1985 No. 1202

SOCIAL SECURITY

The Social Security (Iceland) Order 1985

Made - - - -	*31st July 1985*
Coming into Operation	*1st August 1985*

[Under S.I. 1988/591, any provision in the following Order relating to the calculation of widow's allowance under U.K. legislation includes a reference to a widow's payment under U.K. legislation.]

[Under art. 2 of S.I. 1995/767 the SS C&B Act 1996 (c. 4), the SSA Act 1992 (c. 5) and the Jobseekers Act 1995 (c. 18) are modified so that the effect can be given to the proposal that any references in the Agreement set out in the Schedule to this Order, to sickness benefit, invalidity benefit or invalidity pension under UK legislation shall include short-term incapacity benefit or long-term incapacity benefit.]

[Under art. 2 of S.I. 1996/1928, the SS C&B Act 1996 (c. 4), the SSA Act 1992 (c. 5) and the Jobseekers Act 1995 (c. 18) are modified. The effect will be that any reference, in the Agreement set out in the Schedule to this Order, to unemployment benefit shall include a reference to contribution-based jobseeker's allowance. Also any definition, in that Agreement, of legislation to which the Agreement applies shall be read as including a reference to the Jobseekers Act 1995.]

At the Court at Buckingham Palace, the 31st day of July 1985

Present,

The Queen's Most Excellent Majesty in Council

Whereas at Reykjavik on 25th August 1983 a Convention, on social security between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Iceland (which Convention is set out in the Schedule to this Order and is hereinafter referred to as "the Convention") was signed on behalf of those Governments:

And Whereas by Article 32 of the Convention it is provided that the Convention shall enter into force on the first day of the second month following the month in which the instruments of ratification are exchanged:

And Whereas the Convention has been ratified by the said Governments and the instruments of ratification were exchanged on 28th June 1985 and accordingly the Convention enters into force on 1st August 1985:

And Whereas by section 143 of the Social Security Act 1975**(a)** it is provided that Her Majesty may by Order in Council make provision for modifying or adapting the said Social Security Act in its application to cases affected by agreements with other governments providing for reciprocity in matters specified in that section:

(a) 1975 c. 14; subsection (1A) of section 143 was inserted by section 6(1) of the Social Security Act 1981 (c. 33).

Now, therefore, Her Majesty, in pursuance of the said section 143 and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:

Citation and commencement

1. This Order may be cited as the Social Security (Iceland) Order 1985 and shall come into operation on 1st August 1985.

Modification of the Social Security Act 1975

2. The Social Security Act 1975 shall be modified to such extent as may be required to give effect to the provisions contained in the Convention so far as the same relate to England, Wales and Scotland.

G. I. de Deney,
Clerk of the Privy Council.

SCHEDULE

CONVENTION ON SOCIAL SECURITY BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF ICELAND

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Iceland.

Being resolved to co-operate in the field of social affairs and, in particular, in the matter of social security;

Desirous of promoting the welfare of persons moving between or working in their respective territories;

Desirous of making arrangements for insurance periods completed under the legislation of the Parties to be added together for the purposes of determining the right to receive benefit;

Desirous further of making arrangements enabling persons moving between their respective territories to keep the rights which they have acquired under the legislation of the one Party or to enjoy corresponding rights under the legislation of the other;

Have agreed as follows:–

PART I

GENERAL PROVISIONS

Article 1

(1) For the purpose of this Convention:

(a) "legislation" means in relation to a Party such of the legislation specified in Article 2 of this Convention as applies in the territory of that Party or in any part thereof;

(b) "competent authority" means the authority responsible for the social security schemes in all or part of the territory of each Party; in relation to the United Kingdom, the Secretary of State for Social Services, the Department of Health and Social Services for Northern Ireland, the Isle of Man Board of Social Security and the Social Security Committee of the States of Jersey as the case may require, and, in relation to Iceland, the Ministry for Health and Social Security;

(c) "insurance authority" means the authority competent to decide entitlement to the benefit in question;

(d) "competent institution" means the authority from which the person concerned is entitled to receive benefit or would be entitled to receive benefit if he were resident in the territory of the Party where that authority is situated;

(e) "insured" means, in relation to the United Kingdom, that contributions have been paid by or are payable by, or in respect of, or have been credited in respect of, the person concerned, or for the purposes of Articles 12 to 14 of this Convention, that the person is, or is treated as being, an employed person;

(f) "insurance period" means, in relation to the United Kingdom, a contribution period or an equivalent period and, in relation to Iceland,

a period during which a person has been insured in respect of the contingency for which benefit is being claimed;

(g) "contribution period" means a period in respect of which contributions appropriate to the benefit in question are payable, have been paid or have been treated as paid under the legislation in question;

(h) "equivalent period" means, in relation to the United Kingdom, a period for which contributions appropriate to the benefit in question have been credited;

(i) "dependant" means a person who would be treated as such for the purpose of any claim for an increase of benefit in respect of a dependant under the legislation of the United Kingdom or Iceland;

(j) "pension", "allowance" or "benefit" includes any increase of, or any additional amount payable with, a pension, allowance or benefit respectively;

(k) "sickness benefit" means, in relation to Iceland, *per diem* sickness benefit;

(l) "invalidity pension" means, in relation to the United Kingdom, invalidity benefit, other than non-contributory invalidity pension, and, in relation to Iceland, invalidity pension and invalidity grant;

(m) "old age pension", in relation to the United Kingdom, includes a retirement pension and, in relation to Iceland, means a basic old age pension;

(n) "widow's benefit" means, in relation to the United Kingdom, widow's allowance, widowed mother's allowance and widow's pension and, in relation to Iceland, widow's or widower's benefit and widow's pension;

(o) "orphan's benefit" means in relation to the United Kingdom, guardian's allowance and child's special allowance;

(p) "gainfully occupied" means being an employed or self-employed person;

(q) "employed person" means a person who comes within the definition of an employed person or a person who is treated as such in the applicable legislation and the words "person is employed" shall be construed accordingly;

(r) "employment" means employment as an employed person and the words "employ", "employed" or "employer" shall be construed accordingly;

(s) "self-employed person" means a person who comes within the definition of a self-employed person or a person who is treated as such in the applicable legislation and the words "person is self-employed" shall be construed accordingly.

