in 2017 ISK 9,171 per month for two children and for three or more children ISK 23,844 per month.

#### Child maintenance paid by non-custodial parents

Non-custodial parents are obliged to pay child maintenance. In accordance with an order by the authorities, a parent may have child maintenance paid through the intermediary agency of the State Social Security Institute. The Institute is authorised to pay child maintenance retroactively for up to 12 months back in time. Furthermore, a parent may obtain an order for special maintenance payments, e.g. towards the cost of the child's confirmation or dental treatment. Young persons aged over 18 years may also receive a special educational maintenance allowance up until the age of 20 years. Child maintenance for one child was ISK 26,081 per month in 2014; ISK 26,863 in 2015; ISK 29,469 in 2016 and ISK 31,679 in 2017.

## **Article 17**

### **The right of mothers and children to social and economic protection**

#### **Legal status of the child**

*The Children Act, No. 76/2003, with subsequent amendments*

Reference is made to the discussion in previous reports.

*The Child Protection Act, No. 80/2002, with subsequent amendments*

Reference is made to the previous reports.

#### ***Comment by the European Committee of Social Rights***

##### ***Conclusions XX-4 2015 (Iceland), p. 8.***

*The committee asks the next report to provide updated information regarding the right of a child to know in principle, his or her origins, minimum age for marriage, discrimination of children born outside of marriage e.g. in respect of maintenance obligations and inheritance rights.*

#### **The UN Convention on the Rights of the Child**

The UN Convention on the Rights of the Child was signed on Iceland's behalf on 26 January 1990; the Althingi authorised its ratification by a resolution passed on 13 May 1992 and it took effect in Iceland on 27 November 1992. On 16 March 2013 the Althingi passed Act No. 19/2013, on the UN Convention on the Rights of the Child, so giving it status in Icelandic law. The act took effect on 13 March 2013.

The first paragraph of Article 7 of the convention states, amongst other things, that a child is to have the right, as far as possible, to know and be cared for by his or her parents. Under the second paragraph, States Parties are to ensure the implementation of these rights in accordance with their national law and their obligations under the relevant international instruments in this field. Article 8 of the convention states that States Parties undertake to respect the rights of the child to preserve his or her identity, including nationality, name and family relations as recognized by law without unlawful interference.

#### **The Children Act**

Under Article 1 a of the Children Act, No. 76/2003, children have the right to know both their parents. Mothers are also placed under an obligation to name children with a patronymic showing the name of their fathers unless the rules on paternity in Article 2 of the act apply. Articles 2 – 7 set out the rules regarding paternity and the determination of children's parentage in cases of assisted reproductive technology. These rules are important in ensuring that children will enjoy other rights according to law, e.g. the mutual right of access between child and parent under Article 46 of the Children Act. It may also have a bearing on important financial interests, for example the right to be supported by both parents (see Section IX of the Children Act).

#### **Children conceived by artificial reproductive technology (ART)**

Article 4 of the Act on Artificial Reproductive Technology and the Use of Human Sex Cells and Embryos in Stem-Cell Research, No. 55/1996, states that sperm or egg donors who so wish may remain anonymous. In such instances, the donor may not be informed of the identity of the couple

who receive the donated cells, or about the identity of the child, while the couple, and the child, may not be informed of the identity of the donor. If, on the other hand, the donor does not request anonymity, then the child may, on attaining the age of 18 years, receive information on the donor's identity.

### Adoption

It was decided by a resolution of the Althingi on 21 December 1999 that Iceland become a member of the Hague Convention on the Protection of Children and Co-operation in Respect of Intercountry Adoption (the Hague Adoption Convention). The convention then took effect regarding Iceland on 1 May 2000.

Article 30 of the convention provides that the competent authorities of a Contracting State are to ensure that information held by them concerning the child's origin, in particular information concerning the identity of his or her parents, as well as the medical history, is preserved, and also that they are to ensure that the child or his or her representative has access to such information, under appropriate guidance, in so far as is permitted by the law of that State.

It can be of great importance for the well-being of adopted children to be brought up with an awareness that they are adopted, so having parents other than their adoptive parents, and that they are informed of this by their adoptive parents. This is the view on which Section V of the Adoption Act, No. 130/1999, is based; it states the duty of adoptive parents to inform the child that it is adopted as soon as it has sufficient maturity. Generally, this is to be done before the child reaches the age of six. The act also states that when adopted children reach the age of 18, they are entitled to obtain certain information from the ministry concerning the identity of their natural parents, or previous adoptive parents. This provision is in accordance with Article 30 of the aforementioned Hague Convention and other international obligations undertaken by Iceland in this area.

### Access during fosterage

Article 74 of the Child Protection Act, No. 80/2002, sets out provisions on the mutual right of access between parents and children in fosterage. It states that the child is to be entitled to have access, i.e. to spend time with, and to communicate in other ways with, its parents and other relatives. Furthermore, parents have the right of access a child in fosterage unless contact is evidently contrary to the child's interests and needs. In the same way, other persons who consider themselves related or closely involved with the child are entitled to access to the child, providing this is considered to be in the child's interest.

