

# Guide to benefits

Kela<sup>®</sup>

2013



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# Important information

Kela offers a range of income security benefits for persons living in Finland. This brochure is an overview of these benefits. They are described in the order in which people may encounter them in the course of their lives. Please note that the booklet is a general overview – it does not address all of the details of specific benefits. The information in this brochure reflects the situation as of 1 January 2013.

This brochure is intended as a guide for students and professionals working in the social welfare and health care sectors.

## Eligibility for Kela benefits

To qualify for benefits from Kela, you must normally be covered by the Finnish social security system. Some of the benefits are not available until you have lived in Finland for a while.

All permanent residents of Finland and – with some exceptions – persons who have moved to Finland for employment purposes are covered under the Finnish social security system. Anyone moving to or from Finland should contact Kela to check in which country they have social security coverage.

## Notify Kela of any changes in your circumstances

Anyone receiving benefits from Kela must notify Kela without delay if their circumstances change. This includes changes in income, family composition or marital status. The decision you receive from Kela lists the changes that must be notified. If you fail to notify a relevant change, you may not receive a certain benefit or may receive too much, in which case you will have to pay back any overpayment.

## How to contact Kela

We provide customer service through our local offices, by phone and by mail, as well as on the Internet at [www.kela.fi](http://www.kela.fi). When visiting a Kela office, it is a good idea to have some form of identification (e.g., ID card, driving licence, passport or Kela photocard).

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## **RESIDENCE-BASED SOCIAL SECURITY**

Eligibility for Finnish social security benefits is based on residence in Finland. With certain exceptions, all permanent residents are entitled to social security benefits from Kela.

When you move to or from Finland, Kela issues a decision on your eligibility for social security benefits.

### **General principles**

Your social security coverage on moving to or from Finland depends, first of all, on whether the move is of a temporary or permanent nature. The country to or from which you are moving is also relevant.

#### **EU legislation**

The following countries are members of the EU: Austria, Belgium, Bulgaria, Croatia (July 1, 2013), Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

The three member countries of the EEA – Iceland, Liechtenstein and Norway – apply EU legislation by virtue of their accession to the EEA Agreement. The provisions applicable to the EU/EEA countries also apply to Switzerland.

The social security coverage of people moving among the EU/EEA countries and Switzerland is coordinated by means of EU Regulation 883/2004. The Regulation is the reference point for determinations of which country – the country of departure or the new country of residence – is responsible for providing social security coverage. The principal rule is that employees are covered by the social security system of the country in which they are employed.

The purpose of the Regulation is to ensure that persons moving within the EU are covered by one national social security system at a time. The Regulation also seeks to prevent situations where a person moving from one EU/EEA country to another loses their existing right to social security.

The rules concerning the coordination of social security systems in the EU cover also those third-country nationals, i.e. nationals of non-EU countries who are lawfully resident in an EU member state, who come into contact with

several member states. For the most part, the rules applied to them are the same as apply to EU nationals.

If the Regulation contains no provisions regarding your social security coverage, the Finnish national legislation will be applied, including its provisions concerning the temporary or permanent nature of a change of residence to Finland. You may be covered by health insurance also based on working.

### **Social security agreements**

You may have a right to social security when moving to or from Finland on the basis of a social security agreement. Finland has such agreements with the other Nordic countries and with the USA, Canada, Chile, Israel, Australia and India (expected to come into force in 2013). With Australia, Finland also has an agreement covering medical treatment during a temporary stay in the other signatory country. Further, Finland has made a separate arrangement concerning social security with the Province of Quebec.

The agreements typically cover employees and their family members. The provisions of the agreements are applied exclusively to the persons and fields of social security expressly covered by them. If no social security agreement contains provisions regarding your social security coverage, the Finnish national legislation will be applied, including its provisions concerning the temporary or permanent nature of a change of residence to Finland.

Persons moving between two Nordic countries are covered by the provisions of the EU Regulation. Based on the Nordic Convention, the provisions of the EU Regulation also apply to third-country nationals moving between the Nordic countries. However, the Nordic Convention covers more than the EU Regulation. The Nordic Convention concerns those areas in the Nordic countries to which the provisions of the EU Regulation are not applied.

Other social security agreements are relevant only to a few of the benefits provided by Kela. Often they only apply to pensions.