Sub-paras. (t), (u) and (v) inseted into Art. 1(1) by the Sch. to S.I. 1992/3211 as from 31.12.92.

►(t) "Agreement" means the agreement dated 2 May 1992 and made between the European Community, its member States and the European Free Trade Association States establishing the European Economic Area;

(u) "Regulation EEC 1408/71" means the Regulation (EEC) No. 1408/71 of the Council on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community and includes amendments and adaptations from time to time applicable thereto;

(v) "Implementing Regulations" means the Regulation (EEC) No. 574/72 of the Council laying down the procedure for implementing Regulation (EEC) No. 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to their families moving within the Community and includes amendments and adaptations from time to time applicable thereto◄.

(2) Other words and expressions which are used in this Convention have the meanings respectively assigned o them in the legislation concerned.

(3) The present Convention applies also to the Isle of Man and Jersey, and references to "the United Kingdom" or to "territory" in relation to the United Kingdom shall be construed accordingly, where appropriate.

Article 2

(1) The provisions of this Convention shall apply,
- (a) in relation to the United Kingdom, to:
  - (i) the Social Security Acts 1975 to 1982 and the Social Security (Northern Ireland) Acts 1975 to 1982;
  - (ii) the Social Security Acts 1975 to 1982 (Acts of Parliament) as applied to the Isle of Man by Orders made under the provisions of the Social Security Legislation (Application) Act 1974 (an Act of Tynwald);
  - (iii) the Social Security (Jersey) Law 1974;

  and the legislation which was consolidated by those Acts, Laws or Orders or replaced by legislation consolidated by them;
- (b) in relation to Iceland, to:
  - (i) the National Insurance Act No. 67/1971, as amended;
  - (ii) the Unemployment Insurance Act No. 64/1981.

(2) Subject to the provisions of paragraph (3), (4) and (5) of this Article, this Convention shall apply also to any legislation which supersedes, replaces, amends, supplements or consolidates the legislation specified in paragraph (1) of this Article.

(3) This Convention shall apply, unless the Parties agree otherwise, only to benefits described in the legislation specified in paragraph (1) of this Article at the date of coming into force of this Convention and for which specific provision is made in this Convention.

(4) This Convention shall apply to any legislation which relates to a branch of social security not covered by the legislation specified in paragraph (1) of this Article only if the two Parties make an agreement to that effect.

(5) This Convention shall not apply to Regulations on social security of the Council of the European Communities or to any convention on social security which either Party has concluded with a third party or to any laws or regulations which amend the legislation specified in paragraph (1) of this Article for the purpose of giving effect to such a convention but shall not prevent either Party from taking into account under its legislation the provisions of any other convention which that Party has concluded with a third party.

▶Article 2A

Art. 2A inserted by the Sch. to S.I. 1992/3211 as from 31.12.92.

(1) Subject to paragraph (2), this Convention shall as from the date of entry into force of the Agreement and as regards relations between England, Scotland, Wales, Northern Ireland and Iceland cease to apply to all persons to whom the provisions of Regulation EEC 1408/71 and the Implementing Regulation are at that date or subsequently become applicable. Any rights in course of acquisition under this Convention immediately before the date of entry into force of the Agreement shall as regards persons with respect to whom the Convention ceases to apply by the provisions of this paragraph be determined in accordance with the provisions of those Regulations.

(2) The provisions of this Convention shall continue to apply to:
- (a) any award of a benefit, pension or allowance made prior to the date upon which the Agreement comes into force;

(b) any claim to a benefit, pension or allowance made but not determined at the date upon which the Agreement comes into force;

(c) any claim to a benefit, pension or allowance made after the date the Agreement comes into force but only where that claim relates to entitlement to such benefit, pension or allowance for a period prior to the date upon which the Agreement comes into force.◄

Article 3

(1) Subject to the provisions of Articles 13, 14 and 29 of this Convention, a person who would be entitled to receive an old age pension, widow's benefit, invalidity pension, or any pension, benefit, allowance or gratuity payable in respect of an industrial injury, industrial disease or industrial death under the legislation of one Party if he were in the territory of that Party shall be entitled to receive that pension, benefit, allowance or gratuity while he is in the territory of the other Party, as if he were in the territory of the former Party. For the purposes of this Article only, the term "old age pension" in relation to Iceland means basic old age pension and benefits payable from Iceland's contributory old age pension funds, and "allowance payable in respect of an industrial injury or industrial disease" payable under the legislation of the United Kingdom shall include all such allowances and additions other than special hardship allowance payable under the legislation of that Party.

(2) Where under the legislation of one Party an increase of any of the benefits for which specific provision is made in this Convention would be payable for a dependant if he were in the territory of that Party, it shall be payable while he is in the territory of the other Party.

(3) For the purposes of this Article, "old age pension" and "invalidity pension" payable under the legislation of Iceland shall not include guaranteed income or household supplement payable under the legislation of Iceland.

PART II

PROVISIONS WHICH DETERMINE THE LEGISLATION APPLICABLE

Article 4

(1) Subject to the following provisions of this Article and the provisions of Articles 5 to 7 of this Convention, where a person is gainfully occupied, his liability to be insured shall be determined under the legislation of the Party in whose territory he is so occupied.

