

COUNTRY NOTE

Database on Social Expenditure ([Social Expenditure Database \(SOCX\) | OECD](#))
OECD - Social Policy Division - Directorate of Employment, Labour and Social Affairs

ICELAND

Monetary unit

Social spending is expressed as millions of Icelandic kronas (ISK).

General notes

The individual country notes of the OECD tax-benefit model([How do countries calculate tax liabilities and social benefit entitlements? | OECD](#)) provide a comprehensive description of characteristics of social programmes (e.g. conditions for receipt, calculation of payment rates, tax treatment of social support, benefit duration, etc.) for the working-age population, including: unemployment insurance and assistance, social assistance, employment-conditional benefits, housing benefits, family benefits, childcare support, and support for sole parent households.

Break in series:

Sources

1990 onwards

Data provided by EUROSTAT (ESSPROS database), except for:

- | | |
|---------------------|---|
| 1990 onwards | 4. Health: OECD Statistics (OECD Health Statistics OECD) |
| 2007 onwards | 5.2.1.2 Childcare (pre-primary education): OECD Education database (OECD Data Explorer • Full dataset - Indicators, source, destination and nature of expenditure on education) |
| 1990 onwards | 6. ALMP: OECD Labour Market Policy database. |

(See Table “Passage from ESSPROS to SOCX” next page).

Background information


European Social Statistics, Social Protection, ESSPROS qualitative information
[Qualitative information - Eurostat](#)

MISSOC, Mutual information system on social protection in the Member states of the European Union and of the European Economic Area
(<http://ec.europa.eu/social/main.jsp?catId=815&langId=en>)

NOSOSCO, *Social Protection in the Nordic Countries* <http://nowbase.org/>

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 Passage from Esspros to SOCX (public / mandatory-voluntary private)
 Iceland, in millions ISK

		ESSPROS/SOCX	Code	1990	2000	2010	2015	2016	2017	2018	2019	2020	2021
(1)		ESSPROS Social protection benefits	1100000	61,198	129,227	373,135	506,059	552,379	613,459	676,165	752,999	887,394	951,627
-	(2)	- ESSPROS Disability	Economic integration of the handicapped	1121114	0	0	0	0	0	0	0	0	0
				1121122	0	0	0	0	0	0	0	0	0
				1122114	0	0	0	0	0	0	0	0	0
				1122122	0	0	0	0	0	0	0	0	0
-	(3)	- ESSPROS Sickness	Benefits in kind	1111200	20,636	40,705	109,950	150,356	166,984	178,468	199,333	216,917	233,498
				1112200	0	0	0	0	0	0	0	0	0
-	(4)	- ESSPROS Unemployment	Cash - Vocational training allowance	1161114	8	40	0	0	0	0	5	6	5
				1161121	0	0	0	0	0	0	0	0	0
				1162114	0	0	0	0	0	0	0	0	0
				1162121	0	0	0	0	0	0	0	0	0
			Benefits in kind	1161200	92	383	1,027	1,066	802	1,870	1,888	1,838	2,418
				1162200	0	0	0	0	0	0	0	0	0
+	(5)	SOCX HEALTH benefits in kind		352.10.4.0.0.0	20,735	42,769	112,250	152,114	167,263	180,338	198,003	216,822	235,842
+	(6)	SOCX / EDU-EAG FAMILY Services	Child care (pre-primary education)	352.10.5.2.1.3	x	x	11,157	19,885	21,176	23,628	26,146	27,425	30,123
+	(7)	SOCX / ALMP ACTIVE LABOUR MARKET PROGRAMMES		352.10.6.0.0.0	92	423	1,027	1,066	802	1,870	1,278	1,429	1,761
-	(8)	= SOCX MANDATORY PRIVATE SOCIAL EXPENDITURE		352.20.90.0.0.0	11,186	28,675	88,521	141,564	158,096	175,055	193,578	209,375	243,421
		ESSPROS Scheme 17	Occupational compulsory pension funds (old age, disability and survivors)		5,965	19,091	67,498	109,990	122,898	136,265	150,926	164,785	199,871
		ESSPROS Scheme 18	Sickness benefits, priv.employees collective shemes (all priv.empl.)		200	484	1,049	2,139	2,260	2,812	3,846	4,085	3,608
		ESSPROS Scheme 19	Salary during sick-leave (sick-pay)		5,021	9,100	19,974	29,435	32,938	35,977	38,806	40,505	39,942
-	(9)	= SOCX VOLUNTARY PRIVATE SOCIAL EXPENDITURE		352.30.90.0.0.0	a	762	2,078	2,889	3,302	3,684	4,007	4,301	4,766
(10)		SOCX / Health HEALTH Voluntary private insurance, benefits in kind		352.30.4.2.0.0	a	762	2,078	2,889	3,302	3,684	4,007	4,301	4,766
=	(11)	SOCX PUBLIC SOCIAL EXPENDITURE		352.10.90.0.0.0	50,104	102,616	298,073	386,137	415,737	463,902	506,793	570,541	675,777

