Skatturinn
Iceland Revenue and Customs

Application for a correction of pre-paid child benefits 2027

Tax year 2027

A mechanical decision on the advance payment of child benefit may be incorrect if the taxpayer:

- has divorced or terminated cohabitation during the income year
- spouse lived or worked abroad during the income year
- has moved to Iceland during the income year
- requests tax residence for students abroad
- has entered into a cohabitation during the income year or cohabitation is unregistered

For children who have a permanent residence in Iceland

The application must be submitted to Iceland Revenue and Customs by 28th February 2027

The Application can be sent to *skatturinn@skatturinn.is*

A Information on applicant

Name	Icelandic ID number
Name of spouse	Icelandic ID number
Postal address	☐ If the applicant is a **single parent**, this must be confirmed by marking an **x** in this box
Applicant´s email	☐ Applicant grants permission to use his email for communication and further information gathering

B Reasons for application

Mark **X** in the box next to the reason for the application and fill in the relevant information

1. ☐ Divorce or termination of cohabitation / child benefit is requested as a single parent

Total Income in 2026

Attached data:

Date of divorce or separation

☐ Confirmation from Sýslumaður ☐ Anything else, what .....

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2. ☐ New cohabitation ☐ Unregistered cohabitation

The conditions for joint taxation are met if one of the following applies

☐ The cohabitation has lasted for at least one consecutive year ☐ Have a child together ☐ Expecting a child ☐ None of the above applies

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3. ☐ Immigrants to / from Iceland in the year 2026

	Older spouse / single parent	Younger spouse
Arrival / departure date		

Children / children if other than supporters

Arrival / departure date

Total income during the period of stay in the year 2026

Older spouse / single parent

Younger spouse

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4. ☐ Students abroad - tax domicile in Iceland

The following documents must accompany the application:

1. Certificate that studies have been conducted abroad, issued at the end of the year or later
2. Confirmed data from foreign tax authorities on income or lack of income
3. Confirmed data of paid child benefits abroad

Total income abroad in the year 2026

Older spouse / single parent

Younger spouse

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5. ☐ Foreign income ☐ Spouse residing abroad in the year 2026

The following documents need to be submitted to support the application:

1. Confirmed data from foreign tax authorities on income or lack of income
2. Confirmed data on child benefits abroad

Total income abroad in the year 2026

Income of spouse abroad in the year 2026

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6. ☐ Anything else, what .....

C Confirmation

In the case of a married / cohabitation, the signatures of both parties are required.

Date ..... Signature ..... Signature ..... Phone number .....

See explanations on back page

Explanations

Advance payment of child benefits
The advance payments amount is 50% of the estimated child benefits for the year and are paid in two equal payments, on February 1st and May 1st. This is a provisional payment. In the tax assessment in the end of May, the advance payments are deducted from the calculated child benefits and the remainder is paid out on June 1st and October 1st. If an overpayment has occurred, the overpaid child benefits must be repaid on June 1st. **The application for advance payment must be received by the Iceland Revenue and Customs no later than 28th of February 2027**. Thereafter, a request for correction must be sent through the customer service page skattur.is under the tab “Skattframtal” (Tax return) and there below “Beiðni um leiðréttingu” (Request for correction).

Marital status
When determining the advance payment of child benefits the marital status according to the National Registry at the end of the income year is taken into account.

Income
Child benefits are income-related but not property-related. When deciding on an advance payment, information from the withholding tax register on the provider’s wage income is taken into account as well as the declared capital income in the last year (including rental income) and net income from business operations. Income abroad affects the calculation of child benefit in the same way as income in Iceland. If this is the case a correction must be requested.

Divorce / separation
If a couple has terminated their cohabitation before the end of the year and the dissolution of the cohabitation is a precursor to a divorce, child benefits can be calculated as for a single parent according to the tax report of the parent with whom the child is registered. If the marital status is not correctly registered in the National Registry, a certificate must be submitted from the district commissioner (sýslumaður) or the competent authorities abroad.

Unregistered cohabitation
For those individuals who live in unregistered cohabitation, which can be registered with the National Registry, the advance child benefits are calculated as for a single parent, to the individual with whom the child is registered at the end of the year. These individuals need to request a correction based on their actual marital status.

New cohabitation
For cohabiting partners who started cohabiting during the income year, child benefits are calculated as for married / cohabiting partners. If the conditions for joint taxation are not met at the end of the income year, a correction of the advance payment must be requested.

Transfer between countries
For those who did not reside in Iceland the whole year, child benefits are calculated pro rata to their time of residence in Iceland. However, this does not apply to students abroad who keep a tax residence in Iceland. See Students abroad.

Students abroad
Students who study abroad may be entitled to child benefits if their application for tax residency is approved. Tax residency applications are made with the annual tax report. Child benefits are determined according to the tax report, and in the case of a couple, information on income for both must be made available in all cases. Child benefits or similar payments abroad are deducted from child benefits. It is not possible to calculate an advance payment until information on studies, income and benefits abroad have been made available.

Child benefits for married couples and individuals in confirmed cohabitation - spouse lives abroad
At the time of final assessment, child benefits are divided equally between the couple and the same applies to the estimated advance payments. If a couple does not have the same legal residence, due to a spouse staying abroad, the child benefits are paid to the spouse/parent with whom the child is registered, provided that information is available on both incomes as well as information on child benefits or similar payments for the same children who have been paid abroad. The same rules apply to couples in confirmed cohabitation who have a dependent child.

From Act no. 90/2003 on Income tax

From section A. of article 68:
With every child under the age of 18 years old in the income year, domiciled in Iceland and dependent on persons liable to pay taxes in accordance with Article 1, the Treasury is to pay child benefits to the child’s supporter. A child’s supporter is the person that the child is living with and the child is dependent upon at the end of the income year. The person that pays alimony with a child is not regarded a child’s supporter in this context. Married couples that are taxed in accordance with Article 62 are both regarded as supporters and the child benefit is split equally between them. The same applies to persons in cohabitation that at the end of the income year meet the conditions of paragraph 3 of Article 62, even if they have not requested to be taxed according to that Article. By the same token, those persons that maintain a household with their child shall be viewed as providers under this provision, although the conditions for registration of cohabitation are not fulfilled. In such circumstances, child benefits shall be determined in the same manner as for a married couple. In instances where only one partner in a marriage is taxable in Iceland in accordance with Article 1, that partner is to receive full child benefits for the married couple’s children that are domiciled in Iceland according to the provisions that apply for married couples, provided that at hand is the relevant information about the income of both, along with information about child benefits or similar payments because of the same children that have been paid in another country.[1]

For a child that in the income year has obtained its domicile in Iceland, child benefits are only to be paid pro rata to its time of residence in Iceland in that year. Thus the amount of child benefits and reduction due to income in accordance with paragraph 4, shall be decided proportionately to the time of residence.[2]
...
The child benefits are to be reduced by the amount a child’s supporter has received in child benefits or similar benefits from abroad because of the child in the same income year.[5]
...
Child benefits are to be issued on the basis of a tax return when assessing taxes, as noted in Chapter X (10). Child benefits which are determined less than ISK 5.000 per provider based on the tax return are cancelled.[8]
...
The decision of the Tax Administration regarding the advance payment of child benefits shall be the final decision in the case at the administrative level.[8]