

## **BORGARBYGGÐ WELFARE COMMITTEE**

### **RULES ON FINANCIAL ASSISTANCE.**

**cf. Article 21 of the Act on Social Services of Municipalities no. 40/1991.**

#### **Section I General Provisions**

##### **Art. 1**

Financial assistance shall be provided in the following cases as further stipulated in these rules:

1. To individuals and families who have insufficient income to support themselves and cannot provide for themselves and their family, cf. Article 12 and Section VI of the Act on Municipal Social Services and Section III of these rules.
2. Financial assistance must be provided in a natural connection with other social services resources, such as counseling and guidance, in accordance with Section V of the Act on the Social Services of Municipalities.

The applicant's right to other payments, such as from social insurance, unemployment insurance, pension funds and union health funds, must be thoroughly investigated. The possibility of assistance other than financial assistance, such as counseling and guidance, should always be explored.

##### **Art. 2**

Every person is obliged to support themselves, their spouse and children under 18 years of age.

People who are in a registered cohabitation with Registers Iceland have the same right to financial assistance as married couples.

The cohabitation must have been registered with Registers Iceland for one year before the application is submitted, cf. Article 19 of the Act on Social Services of Municipalities.

##### **Art. 3**

Financial assistance shall normally be granted in the form of a grant. Financial assistance shall be granted as a loan if the applicant so requests and/or a survey of their circumstances reveals that it is considered reasonable to make demands for repayment with regard to assets or future income. Financial assistance based on false or misleading information is always reclaimable.

#### **Section II. Applications for Financial Assistance**

##### **Art. 4**

The application must be submitted on the appropriate form, signed by the applicant. It must contain information about, among other things, personal circumstances, the number of children domiciled with the applicant, income and assets. As a general rule, married couples / cohabitants must both sign the application.

When evaluating requests for financial assistance, the following data must be available:

- Income statement showing the applicant's monthly income. When preparing it, there must be confirmations of income for the last two months, such as copies of payslips, payment slips from the Social Insurance Administration (TM) and for child benefits.
- The applicant must submit a certified copy of the last tax return upon request.
- If the applicant is unemployed, they must present a confirmation from the Directorate of Labour that they are actively looking for a job.
- If the applicant is self-employed, there must be, in addition to the applicant's tax return, an operating and balance sheet updated to the end of the next month before the application date.

#### **Art. 5**

The gathering of data and information must be done in cooperation with the applicant. When processing applications and making decisions, efforts should be made to cooperate and consult with the applicant as much as possible, or alternatively, their representative if appropriate. The representative must present a written power of attorney.

If the requested data/information is not submitted within 14 working days from when social services requests it, the processing of the application will be canceled unless there is a valid reason.

If the applicant refuses to submit the requested data/information about themselves or their spouse, the processing of his application will stop.

#### **Art. 6**

Financial assistance provided on the basis of false or misleading information from the person who receives the assistance is refundable and social services can reclaim the amount from the person according to the general rules of claims law. If it is verified during the processing of the case that the information provided by the applicant is false or misleading, processing of the application will stop.

Í In serious cases, the case must be reported to the police.

### **Section III Financial Assistance for Maintenance**

#### **Art. 7**

An individual's financial need: the basic amount is ISK 216,079 (2022) per month and is reviewed in January of each year based on the salary index of last November.

That amount increases based on family size as follows: a family of 2 = 1.6 of basic amount and after that 0.2 of basic amount is added for each person.

The basic maintenance for persons aged 18 and over who can be proven to run their own household is 1.0, now ISK 216,079. Running one's own households refers to situations when the person lives in their own housing or rented housing and submits a notarized rental

agreement for confirmation or confirmation of regular rent payments for at least last 3 months.

The financial need of an individual who maintains a household with another person shall be calculated as 0.8 of the basic amount if they verifiably bear the cost of their own housing or rented housing.

Basic maintenance for persons aged 18 and over who do not bear the cost of their own housing or submit a notarized lease agreement or other confirmation of rent payments for the last 3 months is 0.6 of basic maintenance.

The basic maintenance for persons aged 18-25 who live with others, whether it is with parents, relatives or others who intend to directly or indirectly participate in the maintenance of the person, is 1/3 of the basic amount. Persons over 25 are entitled to 0.6 of the basic amount. If an individual, who falls under the above, has custody of a child, the person in question shall be calculated financial assistance for maintenance as if the person maintains a home with another person or 0.8.

- If an applicant, who is assessed as capable of work, has not been active in their job search, i.e. by registering with the Directorate of Labour, has rejected a job offer, resigned from their job without adequate explanation or rejected a job search plan, they shall be paid half of the basic amount for maintenance that month and the following month. In the same way, the right of an applicant who has stopped participating in an initiative or in a course run by the Directorate of Labour is also reduced, unless there are compelling reasons against it.
- While an individual's application is being processed by the Directorate of Labour for unemployment benefits or the Social Insurance Administration (TM) for a rehabilitation or disability pension, the person is not entitled to financial assistance. The person concerned can apply for financial assistance in the form of a loan that will be repaid in full immediately after receiving payment from the Directorate of Labour or the Social Insurance Administration (TM). However, the assistance must never be repaid further back in time than the date on which benefits are paid.
- Allowance for those staying in treatment facilities shall be 1/3 of the calculated financial need.
- Students are generally not entitled to financial assistance.
- If the applicant is liable for child support and has been in arrears with payments, accrual child support payments must be taken into account for increase of maintenance, but child support must be paid directly to the Child Support Collection Centre.