(2) Where a person is employed in the territory of both Parties for the same period, his liability to be insured shall be determined only under the legislation of the Party in whose territory he is ordinarily resident.

(3) Where a person is self-employed in the territory of both Parties for the same period, his liability to be insured shall be determined under the legislation of the Party in whose territory he is ordinarily resident.

(4) Where a person is employed in the territory of one Party and self-employed in the territory of the other Party for the same period, his liability to be insured shall be determined only under the legislation of the former Party.

(5) For the purposes of the provisions of paragraphs (3) and (4) of this Article, "liability to be insured" shall not include liability to pay a Class 4 contribution under the legislation of the United Kingdom.

Article 5

(1) Where a person who is insured under the legislation of one Party and is employed by an employer in the territory of that Party is sent by that employer to work in the territory of the other Party, the legislation of the former Party concerning liability for contributions shall continue to apply to him for the first fifty-two weeks of his employment in the territory of the latter Party as if he wee employed in the territory of the former Party. Where his employment in the territory of the latter Party continues after such period of fifty-two weeks, the legislation of the former Party shall continue to apply to him for any further period of not more than fifty-two weeks, provided that the competent authority of the latter Party agrees thereto before the end of the first period of fifty-two weeks.

(2) Where a person having come from Iceland is gainfully occupied in the United Kingdom and the legislation of Iceland does not apply to him in accordance with paragraph (1) of this Article or Article 4 of this Convention, the legislation of the United Kingdom shall apply to him as if he were ordinarily resident in the United Kingdom.

Article 6

(1) This Convention shall not apply to persons who are exempted from the social security law of the country in which they are present or resident by virtue of the Vienna Conventions on Diplomatic or Consular Regulations.

(2) Subject to the provisions of paragraph (1) of this Article, where any person, who is in the Government Service of one Party or in the service of any public corporation of that Party, is employed in the territory of the other Party, the legislation of the former Party concerning liability for contributions shall apply to him as if he were employed in its territory.

(3) Subject to the provisions of paragraphs (1) and (2) of this Article, where a person is employed in a diplomatic mission or consular post of one Party in the territory of the other Party, or in the private service of an official of such a mission or post, the legislation of the latter Party concerning liability for contributions shall apply to him as if he were employed in its territory unless within three months of the entry into force of this Convention, or within three

months of the beginning of the employment in the territory of the latter Party, whichever is later, he chooses to be insured under the legislation of the former Party, provided that he was so insured immediately before the commencement of the employment at that mission or post.

Article 7

The competent authorities of the Parties may agree to modify the application of the provisions of Articles 4 to 6 of this Convention in respect of particular persons or categories of persons.

PART III

SPECIAL PROVISIONS

Section 1

Special Provisions Relating to the Application of the Legislation of the United Kingdom and Iceland

Article 8

(1) Subject to paragraph (5) of this Article, for the purpose of calculating entitlement under the legislation of the United Kingdom, to an old age pension in accordance with Article 16 of this Convention or to a widow's benefit in accordance with Article 18, each week during which a person was domiciled in Iceland shall be treated as if it were a week for which that person had paid a voluntary Class 3 contribution under the legislation of the United Kingdom.

(2) Subject to the provisions of paragraph (3) of this Article, for the purpose of calculating an earnings factor for the purpose of calculating entitlement, under the legislation specified in Article 2(1)(a)(i) and (ii) of this Convention, to sickness benefit in accordance with Article 9 of this Convention or to unemployment benefit in accordance with Article 11, a person shall be treated for each week beginning in a relevant tax year, the whole of which week was a week of employment completed in employment in Iceland, as having paid a Class 1 contribution as an employed person under the legislation of the united Kingdom on earnings equivalent to two-thirds of that year's upper earnings limit.

(3) Any additional component payable with invalidity benefit under the legislation of the United Kingdom shall be based solely on insurance periods completed under United Kingdom legislation, and contributions treated as paid by virtue of paragraph (2) of this Article shall not be taken into account in assessing the amount of additional component.

{Art. 8(3) of the English text of the Convention is reproduced above unamended. Under s.18(1) of the Social Security Act 1986 (c.50), however, references to "additional component" of a long-term benefit are to be read instead as "additional pension".]

(4) For the purpose of calculating an earnings factor for the purpose of calculating entitlement to sickness benefit in accordance with Article 9 under the legislation specified in Article 2(1)(a)(i) and (ii) of this Convention, each week for which a person has been insured as a self-employed person under the legislation of Iceland shall be treated as if it were a week for which that person had paid a Class 2 contribution as a self-employed person under the legislation of the United Kingdom.

(5) For the purpose of calculating a contribution factor to establish entitle-

ment under the legislation specified in Article 2(1)(a)(iii) of this Convention to old age pension in accordance with Article 16 of this Convention, or to widow's benefit in accordance with Article 18, a person shall be treated for each week during which he was domiciled in Iceland, being a week in a relevant year, as having paid a contribution which derives an annual contribution factor of 0.0193 for that year.

(6) For the purpose of calculating a contribution factor to establish entitlement to sickness benefit under the legislation specified in Article 2(1)(a)(iii) of this Convention in accordance with Article 9 of this Convention, a person shall be treated for each week for which he was insured as an employed person or as a self-employed person under the legislation of Iceland, being a week in the relevant quarter, as having paid a contribution which derives a quarterly contribution factor of 0.077 for that quarter.

(7) for the purposes of calculating entitlement to any benefit in accordance with Articles 9 to 19 of this Convention under the legislation of Iceland, insurance periods completed by a person before 6 April 1975 under the legislation specified in Article 2(1)(a)(i) and (ii) of this Convention shall be treated as if they had been periods of domicile completed by that person in Iceland.