Notes:

- (1) "ESSPROS / Social protection benefits" are Total ESSPROS expenditures (1000000) less Administration costs (1200000) and other expenditure (1400000, property income and other).
- (2) The ESSPROS data within "Disability / Economic integration of the handicapped" are not included in SOCX database to avoid any double counting with SOCX "Active Labour Market Programmes / Measures for the disabled".
- (3) The ESSPROS data within "Sickness / Benefits in kind" are not included in SOCX database to avoid double counting with SOCX "Health / Benefits in kind".
- (5) SOCX Health benefits in kind are from "OECD Health Data (www.oecd.org/health/healthdata)".
- (6) For some countries, SOCX includes public spending on pre-primary education from OECD education database, to get a full picture of spending for childcare.
- (8) Some programmes from above regimes are classified in SOCX as Mandatory private
- (9) Some programmes from above regimes are classified in SOCX as Voluntary private. (9) Includes (10)
- (10) SOCX Private insurance Health benefits in kind are from "OECD Health Data (www.oecd.org/health/healthdata)".
- (11) = (1) - (2) - (3) - (4) + (5) + (6) + (7) - (8) - (9) + (10)

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Code	Title of the programme	Description of the programme and attached notes
1. OLD AGE		
352.10.1.1.1.1	National basic pension	The taxable statutory basic pension is payable to everyone who has been resident in the country for at least three years, irrespective of previous income. It may be discontinued if the recipient in question has any other income above a certain level. The qualifying age for the basic pension and the guaranteed minimum pension is 67 years while the qualifying age for employment pension is 65 to 70. Old-age pension expenditure are all reported under item 352.10.1.1.1.2 since 2010.
352.10.1.2.1.1	Accommodation	Accommodation for the elderly can be provided in institutions (nursing homes, homes for the long-term ill, old people's homes) or in service housing (sheltered homes, service flats, collective housing, housing where special care is provided). The elderly may also be offered long-term medical treatment in geriatric wards in hospitals.
352.10.1.2.1.2	Assistance for the elderly in carrying out daily tasks	Home help is provided to the elderly. The extent of the assistance is determined on the basis of individual needs and may vary from a few hours per month to several hours per day. Benefits are not liable to taxation.
352.30.1.1.1.1	Pension funds (specific labour unions/occupations)	These pensions have been established by law.
2. SURVIVORS		
352.10.2.1.1.1	National basic pension	The basic pension/guaranteed minimum pension for survivors will be revoked when a survivor becomes entitled to the basic pension/guaranteed minimum from the retirement pension scheme. The basic pension/guaranteed minimum pension will be also revoked in the event that a survivor is awarded an advanced pension (what is that, if you don't know then drop the line).
3. INCAPACITY-RELATED BENEFITS (Disability, Occupational injury and disease, Sickness)		
352.10.3.1.1.1	National basic pension	Granted in the shape of a basic pension/guaranteed minimum pension and an employment pension according to the same rules as apply to old age pension. Pensions are granted to persons between 16 and 67 years of age whose permanent disability is assessed at a minimum of 75% as a result of a medically recognized disease or invalidity. Payments are related to level of incapacity, residence period in Iceland and income. Disability pension expenditure are all reported under item 352.10.3.1.1.2 since 2010.
352.10.3.1.4.0	Daily allowances (paid sick leave)	Wages payable during illness, together with supplementary daily cash benefit schemes run by the unions, are the key parts of sick leave payments. After one year of employment with an employer, an employee is entitled to one month's pay in the event of illness. The majority of employees have a statutory right, or a right deriving from collective agreements, to receive wages for a fairly long period of time. When entitlement to pay during illness ceases, supplementary daily cash benefits may be payable in addition to the public sickness benefit scheme.
352.10.3.2.1.1	Accommodation	Accommodation for the disabled can be provided in institutions (nursing homes, homes for the long-term ill) or in service housing (sheltered housing, service flats, collective housing). Disabled people may also be offered long-term medical treatment in hospital wards.