### Minimum age for marriage

The UN Convention on Consent to Marriage, Minimum Age for Marriage and Registration of Marriages, from 1962, took effect in Iceland in 1978. It stipulates the obligation of Contracting States to specify a minimum age for marriage, but lays down no further provisions regarding what the age is to be. Under the convention, no marriage can be legally entered into by any person under this age, except where a competent authority has granted a dispensation as to age, for serious reasons, in the interest of the intending spouses.

Under the UN Convention on the Rights of the Child, from 1969, which took effect in Iceland in 1992 and was also given the status of law in Iceland in 2013, the term 'child' covers an individual

who has not reached the age of 18, unless he or she attains legal majority at an earlier age according to the legal system under which he or she lives.

The UN Convention on the Elimination of Discrimination of All Forms Against Women (CEDAW), from 1979, which took effect in Iceland in 1985, states that the engagement and marriage of a child has no legal consequences and that all the necessary measures, including legislation, shall be taken to determine the minimum age for marriage and to make obligatory the registration of marriages in a public register.

The minimum age for marriage in Iceland is 18 (*cf.* Article 7 of the Marriage Act, No. 31/1993). The same article nevertheless provides for exemptions from this minimum age requirement, according to which the Ministry of Justice may grant younger persons marriage licences providing that the position of their custodial parents regarding the marriage is known. Licences have been issued, mostly to individuals aged 17, though there are also examples of 16-year-olds receiving such licences.

**Table 33. Numbers of individuals granted licences under Article 7 of the Marriage Act allowing them to marry even though they were under the age of 18 during the period 1998-2017.**

Year	Exemptions granted	Females	Age (of females)	Males	Age (of males)
1998	2	2	17	-	-
1999	2	2	17	-	-
2000	2	2	17	-	-
2001	0	-	-	-	-
2002	1	1	16	-	-
2003	1	1	17	-	-
2004	1	1	17	-	-
2005	1	1	17	-	-
2006	0	-	-	-	-
2007	1	-	-	1	17
2008	3	3	17	-	-
2009	0	-	-	-	-
2010	0	-	-	-	-
2011	0	-	-	-	-
2012	0	-	-	-	-
2013	1	1	17	-	-
2014	1	1	16	-	-
2015	1	1	17	-	-
2016	1	1	17	-	-
2017	0	-	-	-	-

*Source: The Ministry of Justice.*

#### Children born out of wedlock

In 2017, 28,8% of children born in Iceland were born to parents who were married. Over 56% of children were born in cohabitational unions; thus, 14,8% were born to parents who were neither married nor cohabiting.

**Table 34. Proportions of births according to the marital status of their parents, 2014-2017.**

	<b>Married</b>	<b>Cohabiting</b>	<b>Single</b>
<b>2017</b>	28%	56%	14.8%
<b>2016</b>	30.4%	54%	15.5%
<b>2015</b>	30.1%	52%	15.3%
<b>2014</b>	29.5%	53%	17%

Article 1 of the Children Act, No. 76/2003, states that children are entitled to live, develop and receive protection, care and enjoy other rights in accordance with their age and maturity, and to be free of all forms of discrimination. Section IX of the act specifies the duty of both parents to support their children. Article 53 states that parents are obliged, jointly and separately, to support their children. The term ‘support’ is used in the act to mean that parents, step-parents and parents’ cohabiting partners are obliged to feed and clothe their children and provide them with housing, or else to make a financial contribution for this purpose. The obligation as regards step-parents and parents’ cohabiting partners is, however, only active during the time of the marriage or cohabitation with the child’s parent in which the partner exercises custody of the child together with the natural parent. Nor are these persons obliged to pay maintenance for the child following dissolution of the marriage or cohabitational relationship.

Under Article 54 of the Children Act, child maintenance payments are to be determined in the event of the judicial separation or divorce of the child’s parents. The same applies when a decision is taken regarding custody of a child or its place of legal domicile following the separation of the parents of a child who have lived in a registered cohabitational relationship or when the child’s parents enter into an agreement changing custody of the child.

Persons exercising custody over a child may demand child maintenance payments if they meet the costs of supporting the child (*cf.* Article 56 of the Children Act). A parent who fails to discharge his or her support obligation regarding a child may be ordered by the district commissioner to pay child maintenance (*cf.* Article 57 of the Children Act).

Generally, parents’ legal obligation to support their children ends when the child reaches the age of 18, but it may end earlier if the child marries before that time (*cf.* Article 61 of the act). Furthermore, a child may demand that the parent pay a contribution towards his or her education or vocational training until he or she reaches the age of 20 (*cf.* Article 62 of the Act).