(8) For the purpose of converting to an insurance period any earnings factory achieved by a person in any tax year commencing on or after 6 April 1975 under the legislation specified in Article 2(1)(a)(i) and (ii) of this Convention, the competent authority of the United Kingdom shall divide the earnings factor by that year's lower earnings limit. The result shall be expressed as a whole number, any remaining fraction being ignored. The figure so calculated, subject to a maximum of the number of weeks during which the person was subject to that legislation in that year, shall be treated as representing the number of weeks in the insurance period completed by that person under that legislation. For the purpose of calculating entitlement to any benefit in accordance with Articles 9 to 19 of this Convention under the legislation of Iceland, each such week in that insurance period shall be treated as if it had been a week during which that person had been domiciled in Iceland.

(9) for the purpose of converting to an insurance period any contribution factor achieved by a person under the legislation specified in Article 2(1)(a)(ii) of this Convention, the competent authority of the United Kingdom shall:

(a) in the case of a quarterly contribution factor, multiply the factor achieved by a person in a quarter by thirteen; and

(b) in the case of an annual contribution factor, multiply the factor achieved by a person in a year by fifty-two.

The result shall be expressed as a whole number, any remaining fraction being ignored. the figure so calculated, subject to a maximum of the number of weeks during which the person was subject to Jersey's legislation in a quarter or in a year, as the case may be, shall be treated as representing the number of weeks in the insurance period completed by that person under that legislation. For the purpose of calculating entitlement to any benefit in accordance with Articles 9, 10 and 12 to 19 of this Convention under the legislation of Iceland, each such week in that insurance period shall be treated as if it had been a week during which that person had been domiciled in Iceland.

(10) Where it is not possible to determine accurately the periods of time in which certain insurance periods or periods of domicile were completed under the legislation of one Party, such periods shall be treated as if they did not overlap with insurance periods or periods of domicile completed under the legislation of the other Party, and shall be taken into account to he best advantage of the beneficiary.

(11) Where, in accordance with the provisions of this Convention, residence

in the United Kingdom is treated in a claim for benefit under the legislation of Iceland as if it had been domicile completed in Iceland, for the purpose of any such claim any period during which a person, and any member of his family accompanying him, was outside the United Kingdom shall be treated as if it had been a period during which he, or any member of his family accompanying him as the case may be, was resident in the United Kingdom, provided that the person's absence from the United Kingdom was for the purpose of employment for which there was liability for contributions as an employed person for the first fifty-two weeks of that employment under the legislation of the United Kingdom.

(12) Where a person is sent from Iceland by his employer in that country to work abroad temporarily, each week of that person's employment abroad shall be treated as if it had been a week during which he was domiciled in Iceland, provided that the week was one for which his employer was liable to pay insurance on his behalf under the legislation of Iceland.

Section 2

Sickness Benefit

Article 9

(1) Where a person is employed in the territory of one Party and the legislation of the other Party applies to him in accordance with any of the provisions of Articles 4 to 7 of this Convention, he shall be treated under that legislation for the purpose of any claim for sickness benefit as if he were in the territory of the latter Party.

(2) For the purpose of a claim for sickness benefit under the legislation of the United Kingdom by a person in the United Kingdom, other than a person to whom the provisions of paragraph (1) of this Article apply, weeks during which that person was employed or self-employed in Iceland shall be taken into account in accordance with the provisions of Article 8 of this Convention as if they had been respectively weeks for which Class 1 or Class 2 contributions had been paid under the legislation of the United Kingdom.

(3) Where a person was receiving sickness benefit under the legislation of one Party immediately before leaving the territory of that Party to go to the territory of the other Party, and he arrives and claims sickness benefit in the territory of the latter Party within twenty-one days of leaving the territory of the former Party, he shall be treated, if still incapacitated for work, as if he satisfied the conditions for entitlement to sickness benefit under the legislation of that latter Party.

(4) Subject to the provisions of Article 31(4) and (5) of this Convention where, but for the provisions of this paragraph, a person would be entitled to sickness benefit under the legislation of both Parties for the same period, that benefit shall be payable only under the legislation under which the person was last insured before entitlement arose.

(5) For the purpose of a claim for sickness benefit under the legislation of Iceland employment in the United Kingdom shall be taken into account as if it were, or had been, employment in Iceland.

Section 3

Invalidity Pension

Article 10

(1) For the purpose of a claim for invalidity pension under the legislation of Iceland by a person who is domiciled in Iceland, insurance periods, completed by that person under the legislation of the United Kingdom shall, in accordance with the provisions of Article 8 of this Convention, be treated as if they had been periods during which the person had been domiciled in Iceland.

(2) In relation only to the need of a person claiming invalidity pension under the legislation of Iceland to have been domiciled in Iceland for at least three years immediately prior to the application for that pension under that legislation, periods during which the person was resident in the United Kingdom shall be treated as if they had been periods during which the person had been domiciled in Iceland.

(3) For the purpose of a claim for invalidity pension under the legislation of the United Kingdom by a person who is, or immediately prior to the claim was, in receipt of sickness benefit under the legislation of the United Kingdom, days during which that person was in receipt of sickness benefit under the legislation of Iceland shall be treated as if they had been days during which he had been in receipt of sickness benefit under the legislation of the United Kingdom.

Section 4

Unemployment Benefit

Article 11

(1) Where a person has, since his last arrival in the territory of one Party, completed a contribution period under the legislation of that Party, then for the purpose of any claim for unemployment benefit made under the legislation of that Party, any insurance period or period of employment completed under the legislation of the other Party shall, in accordance with the provisions of Article 8 of this Convention, be treated as if it were an insurance period or period of employment completed under the legislation of the former Party.