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352.10.3.2.2.1	Assistance for disabled in carrying out daily tasks	Includes delivery of meals, telephone links, home-visiting schemes, physiotherapy and occupational therapy, hairdressing, pedicure, gardening and snow clearing, washing and mending clothes, and transport services.
352.10.3.2.3.1	Rehabilitation services	A rehabilitation allowance is payable when an injured person is no longer entitled to sickness or accident benefits. As a rule the allowance is payable for a maximum of 12 months, but 18 months at maximum (it can be renewed). Payment rates equal the basic amount of the disability pension. Those who receive a rehabilitation allowance must undergo examinations and treatment during the period for which the allowance is received.
352.10.3.2.3.2	National basic pension	Pensioners are offered various kinds of support services and activating measures either on a municipal or on a private basis.
4. HEALTH		
352.110.4.2.0	Public expenditure on health	Public expenditure on health care: health expenditure incurred by public funds. Public funds are state, regional and local Government bodies and social security schemes. Public capital formation on health includes publicly financed investment in health facilities plus capital transfers to the private sector for hospital construction and equipment. See <i>OECD Health Statistics</i> .
5. FAMILY		
352.10.5.1.1.1	Child allowances	Child allowances are means-tested, and payable until a child reaches the age of 16 or up to 20 if he/she is receiving education. The child must be resident in Iceland.
352.10.5.1.2.4	Maternity/Paternity Leave Fund	Mothers have individual right to maternity leave up to 3 months (13 weeks). It is possible for them to begin maternity leave up to 1 month prior to expected confinement. Fathers have individual right to paternity leave up to 3 months (13 weeks) following birth. Both parents have joint right to 3 months (13 weeks) leave which may be taken entirely by one of the parents or divided between them. The right to parental leave lapses when the child reaches the age of 18 months. Parental leave benefits to employees/self-employed are 80% of average wages earned or calculated remuneration during the last 2 whole income years before the year of birth.
352.10.5.2.1.1	Child day care: municipal services	These schemes mainly cover pre-school education and care services. Municipal child-minders are employed and paid by the local authorities and receive children in their own homes.
352.10.5.2.1.2	Municipal home-help services	People with severe disabilities may be granted financial support towards personal assistance and help in managing daily tasks. The assistance is a municipal matter and is provided by municipal staff.
352.10.5.2.3.1	Social assistance, children welfare, institutions for addicts: accommodation	This item covers the accommodation services for children whose well-being is threatened. The reason may be that parents need help to bring up the child, or that the child's health or development is threatened due to neglect. Measures may also be taken if young people themselves expose their health or development to grave danger, e.g. through alcohol and/or drug abuse or crime. Most placements of children away from their homes take place with the consent of the children's parents.
352.10.5.2.3.2	Municipal youth services: other benefits in kind	Miscellaneous preventive work provided to young people or children during their spare time. Benefits in kind are not liable to taxation.
6. ACTIVE LABOUR MARKET PROGRAMMES		
See OECD Labour Market Policy database.		
7. UNEMPLOYMENT		

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352.10.7.1.1.1	Unemployment Insurance Funds: full unemployment benefit	Persons must have worked for at least 425 day-time hours during the past 12 months in order to be entitled to benefit for 12 months. Unemployment benefit is payable for 260 working days, upon which payment will be discontinued for 16 weeks. After the 16 weeks, entitlement to benefit resumes for 12 months. Recipients may avoid such discontinuation if they have accepted job training or special employment offers for duration of at least eight weeks during the preceding unemployment benefit period. Payment of unemployment benefit cannot exceed five years.
8. HOUSING		
352.10.8.2.1.1	Social housing	Housing benefit is only payable to families living in rented accommodation. Payment rates depend on family size, family income and the amount of rent.
352.10.8.2.1.3	Benefit to owner-occupiers	Interest rebates are granted by the central government for interest expenses incurred from home purchase loans. Such rebates are subject to debt, income and net wealth ceilings.
9. OTHER SOCIAL POLICY AREAS		
352.10.9.1.1.1	Income support : Social assistance, children welfare, institutions for addicts	"Social assistance" are payable to families and children. Temporary assistance may also be granted to people in extraordinary circumstances. Social assistance is taxable and is granted to only people resident in Iceland.
352.10.9.1.2.1	Rehabilitation of alcohol and drugs abusers	Out-patient treatment of substance abusers.
352.10.9.1.2.2	Other benefits in kind : Social assistance, children welfare, institutions for addicts	Expenditures on a variety of social services including help in case of crises, family counseling, centers for abused women, hospices, hostels for the homeless and others in need of temporary accommodation.