#### **Art. 8**

All income of the applicant and their spouse/cohabitant in the month of application and the two previous months is included in the assessment of financial need. Income here refers to all income and payments to applicants and spouses, i.e. employment income, all payments from the Social Insurance Administration (except childcare payments), payments from pension

funds and union health funds, unemployment benefits, maternity leave payments, child support, child benefits, maternity and paternity pay, rental income, etc. are to be deducted. Total income before income tax has been deducted.

Housing benefits, interest allowances and child care payments are not considered income.

Total income before taxes are deducted should be considered.

Refunds of overpaid taxes are not considered income, since tax debts or other debts of individuals are not taken into account when calculating financial assistance.

#### **Art. 9**

When calculating financial assistance, property other than residential property for own use/land on which one lives must be taken into account.

In the case of other assets; real estate or liquid assets, the Welfare Committee shall discuss the case separately and the applicant shall normally be referred to a general credit facility, even if their income is below the threshold.

#### **Art. 10**

Financial assistance is generally not paid retroactively. If the right to financial assistance was unquestionable the month before applying, it is permitted to pay financial aid 1 month retroactively.

### **Section IV Authorizations for Cost Participation or Financial Assistance Due to Special Circumstances**

#### **Art. 11**

It is permitted to:

- Pay expenses that arise as a result of treatment issues and are necessary to ensure the safety or well-being of children, such as personal counselor, placement, support family stay, summer stay, etc.
- Pay legal fees or expenses for an advocate when cases are handled according to Article 46 and 47 of Act 80/2002 with subsequent amendments on the protection of children and young people.
- Participate in the costs of treatment interviews with authorized therapists when the applicant's income is below 1.75 of the calculated financial need. Based on up to ISK. 8,500.- per interview up to 10 times. The amount is reviewed in January each year.
- Provide financial assistance to contribute to the costs of necessary purchases of glasses and dental treatment for individuals when the applicant's income is at 1.75% of the calculated financial need in the past 12 months. The authorization also extends to the applicant's children. The benchmark for assistance is one third of the basic monthly amount. The dentist's cost estimate must be included with the application.
- Provide financial assistance for studies, in the form of maintenance according to these rules, to persons who have had social difficulties and have not completed primary or secondary school. Those concerned must normally be under 25 years of age and have

had an income below or equal to the calculated financial need of the previous twelve months. The application must be submitted two months before the start of the studies. The employee and the student must make an agreement on how to monitor school attendance and academic progress.

Decisions on assistance must be made for each semester.

- Provide financial assistance for funeral expenses when there are no assets in the deceased's estate to cover funeral expenses. The applicant must submit a confirmation from the District Commissioner's Office of the estate's financial status, stating how much is available in the estate to cover funeral expenses, or authorize that information to be obtained from the District Commissioner.
- Other such cases that in the opinion of the Welfare Committee can be accommodated within the provisions of Article 1.

#### **Art. 12**

A subsidy for the purchase of furniture may be given to those who have no assets and have had an income in the past three months that is at or below the basic amount of financial assistance, or an income in the past six months lower than the minimum unemployment benefit (100%).

- A. A person or family who has had a lot of social difficulties.
- B. Young parents who are having their first child and have had to deal with a lot of social difficulties, in order to buy equipment for the child, such as a pram, bed or similar equipment.
- C. Who are starting a home after at least two years in an institution. The aid threshold is limited to one basic amount of financial assistance (for one month).

### **Section V. Authorization to Make Decisions, Payment of Financial Assistance.**

#### **Art. 13**

If the applicant is entitled to assistance cf. Section III or paragraph 1, 2, 3 or 4 of Article 11 and 12, social service workers must process the case, record it and then present it to the Welfare Committee. Agreements shall not be made for a period longer than 3 months at a time.

Other applications for financial assistance must be processed by the Welfare Committee.

#### **Art. 14**

The employee passes the payment authorization to the cashier.

#### **Art. 15**

A loan will only be disbursed if collateral has been completed in accordance with the agreement with a bond or other secure means.

## **Section VI. Appeals**

### **Art. 16**

If an application is rejected, the applicant must be notified in writing as soon as possible and the reasons for the rejection must be stated. The applicant must always be informed of the right to appeal to the Welfare Committee and/or to the Welfare Adjudication Committee.

### **Art. 17**

Employees' decisions can be appealed to the Welfare Committee within 4 weeks. Decisions of the Welfare Committee can be submitted to the Welfare Adjudication Committee pursuant to the Welfare Act no. 40/1991.

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