Provided that:

(a) periods of insurance or periods of employment completed under the legislation of Jersey shall not be taken into account for the purpose of determining entitlement to unemployment benefit under the legislation of Iceland, and

(b) periods of insurance or periods of employment completed under the legislation of Iceland shall be taken into account for the purpose of determining entitlement to unemployment benefit only under the legislation specified in Article 2(1)(a)(i) and (ii) of this Convention.

(2) Where a person claims unemployment benefit under the legislation of one Party and account is taken of an insurance period or period of employment completed under the legislation of the other Party by virtue of paragraph (1) of this Article, any period for which he received such benefit under the legislation of the other Party shall be taken into account as if it were a period during which he had received unemployment benefit under the legislation of the former Party, provided that that period falls within the last 12 months before the first day for which unemployment benefit becomes payable under the legislation of the former Party.

(3) Subject to the provisions of paragraph (1)(a) of this Article, for the purpose

of a claim for unemployment benefit under the legislation of Iceland, each week for which a person has paid a contribution as an employment person under the legislation of the United Kingdom shall be treated as if it had been a week during which that person had completed forty hours of employment in Iceland.

Section 5

Benefits for Industrial Injuries and Diseases

Article 12

(1) Where a person is employed in the territory of one Party and the legislation of the other Party applies to him in accordance with any of the provisions of Articles 4 to 7 of this Convention, he shall be treated under that legislation for the purpose of any claim for benefit in respect of an industrial accident or an industrial disease contracted during that employment as if the accident had occurred or the disease had been contracted in the territory of the latter Party. Where benefit would be payable in respect of that claim if the person were in the territory of the latter Party.

(2) Where a person sustains an accident after he leaves the territory of one party to go in the course of his employment to the territory of the other Party but before he arrives in the latter territory, then, for the purpose of any claim for benefit in respect of that accident:

(a) the accident shall be treated as if it occurred in the territory of the Party whose legislation applied to him at the time the accident occurred, and

(b) his absence from the territory of that Party shall be disregarded in determining whether his employment was as an employed person under tat legislation.

(3) Where because of a death resulting from an industrial accident or an industrial disease a benefit would be payable under the legislation of one Party in respect of a child if that child were in the territory of that Party, that benefit shall be payable while the child is in the territory of the other Party.

(4) For the purpose of a claim for employment injury invalidity benefit under the legislation of Iceland, insurance periods completed by a person under the legislation of the United Kingdom shall, in accordance with the provisions of Article 8 of this Convention, be treated as if they had been periods during which the person had been domiciled in Iceland.

(5) In relation only to the need for a person claiming employment injury invalidity benefit under the legislation of Iceland to have been domiciled in Iceland for at least three years immediately prior to the application for that benefit under that legislation periods during which the person was resident in the United Kingdom shall be treated as if they had been periods during which the person had been domiciled in Iceland.

Article 13

(1) Where a person has sustained an industrial injury or contracted an industrial disease, in respect of which the legislation of one Party applies, and later sustains an industrial injury or contracts an industrial disease in respect of which the legislation of the other Party applies, then for the purpose of determining the degree of his disablement under the legislation of the latter Party, account shall be taken of the former injury or disease as if the legislation of the latter Party applied to it.

(2) Where a person contracts an industrial disease after having been employed

in the territory of only one Party in an occupation to which, under the legislation of that Party, the disease may be attributed, the legislation of that Party shall apply in his case, even if the disease is first diagnosed in the territory of the other Party.

(3) Subject to the provisions of Article 31(5) of this Convention, where a person contracts an industrial disease after having been employed in the territories of both Parties in an occupation to which, under the legislation of both Parties, the disease may be attributed and he would be entitled to receive benefit in respect of that disease under the legislation of both Parties, the benefit shall be payable only under the legislation of the Party in whose territory he was last employed in that occupation before the disease was diagnosed.

(4) Where a person has suffered an aggravation of an industrial disease for which benefit has been paid in accordance with the provisions of paragraph (2) or (3) of this Article, the following provisions shall apply:

(a) if the person has not had further employment in an occupation to which the disease or the aggravation may be attributed, or has had such employment only in the territory of the Party under whose legalisation benefit has been paid, any additional benefit to which he may become entitled as a result of such aggravation shall be payable only under that legislation.

(b) if the person makes a claim under the legislation of the Party in whose territory he is employed on the grounds that he has suffered an aggravation of the disease in respect of which benefit is payable under the legislation of the other Party while employed in the territory of the former Party in an occupation to which, under the legislation of that Party, the aggravation may be attributed, the competent institution of that Party shall be liable to pay benefit only in respect of the aggravation as determined under the legislation of that Party.

Article 14

Where but for the provisions of Article, and subject to the provisions of Article 31(5) of this Convention, a person would have been entitled to any benefit, other than a disablement benefit, payable in respect of an industrial injury or disease under the legislation of both Parties, that benefit shall be granted exclusively under the legislation of the territory in which the person was last employed.

Section 6

Old Age Pension and Widow's Benefit

Article 15

(1) Where a person is entitled to an old age pension under the legislation of one Party, or under the legislation of any one part of the territory of a Party, otherwise than by virtue of the provisions of this Convention, the provisions of Article 16 of this Convention, with the exception of paragraph (3) of that Article, shall not apply under that legislation.

(2) For the purposes of this Article, "old age pension" shall not include a Category B retirement pension payable to a ▶married person or civil partner◀ under the legislation of the United Kingdom by virtue of the contributions of ▸his or her spouse or civil partner◂.

Words in art. 15(2) substituted by art. 2 of S.I. 2005/2765 as from 5.12.05.

