

Rules of Allocation for the Relief Fund of the Association of Academics (BHM), January 2019

1. INTRODUCTION

The rights of Fund members and the organization of the Relief Fund of the Association of Academics (BHM) are covered by the Relief Fund's charter, approved at the Fund's general meeting on 13 June 2001. Under Article 7 of the charter, the Fund's Board determines detailed rules of allocation, and may, under special circumstances, make assessed decisions on allocations from the fund.

2. FUND MEMBERSHIP

- a. **General rights:** The right to allocations from the Fund is dependent on contributions having been made to the Relief Fund on behalf of the Fund member for a total of 6 months, including 3 consecutive months, before the expenditure or loss of income covered by the Fund took place. The same applies to maternity/paternity grants, in which case the right to grants is based on the child's date of birth. However, those who are entitled to payments from the BHM Sickness Fund get immediate rights (when they become members of the BHM Relief Fund). The same applies to those who have obtained rights to payments from sickness funds of other trade unions that provide former members of the BHM's Relief Fund the same right. No new rights are established on the basis of dismissal payments.
- b. **Maternity/paternity leave:** Fund members who take maternity/paternity leave and who elect to continue paying their union fees during their leave maintain their full rights.
- c. **Parental leave:** Fund members who go on parental leave are entitled to all grants. Rights are conditional on the individual having started work again. However, Fund members do not earn the right to sick pay during parental leave.
- d. **During illness:** A Fund member who has fully utilized his/her rights to sickness per diem allowance shall continue to enjoy other rights of the Fund for up to 6 months, provided that he/she does not establish such rights elsewhere. Fund members who receive a rehabilitation allowance from the Social Insurance Administration (TR) maintain their rights to other grants besides sickness per diem.
- e. **Unemployment:** Individuals with full rights at the start date of unemployment keep their rights for one year provided that the benefit period or expenditure is established within one year from the start date of unemployment. This is on the condition that union fees are paid to the respective union.
Unions may lengthen this period while the member receives payment from the Directorate of Labour, provided that they are responsible for paying 0.55% of the premium to the Fund of unemployment benefits from the start date of the period of unemployment. The trade unions shall inform the Fund for which Fund member they are making the contribution.
- f. **Membership during unpaid leave:** Fund members keep their rights during unpaid leave for up to 6 months. However, the right to relief is conditional on the individual having started work again. Sickness per diem allowance is not granted for illness during unpaid leave.
- g. **Membership upon retirement or when receiving a pension:** Fund members keep their rights for 6 months after they retire from work and start receiving pension. However, sickness per diem allowance is not paid for more than 3 months. The sickness per diem allowance is suspended when retirement pension payment starts, at the age of 67 at the latest.

3. APPLICATIONS AND DOCUMENTS

- a. **Applications:** Applications must be made in electronic form on <http://www.bhm.is/umsoknir/rafraenar-umsoknir/>. Each 12-month payment period is based on the payment date. Applications for grants are processed once a month. Applications, along with the relevant documentation/invoices, must be submitted electronically before the 10th of each month. In general, payments are made between the 24th and 26th of each month, or on the next working day.
- b. **Processing of applications:** The Fund's employees process applications according to these rules of allocation, unless it is specified in individual provisions that the Fund's Board shall make an assessed decision. If a Fund member is not satisfied with the decision, he/she has the right to appeal to the Board of the BHM Relief Fund.
- c. **Documents:** The necessary documents must be presented in order for a Fund member to receive payment from the Fund. These documents are: Electronic or scanned legal invoices that bear the name of the applicant and have been verifiably paid. Invoices must contain information on who issued the invoice and the number of times and dates on which treatments or purchases of a product or service were made. The Fund reserves the right to request the original copy of an invoice before payment takes place.
- d. **Follow-up application for sickness per diem allowance:** When an application is made for continued sickness per diem allowance from the BHM Relief Fund, the Fund member must submit a report of his/her incapacity for work each month. A certificate issued by a healthcare professional must be presented for the period for which the request is being made.
- e. **Allowance amount – Withholding tax:** The allowance can never exceed the amount of the submitted invoices. Withholding tax is deducted from the grant amounts, but not from grants for physical training, physical and mental treatment and death benefits. Fund members who work on a part-time basis and who have paid less

than ISK 838 per month to the Fund over the 3 months before the application date can only receive half a grant from the Fund.

- f. **Expiration of applications:** The right to payments from the Fund expires if applications are not submitted within 12 months from the time of expenditure or loss of income.
- g. **Definitions:**
 - i. In addition to a biological child, adopted child and foster-child, the term 'child' in these rules applies to stepchildren and grandchildren living in the home of the Fund member, or children who obviously need the Fund member's care.
 - ii. Long-term illness denotes illness lasting longer than 30 consecutive calendar days.