#### Monetary amount of child maintenance

Under the Children Act, child maintenance payments may not be determined below the official figure for child maintenance (child support); on the other hand, no legal upper limit is specified. Article 57 of the act states that when child maintenance is to be determined, consideration is to be given to the child’s needs and the financial standing and other circumstances of both parents, including their earning capacity. Child support, per month, amounted to ISK 26,081 in 2014, ISK 26,863 in 2015, ISK 29,469 in 2016 and ISK 31,679 in 2017.

In addition to monthly child maintenance payments, the parent who exercises custody over a child may demand special payments to cover costs in connection with the child’s baptism, confirmation, the purchase of spectacles, orthodontal treatment, etc. (*cf.* Article 60 of the act).



### Mothers' and fathers' allowances

In addition to child maintenance payments, a single parent who supports his or her children aged under 18 and living in Iceland can apply for the payment of mother's or father's allowance (*cf.* Article 2 of the Social Assistance Act, No. 99/2007). Mothers' and fathers' allowances are taxable, but not income-related. If a recipient of such an allowance registers himself or herself in a cohabitational relationship with the parent of the child or children, or an ex-cohabiting partner, or gets married, the allowance ceases immediately. If, on the other hand, the recipient registers himself or herself in a cohabitational relationship with a person other than the other parent of the child, the allowance then ceases one year after the registration.

**Table 35. Monthly amounts of mothers' and fathers' allowances (ISK)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>For 2 children</b>	7,550	7,777	8,531	9,171
<b>For 3 children</b>	19,630	20,219	22,180	23,844

### Child benefit

A single parent receives the payment, in full, of child benefit in respect of the child or children that he or she supports. 'Single parent' here means the parent who houses and looks after the child. Child benefit for single parents is considerably higher than child benefit for parents who are married or living in cohabitational relationships. For example, full child benefit for the first child of a single parent in 2017 came to ISK 342,939; married or cohabiting parents received ISK 205,834. More detailed discussion of child benefit and the amounts involved is to be found earlier in this report.

### The Inheritance Act

Item 1 of Article 1 of the Inheritance Act, No. 8/1962, states, amongst other things, that an illegitimate child is to take inheritance after its father and paternal relatives, and that they are to take inheritance after the child, if the paternity of the child is established in accordance with the provisions of the Children Act. Thus, no distinction is drawn in the Inheritance Act between children born in or out of wedlock (i.e., whether they are regarded as legitimate or illegitimate), and the same applies to adopted children. Illegitimate and adopted children of the deceased therefore enjoy the same legal position vis-à-vis the deceased and inheritance as do the deceased's other children.

### *The Welfare Watch*

Reference is made to the previous report.

The Welfare Watch was established in February 2009 following the financial collapse of 2008. It was originally intended to monitor both the social and economic consequences of the financial collapse for families and households in Iceland, assess the success of the measures taken and make proposals for remedial measures or improvements. The Welfare Watch functioned in this form until spring 2014, having submitted its final report in December 2013. The report contained ten proposals on a continuation of the Welfare Watch; it was proposed that it should continue to function, but its members should be appointed anew. These proposals were taken into account when the work of the Welfare Watch was reviewed by the Minister of Social Affairs and Housing.

The Welfare Watch that took over from the original body held its first meeting in the middle of 2014. In its letter of appointment, it was charged, amongst other things, with “...*giving attention to the welfare of low-income families with children, in particular those of single parents, and their children, and gathering information on the circumstances of those who live in severe poverty in order to reduce it.*” It was decided to adopt new working methods and to have two monitoring groups within the Welfare Watch: one to monitor poverty, the other to monitor families with young children. Representatives on the Welfare Watch work in the group dealing with the topic on which they have the greater knowledge or expertise. The monitoring groups meet regularly and discuss their respective fields; both can have matters discussed at meetings of the Welfare Watch or look further into matters that have been raised at meetings of the whole body.

In 2009, the Welfare Watch was involved in the production of social indicators, which are the work of experts in certain categories. The main aim of the social indicators is to publish, in one place, a collection of data which will make it easier for the government and the public to follow trends and changes in society. They now constitute one of the main tools available to the Welfare Watch when it monitors the least advantaged groups. Statistics Iceland sees to the updating and publication of the social indicators under a contract with the Ministry of Social Affairs (previously the Ministry of Welfare).

One application of the social indicators is to enable comparisons with other countries and also to see the effect which the government’s measures, and changes in demography, have on the composition, by gender and age, of the various social groups that are the most disadvantaged in society. The indicators are intended to give easy access for the public, the government, stakeholders and researchers to certain types of information which illuminate the condition of society. At the same time, they are of use in government policymaking. First and foremost, they serve to identify groups that are at risk and for whom social measures and services fall short of providing the desired results. The social indicators cover four categories, by content: demography and activity; quality of life, standard of living and welfare; health and children.

In December 2016 the Ministry of Welfare published a summary report by the Welfare Watch covering the period 2014-2016. Its main contents were as follows.

In January 2015 the Ministry of Welfare published a report by the Welfare Watch with the title: “Proposals on measures to eliminate poverty.” Six proposals were made, as follows:

1. Child benefit and child insurance

The benefit system should be simplified and also made more fair, giving firm support to children from low-income families. This should be done by means of a basic payment of child benefit which is not income-related, and also by ensuring families with young children a specified level of minimum support in the form of child insurance, independent of the family’s sources of income.