(3) For the purposes of determining entitlement to additional component payable under the legislation of the United Kingdom, no account shall be taken of any contribution period completed under the legislation of Iceland; and for the purposes of this Article and Article 16 of this Convention additional

component shall be treated as a separate benefit to which the provisions of Article 16 do not apply.

[Art. 15(3) of the English text of the Convention is reproduced above unamended. Under s.18(1) of the Social Security Act 1986 (c. 50), however, references to "additional component" of a long-term benefit are to be read instead as "additional pension".]

Article 16

(1) the provisions of this Article shall apply for the purpose of determining entitlement to old age pension in respect of a person under the legislation of one Party or the legislation of any one part of the territory of a Party under which there is no entitlement in respect of that person in accordance with the provisions of Article 15 of this Convention. Paragraph (3) of this Article shall also apply when there is such an entitlement.

(2) In accordance with the provisions of Article 8 of this Convention, the insurance authority of that Party or of that one part of the territory of a Party shall determine:

(a) the amount of the theoretical pension which would be payable if all the relevant periods completed by that person under the legislation of both parties had been completed under its own legislation;

(b) the proportion of such theoretical pension which bears the same relation to the whole as the total of the relevant periods completed by him under the legislation of that Party or of that part bears to the total of all the relevant periods which he has completed under the legislation of both Parties.

The proportionate amount thus calculated shall be the rate of pension actually payable to that person by the competent institution.

For the purpose of this Article, "relevant periods" means the periods of insurance or periods of domicile, as the case may be, which are taken into account by one or the other Party in accordance with the provisions of Article 8 of this Convention and paragraphs (3) and (4) of this Article.

(3) For the purposes of the calculation of an old age pension–

(a) where all the insurance periods completed by any person under the legislation of–

(i) either Great Britain, Northern Ireland or the Isle of Man amount to less than one reckonable or, as the case may be, qualifying year, or relate only to periods before 6 April 1975 and in aggregate amount to less than 50 weeks; or

(ii) Jersey amount to less than an annual contribution factor of 1.00

those periods shall be treated as if they had been completed under the legislation of any other part of the territory of the United Kingdom under which a pension is, or if such periods are taken into account would be, payable, or, where two such pensions are or would be payable, under the legislation of that part which, at the date on which entitlement first arose or arises, is paying or would pay the greater amount. Where no such pension is or would be payable by any other part of the territory of the United Kingdom and a pension is, or if such periods are taken into account would be, payable under the legislation of Iceland, the periods shall be converted in accordance with the provisions of Article 8 of this Convention and shall be treated as if they had been completed under the legislation of Iceland;

(b) where all the periods of domicile completed by any person in Iceland amount to less than one year those periods shall be converted to

insurance periods in accordance with the provisions of Article 8 of this Convention and these shall be treated as if they had been completed under the legislation of that part of the territory of the United Kingdom under which a pension is, or if such periods are taken into account would be, payable, or where such a pension is or would be payable under the legislation of two or more parts of the territory of the United Kingdom, under the legislation of that part which, at the date on which entitlement first arose or arises, is paying or would pay the greater or greatest amount.

(4) For the purpose of applying the provisions of paragraph (2) of this Article:

(a) the insurance authority of the United Kingdom shall take account only of relevant periods, completed under the legislation of either Party, which would be taken into account for the determination of pensions under the legislation of the United Kingdom if they were completed under that legislation, and in relation to a ▶person◀ shall where appropriate take into account in accordance with that legislation relevant periods completed by ▸his or her spouse or civil partner◂;

Words in art. 16(4)(a) substituted by art. 2 of S.I. 2005/2765 as from 5.12.05.

(b) no account shall be taken of any graduated contributions paid under the legislation of the United Kingdom before 6 April 1975 and the amount of any graduated benefit payable by virtue of such contributions shall be added to the amount of any pension payable in accordance with paragraph (2) of this Article under that legislation;

(c) no account shall be taken under the legislation of the United Kingdom of any insurance period after the person attained pensionable age, but any increase of benefit in respect of such a period under the legislation of the United Kingdom shall be added to any benefit payable under the legislation of the United Kingdom which has been calculated under paragraph (2) of this Article;

(d) for the purpose of applying the provisions of paragraph (2) of this Article, "pension" shall not include any increase payable in respect of a dependent child, but any such increase shall be added to any benefit payable, by virtue of the calculation under paragraph (2) of this Article;

(e) where a compulsory insurance period completed under the legislation of the United Kingdom coincides with a period of domicile in Iceland, only the compulsory insurance period shall be taken into account;

(f) where a period of domicile in Iceland coincides with a period for which voluntary contributions have been paid under the legislation of the United Kingdom only the period of domicile shall be taken into account, provided that the amount of pension payable under the legislation of the United Kingdom under the provisions of paragraph (2) of this Article shall be increased by the amount by which the pension payable under the legislation of that Party would have been increased if all voluntary contributions paid under that legislation had been taken into account;

(g) where an equivalent period completed under the legislation of the United Kingdom coincides with a period of domicile in Iceland, account shall be taken only of the period of domicile;

(h) where a compulsory insurance period completed under the legislation of Iceland coincides with a period of residence in the United Kingdom, the period of residence in the United Kingdom shall be treated as if it had been a period of domicile in Iceland;

(i) where the provisions of sub-paragraph (h) of this paragraph apply but the period or periods of compulsory insurance coincide with a voluntary contribution period or periods completed under the legislation of the United Kingdom, account shall be taken only of the compulsory insurance period as provided in sub-paragraph (h) above, but the amount of any pension payable under the legislation of the

United Kingdom under the provisions of paragraph (2) of this Article shall be increased by the amount by which the pension payable under the legislation of that Party would have been increased if all voluntary contributions paid under that legislation had been taken into account.