4. **SICKNESS PER DIEM ALLOWANCE FOR NON-SALARIED ABSENCE FROM WORK**

Monthly payment is relevant to the employment ratio at the beginning of illness. A payment of ISK 18,480 is made for each working day, i.e. 21.67 days which makes ISK 400.462 per month. A sickness per diem allowance is paid in addition to sickness per diem allowance from Icelandic Health Insurance. See Article 4b with regard to the unemployed.

However, aggregate payments from the Fund and the aforementioned parties shall never exceed the amount of income lost.

If studies are part of the rehabilitation, a confirmation of completed credits from the school must be submitted.

- a. **Illness or accident suffered by a Fund member:** The Fund will pay sickness per diem allowance for up to a total of 8 months due to illness or an accident suffered by a Fund member, from the time when the right due to illness under the relevant wage agreement, and other statutory rights, ceases, e.g. the right to payments during maternity/paternity leave and payments due to illness of children. Retroactive allowance is only offered for the previous 3 months. Fund members gain rights to sickness per diem allowance again after 12 months of contribution payments after the former period of benefits ends, and then hold 50% rights (4 months), but gain full rights (8 months) after 24 months.
If fund members have contributed to the Fund for less than 9 months, the right to sickness per diem allowance is calculated according to the number of months payments have taken place. This means that a Fund member who has contributed to the Fund for 6 months has earned rights to sickness per diem allowance for 6 months.
- b. **Unemployment:** Sickness per diem allowance can never exceed the amount of the cancelled unemployment benefits.
- c. **Illness and/or accident suffered by a Fund member during maternity/paternity leave:** If a parent is unable to take care of his or her child due to illness and/or an accident suffered during maternity/paternity leave, the Fund will cover up to 6 weeks. However, no payment is made for the first 10 days of illness. This is on the condition that the parent does not accept payments from the Maternity/Paternity Leave Fund.
- d. **Illness of a Fund member's child:** In case of serious illness of a Fund member's child, he/she can apply for an allowance for up to a period of 6 months. The Fund's Board will assess each case individually, taking all circumstances into consideration, including other compensation and right to payments from the Maternity/Paternity Leave Fund. There are no payments for sickness lasting less than 2 consecutive weeks. This is provided that payments for sick days of children are used in full by the employer.
- e. **Illness of a Fund member's spouse:** The Fund will pay sickness per diem allowance for up to 2 months for unpaid absence from work due to long-term illness of a spouse or a common-law spouse. However, no payment is made for the first 10 days of illness.
- f. **Serious illness of other family members.** In the event of serious illness of other family members, the Fund may pay sickness per diem allowance for up to 2 working weeks if the Fund member is not entitled to paid absence from work. However, no payment is made for the first 10 days of illness.
- g. **Death of a family member:** In the event of the death of a spouse, a common-law spouse or a child, the Fund will pay a sickness per diem allowance for up to 2 working weeks if an employee is not entitled to absence from work without a reduction in pay. The same applies in the event of the death of other close relatives.
- h. **Authorisation provisions for Fund members that switch from one relief/sickness fund to another.** Trade unions may pay a single payment to the BHM Relief Fund for their members who have been employed during the preceding 6 months and have rights in another sickness fund, for the purpose of ensuring the union/fund member the right to allocation of sickness per diem allowance from the beginning of membership.
The trade union shall pay to the BHM Relief Fund a single payment equivalent to 0.55% of the total wages of the relevant member in the preceding 6 months of paid work. The union/Fund member will then be entitled to payment of sickness per diem allowance for up to 6 months at the beginning of membership to the Fund. The entitlement to payment of sickness per diem allowance will then increase in proportion to contributions to the Fund.
The Fund member will become entitled to other payments after premium payments have been made to the Fund for 6 months. Trade unions must notify the Fund if they intend to exercise this authority.

- i. **Miscellaneous:** Per diem allowance is granted for medical examinations that are precursors to further medical treatment, organ donation, and treatments considered necessary by a doctor. This also applies to in vitro and artificial insemination, and treatment of alcoholism and drug addiction for up to 6 weeks.

5. DEATH OF A FUND MEMBER

Death benefits: Death benefits are paid upon the death of a paying Fund member to the sum of ISK 350,000 to the member's heirs. The same applies to Fund members who have retired because of age, and die within a year after retiring.

6. OUT-OF-POCKET PAYMENT FOR PHYSICAL AND MENTAL TREATMENT, OTHER THAN MEDICAL COSTS

The following grants are only available to Fund members. Grants are not paid for treatment or services for a child/children, spouses or other people, except as regards Article 15.

The maximum reimbursement for out-of-pocket payments is ISK 33,000 per each 12-month period for the following: Physiotherapy, occupational therapy, massage therapy, psychological treatment, nursing, treatment by a social worker, nutritional advice, treatment by a chiropractor, treatment by an osteopath or comparable treatment by authorised health care professionals. The Fund offers an allowance towards the cost of custom-made orthoses from an orthotist. Treatment must fall under the certification of the relevant profession. Grants are generally not paid for courses and other preventive measures.