2. Baseline for minimum support

The government shall define baseline levels of minimum support, aimed at ensuring that individuals and families do not live in poverty. It should examine whether such reference amounts should be stated in law, or whether they should form guidelines as is the case at present in connection with financial assistance from the local authorities.

3. Housing

The aim should be that lower-income families should spend well under 40% of their disposable income on housing costs, whether they are renting or paying for rights of residence. At the same time, the aim should be to increase security on the open rental market.

#### 4. Basic services

The welfare services and the educational system shall be protected by having legally-required services free of charge, particularly for children, so that families with children will not have to face unexpected and insuperable expense when using basic services for children.

#### 5. Case coordinators

A case coordinator should be appointed for individuals and families that receive multiple services. The coordinator would be responsible for the case of the individual or family in question, so making it easier to achieve seamless interdisciplinary services for individuals and families who have health problems and/or social problems.

#### 6. Collaboration with NGOs; a project financing fund

NGOs should be allocated an increasing role in serving those groups that are in the most vulnerable position in society. In addition, an assessment should be made of the advantage of setting up a fund that could give temporary support to projects, with results that could be quantified, which NGOs would carry out.

A report entitled “*An assessment of the work of the Welfare Watch*” appeared in March 2015; this was prepared by the Social Science Institute of the University of Iceland at the request of the Ministry of Welfare. It was based on a survey and evaluation of the results of the work done by the Welfare Watch in the period 2009-2013.

The work done by the Welfare Watch was of various types. Meetings to discuss the situation in Icelandic society were held, both in the pilot group and the working groups, and the pilot group also released resolutions, guidelines and challenges. It compiled five interim reports containing proposals to the government, had surveys made and organised meetings and a seminar. Many of these projects focused on children, young people and families with children.

The role laid down for the Welfare Watch was to be a diagnostic body and to state opinions. Nevertheless, in two cases, it made sure that projects were put into practice. One of these was the establishment of the social indicators; the other was the establishment of the Suðurnes Watch. One of the achievements of the Suðurnes Watch was to set up a system of collaboration between the police, the social services and the child protection authorities in cases of domestic violence.

In general, those with whom the Welfare Watch spoke considered that it played an important role for general welfare in Iceland at the beginning of the recession (i.e. after the banking collapse in 2008). Surveys conducted among the public and employees of institutions represented on the Welfare Watch revealed that half of those who had heard about the Welfare Watch considered it had made a very important contribution in society in the first years after the collapse. The most important perceived roles included the publication of reports with suggestions on improvements and reforms which were used by the government to prioritize the projects undertaken. It was pointed out that it was perhaps partly thanks to the work of the Welfare Watch that cuts in funding to welfare issues were not as severe as they were in other spheres. It was also noted that thanks to the Welfare Watch, various dissimilar bodies had collaborated on welfare issues; representatives of the Welfare Watch considered they had learned a lot from this interdisciplinary collaboration.

People interviewed agreed that broad collaboration had been of crucial importance in improving the lot of people in Iceland.

In August 2015 the Welfare Watch sent a letter to the Minister of Social Affairs and Housing proposing that the minister should, in collaboration with the local authorities, find ways of launching the experimental project TINNA. This project was based on the findings of the study *Jaðarstaða foreldra – velferð barna* (Marginalized parents – child welfare) and was aimed to provide single parents and their children with services of many types and from many entities within the welfare and educational systems and also stimulation to remain active on the labour market. The study revealed that up to the age of six, children of lower-income parents had limited access to amenities as compared with the children of richer parents, i.e., they tend not to participate in organized sporting or leisure activities and are less likely to attend nursery school (preschool). Participation of this type is important to children in enabling them to form social bonds with their contemporaries. The main aim of the study was to compare the economic and social standing of families with children in Reykjavík according to their employment situation and also to investigate whether the employment situation and pattern of their parents influenced participation by the children in sporting and leisure activities. In addition, it was intended to identify the obstacles faced by parents who received financial support in availing themselves of the services open to their children.

In September 2015, the Welfare Watch sent the Association of Local Authorities and the Minister of Education, Culture and Science a letter in order to urge the local authorities and their school committees to ensure that junior school children received lunch, and also to keep household expenses in connection with school attendance to a minimum.

In August 2016, the Welfare Watch sent a letter to the local authorities and the school system calling for an end to the practice of charging parents a fee to cover stationery used by children in school, or at least to keep it to a minimum, in the light of the findings of a survey by the Association of Local Authorities on the expense borne by parents for stationery.