Article 17

Where a person does not simultaneously satisfy the conditions for entitlement to an old age pension under the legislation of both Parties, his entitlement under the legislation of one Party shall be established as and when he satisfies the conditions laid down by the legislation of that Party. The provisions of Article 16 of this Convention shall be applied where there is no entitlement under the provisions of Article 15 of this Convention to an old age pension under the legislation of that Party and his entitlement shall be determined afresh under those provisions when the conditions under the legislation of the other Party are satisfied.

Article 18

(1) Subject to the provisions of paragraphs (2) and (3) of this Article, the provisions contained in Articles 15 to 17 of this Convention shall apply, with such modifications as the differing nature of the benefits shall require, to widow's benefit.

(2) For the purpose of determining entitlement to widow's benefit under the legislation of the United Kingdom in accordance with the provisions of paragraph (2) of Article 16 of this Convention, the period of domicile in Iceland which is to be taken into account in accordance with the provisions of Article 8 of this Convention shall be the period of domicile completed in Iceland by the ▶widow, widower or surviving civil partner themself◀ or the period of domicile completed in Iceland by ▸his or her◂ late ▸spouse or civil partner◂, whichever is the greater.

Words in art. 18(2) & (3) substituted by art. 2 of S.I. 2005/2765 as from 5.12.05.

(3) In relation only to the need of a ▸widow, widower or surviving civil partner◂ claiming widow's benefit under the legislation of Iceland for ▸his or her late spouse or civil partner◂ to have been domiciled in Iceland for at least three years immediately prior to the application for widow's benefit under that legislation, periods during which ▸his or her late spouse or civil partner◂ were resident in the United Kingdom shall be treated as if they had been periods of domicile completed by ▸his or her late spouse or civil partner◂, as the case may be, in Iceland.

(4) Where widow's benefit would be payable under the legislation of one Party if a child were in the territory of that Party, that benefit shall be payable while the child is in the territory of the other Party.

Section 7

Child Pension and Mother's Allowance Under the Legislation of Iceland

Article 19

(1) A person in receipt of child pension and/or mother's allowance under the legislation of Iceland shall not cease to be entitled to that benefit by virtue of the fact that the person, or the child in respect of whom the benefit is in payment, is in the United Kingdom.

(2) Where a national of Iceland previously domiciled in Iceland is in the United Kingdom and would be entitled to child pension and/or mother's allowance if he or she were domiciled in Iceland, the benefit shall be payable while that person is in the United Kingdom provided that immediately prior to

the application for the benefit he or she had been resident in the United Kingdom and/or domiciled in Iceland for a period which in the aggregate amounts to at least three years.

(3) In relation only to the need of a person claiming child pension to have been domiciled in Iceland for at least three years immediately prior to the application for that pension under the legislation of Iceland, period during which the person was resident in the United Kingdom shall be treated as if they had been periods during which that person had ben domiciled in Iceland.

Section 8

Orphan's Benefit Under the Legislation of the United Kingdom

Article 20

Where orphan's benefit would be payable to a person under the legislation of the United Kingdom if that person or the orphan for whom the benefit is claimed were in the United Kingdom it shall be paid while that person, or the orphan, is in Ireland.

Section 9

Death Grant under the Legislation of the United Kingdom

Article 21

For the purpose of a claim for death grant under the legislation of a part of the territory of the United Kingdom, a death which has occurred in Iceland shall be treated as if it has occurred in that part.

Section 10

Recovery of Advance Payments and Overpayments of benefit

Article 22

(1) Where a competent institution of one Party has made a payment of any benefit to a person for any period or event in advance of the period or event to which it relates or has paid him any benefit for a period or event, whether by virtue of the provisions of this Convention or otherwise, and the insurance authority of the other Party afterwards decided that the person is entitled to benefit for that period or event under its legislation, the competent institution the latter Party, at the request of the competent institution of the former Party, shall deduct from the benefit due for that period or event under its legislation any overpayment which, but virtue of the provisions of this Convention, results from the advance payment or benefit paid by the competent institution of the former Party and shall transmit this sum to the competent institution of the former Party.

(2) Where a person has received supplementary benefit under the legislation of the United Kingdom for a period for which that person subsequently becomes entitled to any benefit under the legislation of Iceland, the competent institution of Iceland, at the request of and on behalf of the competent institution of the United Kingdom, shall withhold from the benefit due for that period the amount by which the supplementary benefit paid exceeded what would have been paid had the benefit under the legislation of Iceland been paid before the amount of supplementary benefit was determined, and shall transfer the amount withheld to the competent institution of the United Kingdom.

PART IV
MISCELLANEOUS PROVISIONS

Article 23

(1) The competent authorities of the two Parties shall establish the administratve measure necessary for the application of this Convention.

(2) The competent authorities of the two Parties shall communicate to each other, as soon as possible, all information about the measures taken by them for the application of this Convention or about changes in their national legislation in so far as these changes affect the application of the provisions of this Convention.

(3) The competent authorities, insurance authorities or competent institutions of the two Parties may, for the purpose of applying the provisions of this Convention, correspond directly with one another, or with any person affected by this Convention, or with his legal representative.

(4) For the purpose of facilitating the implementation of the provisions of this Convention, liaison offices shall be established.

Article 24

(1) the competent authorities, insurance authorities and competent institutions of the two Parties shall assist one another on any matter relating to the application of this Convention as if the matter were one affecting the application of their own legislation. This assistance shall be free of charge.

(2) Where a person who is in the territory of one Party has claimed benefit under the legislation of the other Party and a medical examination is necessary, the competent institution of the former Party, at the request of the competent institution of the latter Party, shall arrange for this examination. The cost of such examination shall be met by the competent institution of the former Party.