### **Provisions applying to other countries**

The social security coverage of persons moving between Finland and some other country than EU/EEA country, Switzerland or a country with a social security agreement with Finland is generally determined by national legislation.

In these situations, the duration of their residence in Finland and abroad affects the social security coverage. You may be covered by health insurance also based on working.

If you intend to move abroad for less than a year, your stay abroad will be considered as temporary and you can expect to retain your coverage under the Finnish social security system for the duration of your stay. If you intend to stay abroad for more than a year, your residence will be considered as permanent, in which case your social security coverage in Finland will end, typically with effect from the date of your move from Finland. Special rules apply to such groups as posted workers.

Before you move abroad, you should find out whether you can expect to retain social security coverage in Finland. If this is not the case, contact the relevant social security institution in your destination country to ask about your coverage there. Please note that there can be substantial differences even in the types of benefits available.

When moving to Finland, you will generally qualify for social security coverage right from the date on which you are considered to have taken up permanent residence in Finland. An employment contract of at least two years, family ties to a permanent resident of Finland or a previous permanent residence in Finland are usually accepted as sufficient proof of an intention to take up permanent residence in Finland. The permanence of a move to Finland can also be established on other grounds. However, persons moving to Finland solely in order to study are not regarded as taking up permanent residence in Finland.

You should contact the relevant social security authority of your country of origin to ask about continued social security coverage there.

## Moving from Finland

You must notify Kela if you move abroad or live outside Finland even on a temporary basis. You must also notify Kela if you return to Finland.

The social security coverage of persons moving from Finland is as a general rule decided by reference to the length of their residence outside Finland. If you intend to stay abroad for less than a full year (which is regarded as a temporary residence), you will retain your coverage under the Finnish social security system for the duration of your stay and will qualify for Kela benefits. If you intend to move abroad for more than a year, your residence will be considered as permanent, in which case your social security coverage in Finland will end, typically with effect from the date of your move from Finland.

As an exception to the general rule concerning temporary residence abroad, if you move to another EU/EEA country or to Switzerland for employment purposes, you will normally be enrolled in the social security system of your country of employment. Under the EU regulations, you can only be enrolled in one national social security system at a time, usually the country in which you work.

If you originally intended to stay abroad for less than a year, but it turns out that your stay will last longer (i.e., will be considered as permanent), your social security coverage in Finland will end effective from the date when your circumstances changed.

Persons who regularly stay most of the year abroad are normally not entitled to coverage under the Finnish social security system. However, if they continue to maintain close ties to Finland, they may retain their coverage. Cases where there is room for interpretation are decided individually by reference to such factors as the length of residence in Finland and abroad, family ties, housing circumstances and repeated stay in Finland.

Under certain circumstances, persons who work abroad for more than a year can retain their coverage under the Finnish social security system. Posted workers can apply to retain their coverage during a temporary assignment abroad. Civil servants retain their coverage automatically. Civil service employers are expected to notify Kela anytime a civil servant undertakes work outside Finland. The family members of posted workers and civil servants can also apply to retain their coverage under the Finnish social security system.

Kela is responsible for issuing decisions on the application of the Finnish social security legislations on workers who are assigned to countries other than the EU/EEA countries or countries with a social security agreement with Finland. Kela issues a similar decision for the family members accompanying a worker posted abroad. The Finnish Centre for Pensions (ETK) issues corresponding decisions for workers assigned to an EU/EEA country, to Switzerland or to a country with which Finland has a social security agreement. The Finnish Centre for Pensions will issue Certificate A1 to civil servants moving to a country applying the EU Regulation.

### **Payment of Finnish benefits abroad**

The benefits available from Kela can be divided into two groups based on whether they are payable to persons living abroad on a temporary or a permanent basis.

Under certain conditions, the following benefits are available even if you live abroad longer than a year as a posted worker, student or civil servant of the Finnish Government, or as a family member of such a person:

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- national pensions and survivors' pensions
- child benefits
- maternity grant
- general housing allowances (only towards the costs of a home located in Finland).

The following benefits are available only if you stay abroad temporarily (i.e., for less than a year):

- housing allowances for pensioners (only towards the costs of a home located in Finland. If the pensioner stays abroad over six months within a year, the housing allowance is not granted with effect from the date of pensioner's move from Finland)
- disability allowances and the care allowance for pensioners – Under certain circumstances, these allowances can be paid also during a non-temporary residence in another EU/EEA member state or in Switzerland
- guarantee pension.