In December 2015, the Welfare Watch entered into an agreement with Statistics Iceland under which that body was to undertake diagnostic and developmental work covering materials gathered in its standard-of-living study (LKR) covering the period 2004-2014 regarding extreme poverty. The aim of this project was to assess the extent to which data from the LKR study could be used to identify groups living in extreme poverty in Iceland. Because of the small numbers in this group, it is difficult to recognize individual characteristics using traditional methods, which may produce inaccurate or even unusable results. Thus, it is important to use other, more sophisticated methods in order to ensure that survey conclusions based on data can be utilized further and will produce the most accurate possible picture of the actual situation in society.

In September 2016, Statistics Iceland submitted its report “Extreme Poverty” which was presented to the government. It revealed that the number of people living in extreme poverty had risen after the economic collapse. Analysis of the data indicated that people’s standing in relation to housing and health are key factors in predicting whether they experience what has been defined as extreme poverty. The conclusions also indicate that single people without children and single parents and their children are more likely than others to live in extreme poverty.

In December 2018, the Ministry of Welfare published a survey report on the Welfare Watch for the period 2017-2018. The following are the highlights from this report as regards the year 2017.

On 11 April 2017, the Welfare Watch sent a letter to the Minister of Education, Culture and Science proposing that she take steps to revise Article 31 of the Junior Schools Act in order to abolish participation in the cost of compulsory schooling. In particular, the Welfare Watch had in mind the lists of stationery items which school pupils are required to buy at the beginning of each school year; such purchases may run to tens of thousands of ISK. In this context, the Welfare Watch pointed out that Article 28 of the UN Convention on the Rights of the Child, which was given the status of law in Iceland on 20 February 2013, states: “States Parties recognize the right of the child to education, and with a view to achieving this right progressively and on the basis of equal opportunity, they shall, in particular: (a) Make primary education compulsory and available free to all.”

In autumn 2017, the Welfare Watch examined the phenomenon of pupils dropping out of upper secondary education, after which it approved proposals to the government on measures to raise the proportion of pupils completing upper secondary schooling. These proposals were sent to the Minister of Education, Culture and Science, the Minister of Social Affairs and Gender Equality and the Minister of Health. The proposals were also sent to MPs, managers of the local authorities, the Association of Icelandic Secondary School Pupils and pupil councils.

The proposals referred, amongst other things, to the fact that according to the white paper issued by the Ministry of Education, Culture and Science, the proportion of adults who did not complete final exams in upper secondary school is highest in Iceland among the Nordic countries and Iceland is in fifth highest place in this respect among the OECD countries; the proportion is about 30%. It was also stated that progress towards raising the educational level of the population was slow, and that this high proportion of people without upper secondary schooling could have serious economic and social consequences. Furthermore, it was stated in the proposals that lack of education was one of the main factors putting people at risk of poverty; the dropout rate from school is one of the scales used in the report by Barnaheill–Save the Children in Iceland, entitled “Ending Educational and Child Poverty in Europe”, dealing with child poverty and the connection between difficult economic conditions and a lack of opportunities and education. According to the report, about 19% of pupils drop out of upper senior school; the proportion in Denmark is 8%; in Sweden it is 7%, in Finland 9% and in Norway 11%. The Welfare Watch views this high proportion in Iceland as a matter for concern.

## **Protection of children from ill-treatment and abuse**

### ***Comment by the European Committee of Social Rights Conclusions XX-4 2015 (Iceland), p. 8.***

*The Committee asks what measures are taken to eliminate corporal punishment in practice, for example, through information campaigns.*

Reference is made to the previous report as regards corporal punishment, the information on the Convention on preventing and combating violence against women and domestic violence; the review on the handling of violent offences and the preparation of a four-year plan of action against

violence in Icelandic society for the period 2016-20; and the draft parliamentary resolution on a family policy up to 2021 with particular focus on children and families with children.

Besides the UN Convention on the Rights of the Child, the main legislative items prohibiting corporal punishment of children are the Child Protection Act, No. 80/2002 and the Children Act, No. 76/2003.

Under the first paragraph of Article 1 of the Children Act, No. 76/2003, children are entitled to live, develop and receive protection and care and enjoy other rights in accordance with their age and maturity, and to be free of all forms of discrimination. It also states that children may not be subjected to violence or other degrading conduct. This refers to all forms of violence: sexual abuse, mental cruelty and physical violence, including corporal punishment. It is also stated in Article 28 of the Children Act that parents have an obligation to protect their children against all forms of violence and degrading treatment.

Article 1 of the Child Protection Act, No. 80/2002, states that children are entitled to protection and care. They are to enjoy rights in accordance with their age and maturity. In addition, all those involved in the care and education of children are to show them respect and consideration, and it is completely forbidden to subject children to violence or other degrading conduct. This means, amongst other things, that children have the right not to be subjected to physical or mental punishment.

Any person who subjects a child to mental or physical punishment, threats or intimidation, or exhibits other degrading conduct towards a child, is to be fined or imprisoned for up to three years according to Article 99 of the Child Protection Act. This means both that parents and other custodians are under an obligation to protect their children against mental and physical violence perpetrated by other people and also that they themselves are forbidden to subject their own children to such treatment. This means, particularly, that punishment, including spanking, is not permitted as an instrument in child care or education.