Article 25

(1) Where the legislation of one Party provides that any certificate or other document which is submitted under the legislation of that Party shall be exempt, wholly or partly, from any taxes, legal dues, consular fees or administrative charges, that exemption shall apply to any certificate or other document which is submitted under the legislation of the other Party or under the provisions of this Convention.

(2) All statements, documents and certificates of any kind required to be produced for the purposes of this Convention shall be exempt from authentication by diplomatic or consular authorities.

Article 26

No certificate, document or statement of any kind written in an official language of either Party shall be rejected on the ground that it is written in a foreign language.

Article 27

(1) Any claim, notice or appeal which should, for the purposes of the legislation of one Party, have been submitted within a prescribed period to the insurance authority or the competent authority of that Party, shall be treated as if it had been submitted to that insurance authority or competent authority if it is submitted within the same period to an insurance authority or competent

authority of the other Party.

(2) Any claim for benefit submitted under the legislation of one Party shall be deemed to be a claim for the corresponding benefit under the legislation of the other Party in so far as this corresponding benefit is payable in accordance with the provisions of this Convention.

(3) Any document submitted under the legislation of Iceland may, where appropriate, be treated as a notice of retirement given under the legislation of the United Kingdom.

(4) In any case to which the provisions of paragraph (1), (2) or (3) of this Article apply, the authority to which the claim, notice, appeal or document has been submitted shall transit it without delay to the competent authority or insurance authority of the other Party.

Article 28

Payment of any benefit by the competent institution of a Party in accordance with the provisions of this Convention may be made in the currency of that Party and any such payment shall constitute a full discharge of the obligation in respect of which payment has been made.

Article 29

A person shall not be entitled by virtue of this Convention to sickness benefit, invalidity pension or maternity allowance under the legislation of one Party for any period during which he is entitled to benefit under the legislation of the other Party in respect of incapacity for work which results from an industrial accident or disease.

Article 30

(1) Any dispute between the competent authorities of the two Parties about the interpretation or application of this Convention shall be resolved through agreement between the competent authorities of each Party.

(2) If any such dispute cannot be resolved in the manner, it shall be submitted, at the request of either Party, to an arbitration tribunal which shall b e composed in the following manner.

(a) each Party shall appoint an arbitrator within one month from receipt of the demand for arbitration. The two arbitrators shall appoint a third arbitrator, who shall not be a national of either Party, within two months from the date on which the Party which was the last to appoint its arbitrator has notified the other Party of the appointment.

(b) if within the prescribed period either Party should fail to appoint an arbitrator, the other Party may request the President of the International Court of Justice or, in the event of his having the nationality of one of the Parties, the Vice-President or next senior judge of that court not having the nationality of either Party, to make the appointment. A similar procedure shall be adopted at the request of either Party if the two arbitrators cannot agree on the appointment of the third arbitrator.

(3) The decision of the arbitration tribunal shall be by majority vote. Its decision shall be binding on both Parties. The costs of the arbitration tribunal shall be borne equally by the two parties. The arbitration tribunal shall

determine its own rules or procedure.

PART V

TRANSITIONAL AND FINAL PROVISIONS

Article 31

(1) Benefit, other than lump sum payments shall be payable in accordance with the provisions of this Convention in respect of events which happened before the date of its entry into force, except that an accident which occurred or a disease which developed before that date shall not, solely by virtue of this Convention, be treated as an industrial accident or disease if it would not have been so treated under any legislation or Convention having effect at the time of its occurrence or development. For the purpose of determining claims in accordance with the provisions of this Convention, account shall be taken of insurance periods and periods of residence, employment or presence, completed before the date of its entry into force.

(2) Paragraph (1) of this Article shall not confer any right to receive payment of benefit for any period before the date of the entry into force of this Convention.

(3) For the purpose of applying the first sentence of paragraph (1) of this Article:

(a) any right to benefit may, at the request of the person concerned, be determined afresh in accordance with the provisions of this Convention from the date of entry into force of this Convention, provided that the request has been made within two years after that date.

(b) where the request for the benefit to be determined afresh is made more than two years after the date of entry into force of this Convention payment shall be made from the date determined under the legislation concerned.

(4) No provision of this Convention shall diminish any rights which a person had acquired under the legislation of either Party before the date of entry into force of this Convention.

(5) Where a person is (or if he claimed would be) entitled otherwise than by virtue of the provisions of this Convention to receive benefit for the same period under the legislation of both Parties, no provision of this Convention shall diminish his right to receive that benefit.

Article 32

This Convention shall be ratified and the instruments of ratification shall be exchanged in London as soon as possible. The Convention shall enter into force on the first day of the second month following the month in which the instruments of ratification are exchanged.

Article 33

This Convention shall remain in force for an indefinite period. Either Party may denounce it at any time by giving six months' notice in writing to the other Party.

Article 34

In the event of the termination of this Convention, any right to benefit acquired by a person in accordance with its provisions shall be maintained and negotiations shall take place for the settlement of any other rights then in course

of acquisition by virtue of its provisions.

In witness whereof the undersigned, duly authorised by their respective Governments, have signed this Convention.

Done in duplicate at Reykjavik this twenty-fifth day of August 1983, in the English and Icelandic languages, both texts being equally authoritative.

for the Government of the United Kingdom of Great Britain and Northern Ireland:	for the Government of Iceland
Richard Thomas	*Geir Hallgrimsson*

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order makes provision for the modification of the Social Security Act 1975 so as to give effect to the Convention on social security (set out in the Schedule) made between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Iceland. The Convention prevents dual liability for social security contributions and relates to reciprocity for purposes of sickness benefit, invalidity pension, unemployment benefit, benefits for industrial injuries and diseases, old age pension and widow's benefit, orphan's benefit and death grant.