Certain Kela benefits are not payable abroad at all. These include

- child home care and private day care allowances (child home care allowance is payable to EU/EEA countries and to Switzerland).

The main rule is that if you live abroad temporarily (i.e., for less than a year), you are covered by the Finnish social security system and are eligible for benefits from Kela just as if you lived in Finland. This means that benefits already in payment can be paid to you while you are abroad, and you can apply for new benefits. However, if you live abroad permanently (for more than a year), you are normally not eligible for benefits from Kela. The payment of benefits ends immediately when you move abroad.

Residence-based social security systems (such as those in Finland and the rest of the Nordic countries) may require a certain period of residence to qualify for benefits. In Finland, such a qualifying period is required for maternity allowances, national pensions and surviving spouses' pensions. Any periods of insurance you may have completed under the social security system of another EU/EEA country or of Switzerland count towards this qualifying period.

## Moving to Finland

Your right to social security benefits in Finland is decided by reference to the length of your stay in Finland. If you intend to take up permanent residence in Finland, you will normally be covered by the Finnish social security system and will qualify for Kela benefits as soon as you move to Finland.

The following are regarded as indications of a permanent move to Finland: return migration to Finland, employment in Finland lasting at least 2 years, and a marriage or other close familial relationship with a person permanently residing in Finland.

As a further requirement, you are expected to have been issued a residence permit valid for at least one year (assuming a residence permit is required in the first place). Residence permits are issued by the Finnish Immigration Service, [www.migri.fi](http://www.migri.fi).

If your residence in Finland isn't considered permanent, your social security might also be determined by reference to the length of your employment in Finland if you are an employee or self-employed person moving from another EU/EEA country or Switzerland. If you are going to work in Finland for more than 4 months and you meet certain employment conditions, you will normally be covered by the Finnish social security system.

Persons coming from a third country (i.e. a country other than another EU/EEA country or Switzerland), who are going to work in Finland for a specific period are entitled to nearly all benefits under the Health Insurance Act and are insured for unemployment during their employment in Finland provided that the employment lasts at least 4 months and certain other conditions imposed on the nature of the employment are met.

Persons moving to Finland must apply for coverage under the Finnish social security system by filing the Kela form Y77. Successful applicants are issued a written decision and awarded a personal Kela card.

If you move to Finland on a temporary basis, you will normally not be entitled to social security benefits from Kela. For example, students moving to Finland for study purposes only are considered to be staying in Finland temporarily.

You will not be covered by the Finnish social security system if you receive benefits from another country under the EU legislation or a social security agreement, or are otherwise covered by the social security system of another country. This is the case with such persons as

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- employees posted from another EU/EEA country or from Switzerland
- cross-border workers working in another EU country
- employees of a foreign government or an intergovernmental organisation and their family members.

If you move to Finland temporarily from another EU/EEA country or from Switzerland, you will have access to necessary medical treatment by presenting your European Health Insurance Card.

For more information, see [www.kela.fi](http://www.kela.fi) or visit In To Finland, a service point of Kela and the Finnish Tax Administration ([www.intofinland.fi](http://www.intofinland.fi)).

# BENEFITS FOR FAMILIES WITH CHILDREN

## Maternity grant

Expecting mothers living in Finland are eligible for a maternity grant once their pregnancy has lasted 154 days (about 5 months). To qualify, they must have a medical examination (either see a doctor or visit a mother and baby clinic) by the end of the 4th month of pregnancy.

Claimants can choose between a maternity package and a tax-free cash benefit of €140. In case of multiple births, the number of maternity grants awarded increases on a graduated scale so that three grants are awarded in case of a twin birth and six grants in case of triplets. If several grants are awarded, they can consist of maternity packages and cash benefits in any combination. See page 16 for details about the eligibility of adoptive parents for the maternity grant.

## Maternity, paternity and parental allowances

Parents of small children are entitled to take a maternity, paternity or parental leave while receiving a corresponding allowance from Kela.

The benefit you are entitled to during family leave include

- maternity allowance
- paternity allowance for father
- parental allowance which is payable for either the mother or the father depending on which of them looks after the child. They can also both work part-time and share child care duties with one looking after the child in the morning and the other in the afternoon, for instance. In such cases Kela pays a partial parental allowance.