Children, or their guardians, may refer charges concerning violence or other ill-treatment to the police. The identity of the perpetrator is not important: it may be another child, a teacher, a member of school staff, a parent or someone else.

#### Notification obligation

Under Articles 16 and 17 of the Child Protection Act, all persons who have reason to believe that a child is being neglected or is suffering from violent treatment or other degrading conduct are under an obligation to contact the child protection authorities. The main rule is that the child is to enjoy the benefit of the doubt, and thus, the authorities are to be notified even if there is only a suspicion, rather than full certainty. This notification obligation under the Child Protection Act takes precedence over other legal provisions or ethical rules regarding non-disclosure obligation on the part of the members of certain professions. Children themselves are also able to contact employees of the child protection authorities if they have experienced violence.

#### **Children in public care**

Reference is made to previous reports.

Tables 36-45 contain various statistics on children in public care:

**Table 36. Number of children with foster families in 2010-2017**

	2014	2015	2016	2017
<b>Total</b>	357	379	406	420
<i>Permanent foster care</i>	211	235	257	256
<i>Temporary foster care</i>	124	116	120	134
<i>Financially supported foster care</i>	22	28	29	30

Source: Annual report of the Child Protection Agency 2012-2013

**Table 37. Children who went into foster care according to the annual reports of child protection committees 2010–13**

<b>Permanent foster care</b>	2014	2015	2016	2017
<i>Children permanently placed with relatives</i>	6	10	6	2
<i>Children permanently placed with non-relatives</i>	4	11	15	15
<i>Temporary foster care changed to permanent foster care</i>	33	26	24	16
<b>Total</b>	<b>43</b>	<b>47</b>	<b>45</b>	<b>33</b>

<b>Temporary foster care</b>	2014	2015	2016	2017
<i>Children temporarily placed with relatives</i>	23	26	19	15
<i>Children temporarily placed with non-relatives</i>	60	50	56	68
<b>Total</b>	<b>83</b>	<b>76</b>	<b>75</b>	<b>83</b>

<b>Financially supported foster care</b>	2014	2015	2016	2017
<i>Children placed in financially supported foster care with relatives</i>	0	0	0	0
<i>Children placed in financially supported foster care with non-relatives</i>	13	19	17	11
<b>Total</b>	<b>13</b>	<b>19</b>	<b>17</b>	<b>11</b>

Source: Annual report of the Child Protection Agency 2016-2017.

**Table 38. Number of children in treatment 2014-2017**

	2014	2015	2016	2017
<i>Number of children</i>	131	125	124	134
<i>Total number (admissions during the year and individuals in treatment from previous year).</i>	155	150	159	166
<i>Multisystemic Therapy (MST)</i>	91	88	91	96
<i>Stuðlar</i>	33	33	32	35
<i>Treatment homes</i>	30	29	36	35

Source: Annual report of the Child Protection Agency 2016-2017.

**Table 39. Number of out-of-home placements 2014-2017**

<b>Municipal measures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<i>Homes and other measures pursuant to Article 84 of the Child Protection Act</i>	246	225	259	225
Homes	90	87	65	63
Group home/family home	7	8	5	1
Private homes (operated all year)	30	23	46	32
Other measures (e.g. temporary placement with relatives or others)	119	107	143	129
With the parent in whose home the child is not normally resident, but who exercises joint custody (Art. 67 b of the Child Protection Act.)	-	22	14	17
<i>Foster homes</i>	139	142	137	127
<b>Total</b>	<b>377</b>	<b>389</b>	<b>410</b>	<b>369</b>

<b>State measures</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<i>Stuðlar, closed ward (emergency placement)</i>	81	84	99	86
<i>Stuðlar, diagnostic and treatment ward</i>	26	27	27	29
<i>Treatment homes</i>	19	17	23	20
<b>Total</b>	<b>126</b>	<b>128</b>	<b>149</b>	<b>135</b>

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Number of children</b>	403	402	441	427

Source: Annual report of the Child Protection Agency 2016-2017.

### **Young offenders**

#### ***Comment by the European Committee of Social Rights***

#### ***Conclusions XX-4 2015 (Iceland), p. 10.***

*The Committee understands that when minors are placed in prisons, even if exceptionally, they may be placed with adult prisoners. The Committee asks whether this understanding is correct and if so, asks the next report to provide information about such cases, including their number and the reasons for placing minors with adults.*

Reference is made to the previous report.

A bill proposing a new comprehensive Execution of Sentences Act to replace the former act, No. 49/2005, was submitted to the Althingi in November 2015. The bill was passed as the Execution of Sentences Act, No. 15/2016, which entered into force on 31 March 2016. In it, provision was made for prisoners under the age of 18 to serve their sentences under the supervision of the child protection authorities. Article 44 of the act states:



*“Prisoners under the age of 18 shall serve their sentences under the supervision of the child protection authorities. A prisoner under the age of 18 may not be held in prison unless, in the opinion of experts, this is in his or her best interests with reference to particular circumstances applying to him or her and is in accordance with the UN Convention on the Rights of the Child.”*

In accordance with this, no children were serving sentences in prison in the period 2014-2017. On the other hand, six children were remanded in custody, five for sexual offences and one for a major drug offence.