7. CANCER SCREENING - Payments are made for the following

- a. Payments for regular screening for cancer of the breasts and/or cervix, or instance at the Icelandic Cancer Society, are made in accordance with the rate of the Cancer Detection Clinic of the ICS.
- b. A payment of ISK 10,000 is made if a member has to undergo further testing.
- c. A payment of ISK 10,000 is made for colon cancer screening.
- d. A payment of ISK 10,000 is made for prostate cancer screening.

8. RISK ASSESSMENT MADE BY HJARTAVERND (THE ICELANDIC HEART ASSOCIATION)

The Fund pays for initial examination up to a maximum of ISK 10,000.

9. STAY AT A REHABILITATION CLINIC AT THE RECOMMENDATION OF A DOCTOR

The Fund pays 30% of the invoice. The maximum allowance is ISK 50,000 every two years.

- a. Stays at NLFÍ health institutions and the Blue Lagoon Clinic for skin treatment.
- b. Treatment for alcohol and/or drug addiction.

10. GRANT FOR PHYSICAL ACTIVITY

A maximum grant of ISK 12,000 is paid for physical activity. The grant is based on a 12-month period. The grant only covers costs for physical activity that is exclusive to the Fund member.

Purchase of equipment and/or other devices for improving physical well-being is not eligible for grants from the BHM Relief Fund. The following sentence may be removed: The grant only covers costs for physical activity that is exclusive to the Fund member.

11. SPECTACLES AND EYE TREATMENT

A payment of up to ISK 20,000 is made towards the cost of corrective spectacles (lenses and frames) every 36 months. The grant may also be used for buying contact lenses rather than spectacles, or for cost due to laser surgery or lens replacement surgery.

12. HEARING AIDS

The Fund offers a grant towards the cost of hearing aids up to the payment of 30% of the price, minus the grant from the Icelandic Health Insurance. The grant is paid every three years. The maximum grant is ISK 100,000.

13. DENTAL REPAIR

The Fund offers a 20% grant towards dental costs that exceed ISK 120,000 for the first application in each 12-month period. The maximum grant for each 12-month period is ISK 200,000.

Purely cosmetic work is excluded. Invoices may be dated 12 months earlier than the date of application.

14. TREATMENT AT AN IN VITRO CLINIC

The Fund pays 30% of costs from artificial insemination, microscopic or in vitro fertilization treatments, not including medicinal products. The maximum allowance per 12-month period is ISK 120,000.

15. TRAVEL GRANT

Applications can be made for a grant to seek medical treatment abroad due to a serious illness suffered by a Fund member, or his/her spouse or children, if this is not covered by National Insurance. The maximum grant is ISK 100,000 for each 12-month period.

16. ASSISTANCE BECAUSE OF WORK RELATED TRAUMA OR UNEXPECTED TERMINATION OF EMPLOYMENT

The Fund offers grants for up to eight treatment sessions with a professional to deal with work-related trauma or unexpected termination of employment, at the request of a shop steward/union.

17. HEALTH COSTS

In principle, no allowance is paid for costs due to medication or other medical costs other than those referred to elsewhere in these rules and are valid for the discount cards issued by Icelandic Health Insurance. In special circumstances, such as unforeseen, heavy expenses and/or financial difficulties for these reasons, applications for grants can be made to the Relief Fund's board. In general, payments are not made for amounts lower than ISK 150,000. Costs for cosmetic procedures are not covered.

18. MATERNITY/PATERNITY GRANT

a. Both parents have a right to this grant provided they are members of the Fund and meet the conditions for Fund membership. The amount is relevant to the employment ratio.

Applications must be submitted within a year of the child's birth. The grant is given to parents on presentation of a birth certificate or a registration certificate from Registers Iceland and a copy of a new salary slip (stating the correct employment ratio).

A full grant for a child is ISK 200,000 to the parent for each child, but the amount decreases proportionally to the employment ratio.

b. In the event of miscarriage after 18 weeks of pregnancy or stillbirth of a child, the Fund pays half the grant.

19. ADOPTION GRANT

A grant to the amount of ISK 170,000 is available to each Fund member for the expenses of a trip abroad to collect a child for adoption.

20. MISLEADING OR INCORRECT INFORMATION

Any member who offers incorrect or misleading information or neglects to provide necessary information may lose the right to benefits for up to 2 years, as decided by the Board. In such cases the Fund's board may demand full repayment of benefits plus interest.

21. ENTRY INTO FORCE

These rules of allocation were last amended on 29 March 2019 and shall remain in force until the Fund's board has altered the rules and published the alterations.

22. PUBLICATION

These rules of allocation, amendments thereof, and new rules shall be published publicly on BHM's website www.bhm.is.