### **Right to assistance**

*Comment by the European Committee of Social Rights*

*Conclusions XX-4 2015 (Iceland), p. 10.*

*The Committee asks what assistance is given to children in irregular situation to protect them against negligence, violence or exploitation.*

### Child protection committees

The Child Protection Act contains provisions on the functions and role of child protection committees in the local government areas (municipalities). The act states that the total number of inhabitants in each municipality operating a child welfare committee is not to be less than 1,500. Twenty-seven child protection committees are in operation in Iceland.

The role of the child protection committees is to ensure that children living in unsatisfactory conditions, or who pose a threat to their own health and development, will receive the necessary assistance.

The main responsibilities of the child protection committees are the processing of cases under the Child Protection Act, No. 80/2002, social counselling in connection with families and child protection issues, giving opinions in cases involving access and adoptions, monitoring foster-families and support families, summer placements for children and preventive work.

### Notification obligation

All persons are under an obligation to report any suspicion that a child is being neglected or subjected to violent treatment to the child protection committee in the municipality in which the child lives, or to the emergency telephone number, 112, outside office hours. Children themselves may also report neglect to the child protection committees, and should then receive support and assistance.

A notification to a child protection committee does not constitute a charge; rather, it is a request for assistance on behalf of the child or family in question, which the reporting party considers to be in need of help.

The notification obligation under the Child Protection Act is discussed above in this report; Article 16 of the Act sets out the obligation regarding the general public. This states that all persons who have reason to believe that a child is living in conditions that are unsatisfactory for its development, or is being subjected to violent treatment or other degrading treatment, or is posing a threat to its own health or development, are obliged to report this to a child welfare committee. Also, all persons are obliged to inform a child protection committee if there is reason to believe that the health or

life of an unborn child is jeopardized by an unacceptable or hazardous lifestyle on the part of a pregnant woman, e.g. through excessive consumption of alcohol or drug abuse, or if a pregnant woman is being subjected to violent treatment or if there is reason to believe that she is being subjected to violent treatment, and to report any event or circumstance which a child protection committee can be expected to be concerned about.

The general rule, under the Child Protection Act, is that the notifier will state his or her name, but if anonymity is demanded, then the child protection committee is to decide whether or not to comply with this request. The right to anonymity does not apply, however, to those who, by virtue of their position and job are involved in affairs concerning children and pregnant women, such as, e.g., teachers, nurses and social workers. The same applies to the police.

Legislation applying to the activities of preschools and other educational institutions, such as junior and senior schools, contains provisions on the notification obligation of the Child Protection Act.

Procedural rules have been issued stating the notification obligation applying to employees of preschools, junior schools and the first forms of upper secondary schools. These rules were prepared in collaboration between representatives of the Ministry of Education, Culture and Science, the Association of Local Authorities in Iceland, the Reykjavík Child Protection Committee and the Child Protection Agency. They apply in cases involving children up to the age of 18, and therefore cover all employees of preschools, junior schools and the first forms of upper secondary schools.

The introduction to these procedural rules states that the role of the child protection committees is to ensure that children living in unsatisfactory conditions, or who pose a threat to their own health and development, will receive the necessary assistance. This involves, amongst other things, an obligation to look into the circumstances of children when there is a suspicion that they are living in such conditions, to provide the children with the necessary support and to take measures to protect them when appropriate. The procedural rules allow for the staff of the preschools, junior schools and upper secondary schools to assess whether a child's condition, emotional state or the care it receives is of such a nature as to require reporting to the child protection committee in the district in which the child lives. Suspicions, and not only established facts, are to be reported. It is then up to the child protection committee and/or its employees, to assess whether the suspicion is based on sufficient grounds, and to decide on further investigation after that.

Corresponding procedural rules have been issued regarding the obligation which healthcare workers have to notify the child protection committees when they suspect that a child is living in unsatisfactory conditions, or poses a threat to his or her own life, or when the life or health of an unborn child is at risk. These procedural rules were drawn up in a collaborative effort involving staff of Landspítalinn (the National and University Hospital), the primary health clinics in the metropolitan area, the Reykjavík Child Protection Committee and the Child Protection Agency. They apply to children up to the age of 18, and to pregnant women. The rules cover all employees of the healthcare institutions.

The aforementioned legislation on preschools, junior schools and senior schools also provides for the submission of a statement from the Penal Register (i.e., a criminal-record statement) by employees when they are engaged to positions in educational institutions covered by this

legislation. It states that persons who have been sentenced for violations of the Sexual Offences section of the General Penal Code may not be engaged to work in these educational institutions.

#### Measures available to the child protection committees

When a notification concerning a child is received by a child protection committee, it must decide whether there is reason to initiate an investigation of the matter.

The child protection committee is obliged to inform the parents that it has received a notification, and of its decision regarding the notification, within a week of the taking of the decision. The announcement to the parents concerning the notification may be postponed if there are strong reasons for this in the interests of the investigation (*cf.* Article 21 of the Child Protection Act). If the child protection committee decides to initiate an investigation of the matter, work is to begin with an examination of the matter and providing assistance to the child and its family.

Section VI of the Child Protection Act covers the measures available to the child protection committee if necessary in view of the circumstances in which the child is living. Article 23 of the Act provides that if an investigation reveals that it is necessary to apply special remedies under the Child Protection Act, then the child protection committee shall, in collaboration with the parents and, as appropriate, the child if he or she has reached the age of 15, draw up a written plan of action covering further treatment of the matter. Under Article 24 of the Act, the child protection committee is to provide assistance, including giving the parents guidance on the upbringing and care of the child. In collaboration with the relevant institutions, it is to press for remedial action to be taken under other acts of law, provide the child with appropriate support or treatment, provide the child or the family with a supervisor, personal counsellor or support family and assist the parents or pregnant woman in seeking treatment for illness, alcohol or drug abuse or other personal problems.

Under Article 25 of the Child Protection Act, a child protection committee may, with the consent of the parents and the child, if he or she has reached the age of 15, also apply remedies outside the home. This may mean that the child protection committee will assume custody or supervision of the child and place him or her in a foster-home. It may also assume custody or supervision of the child, removing him or her from the home and placing him or her in an institution or seeking other solutions under Sections XII and XIV of the Act covering care, investigation, treatment or support. Such measures are normally to be temporary and are to be reviewed regularly in accordance with further provisions laid down in the agreement on fosterage or placement in an institution. In view of the child's best interests, however, fosterage or placement may last until the child reaches the age of legal competence, the child protection committee taking over custody of the child. In certain cases, the child protection committee may decide, with the child's consent, that these arrangements are to remain in force after the child reaches the age of 18 and on until it reaches the age of 20.

A child protection committee may also apply remedial measures without the consent of the parents; Articles 26 and 27 of the Act set out measures that it may apply, against the will of the parents, by means of a ruling. Under Article 26, a child protection committee may decide to place the home under supervision, give instructions regarding the provision of necessities and care of the child, including its day-care placement, school attendance, medical attention, medical examinations, treatment or training and make provision under which the parties handling the case concerning the child concerned (these are mentioned in Articles 2, 17 and 18 of the Act) are to be given information

on the child's emotional state or the handling of the case if this is considered necessary in view of the child's interests. The committee may also decide that the child is not to be taken out of Iceland.

These measures shall at all times be temporary and shall not last for longer than called for in each individual case; they are to be reviewed at intervals of not more than six months.

Article 27 states that a child protection committee may determine that a child is to stay at the place where he or she is living for up to two months. The committee may also determine that the child is to be removed from his or her home for up to two months, specifying the necessary measures such as placement in foster-care or in a home or institution, or seek other solutions under Sections XIII and XIV of the Act in order to ensure the child's safety or make it possible to carry out the appropriate examination of the child and provide him or her with the necessary treatment and care.

If a child protection committee considers it necessary that a measure provided for under Article 27 (i.e. the removal of a child from its home, placement in foster-care or in an institution) last for more than has been specified, then the committee is required to submit a demand to this effect to a district court. The court may then issue an order to this effect, and the child may be placed for up to twelve months at a time from the date on which the court order is given.

Furthermore, Article 29 provides that a child protection committee is able to demand that a court deprive a child's parent or parents of custody if the committee considers that the day-to-day care or upbringing of the child, or the way the parents communicate with the child, are seriously deficient in terms of the child's age and maturity. This may also be done if a child who is ill or disabled is not ensured proper treatment, training or education, if the child is being physically maltreated, subjected to degrading sexual treatment or made to suffer serious mental or physical interference or degradation in its home. In addition, a demand may be made for the parents to be deprived of custody of the child if it is considered evident that the child's physical or mental health or development is jeopardized because the parents are clearly incompetent to exercise custody, e.g. because of drug abuse, psychiatric disorders or mental disability, or if the parents' conduct is likely to cause the child serious injury or damage.

### The Children's House

This was opened in November 1998. It is operated by the Child Protection Agency, which administers child protection issues on behalf of the Ministry of Social Affairs (previously the Ministry of Welfare). In cases of suspected sexual harassment or abuse, children are referred to the Children's House for interviews in connection with investigations or questioning by the courts.

With a referral from a child protection committee, children and their parents can receive all the services they require at one location, free of charge. When the conclusion is that children will need treatment, this is provided by specialists employed at the Children's House. When appropriate, cases are also referred to the police for criminal investigations. Staff of the Children's House also take exploratory interviews with children when there is a suspicion that they have been exposed to other types of physical violence.

The Child Protection Agency also provides specialised psychiatric services for children up to the age of 18 who exhibit inappropriate sexual behaviour.