In the event of a multiple birth, the payment period of the parental allowance is extended by 60 working days for the second and each additional child. The extension can be implemented either with both parents taking a parental leave at the same time (in which case the total leave period is not extended) or it can be tacked on to the end of the maternity or parental leave.

For details about the start and duration of parental allowance payments, see the supplement.

### **Special maternity allowance for mothers exposed to health hazards at work**

Any chemical substances, radiation or contagious diseases that you are exposed to in your work are a potential health hazard for you and your baby. If the health hazard cannot be eliminated and your employer is unable to reassign you for the duration of your pregnancy, you can stop working before your regular maternity leave is scheduled to begin, and receive a special maternity allowance. It is paid until the regular maternity allowance period begins, until the health hazard has been eliminated or until your contract of employment ends.

### **Paternity leave and paternity allowance**

The rules concerning paternity leaves changed on 1 January 2013. The change is relevant to parents who began to receive special maternity allowance, maternity allowance or parental allowance (adoptive parents) after 1 January 2013. If payment of the allowance began in 2012, the paternity allowance is paid in accordance with the previous legislation.

New paternity leave is 54 working days altogether (approximately 9 weeks). Kela will pay paternity allowance for the duration of the leave. The father can take 1–18 working days, about 3 weeks, as paternity leave after the child is born during the maternity and parental allowance. The rest of the paternity leave or the whole 54 working days can be taken after the maternity and parental allowance. Paternity leave must be taken before the child is 2 years old. The child can be in day care before paternity leave.

Paternity leave can be divided into shorter periods. 1–18 working days can be divided up to a maximum of 4 periods of leave. Paternity leave taken after maternal or parental leave can be divided up to a maximum of 2 periods of leave. The father notifies his employer of his paternity leave at least 2 months before the start of leave. If paternity leave is a maximum of 12 working days, notification is made at least one month in advance.

### **Partial parental allowance**

If you and your spouse work part-time and you share the care of your child, you can both receive partial parental allowance from Kela. Both of you must have made an agreement with your employers about working part-time for at least 2 months.

The pay and hours must be 40–60% of full-time pay and hours. If one parent no longer meets the eligibility requirements for the partial parental allowance,

neither can receive it. If this is the case, the parent looking after the child will receive the regular parental allowance. Single parents and students are not eligible for the partial parental allowance.

### **Registered partnership**

Parents living in a registered partnership are eligible for parental allowance when looking after the child of their partner even if they are not the child's biological parent. This requires that the partnership was registered before the child was adopted or born.

### **Amount of the allowance**

The amount of the maternity, paternity and parental allowances is normally linked to taxed earnings. It also depends on your status (working, attending school, ill or unemployed), and by fluctuations in income. There is a minimum rate to which you are entitled no matter what. The partial parental allowance is half of the parental allowance that would be paid. See the supplement for details about the amount of the allowance. If your employer pays you while you are on leave, the maternity, paternity or parental allowance corresponding to your pay is paid to your employer.

### **Taxation**

Maternity, paternity and parental allowances are subject to tax. They are taxed at the rate specified by the tax authorities. The taxes are withheld in accordance with the criteria set out in your tax card. The minimum withholding rate is 20%. To avoid having to pay too much withholding tax, you may wish to obtain a revised tax card from the tax authorities. See [www.vero.fi](http://www.vero.fi) for further information.

### **Payment to employees**

Maternity, paternity and parental allowances are normally calculated according to previously taxed earnings and not to your current earnings. While on parental leave, you will continue to accrue pension and holiday credits.

Your earnings are multiplied by a wage coefficient, after which deductions are made for certain wage-related expenses, including the following:

- cost of commuting between your home and work (minus a copayment)
- trade union and unemployment fund dues
- a deduction corresponding to contributions to earnings-related pension insurance and unemployment insurance.

### **Payment to self-employed persons**

If you are self-employed and covered under the Self-Employed Persons' Pensions Act or the Farmers' Pensions Act, your maternity, paternity or parental allowance will be calculated on the basis of your insurable income. The income is multiplied by a one-year wage coefficient.

### **If your earnings have increased**

If you have more recent earnings that are at least 20% higher than your taxed earnings or your income under the Self-Employed Persons' Pensions Act or the Farmers' Pensions Act (as multiplied by a wage coefficient), the allowance can be calculated on the basis of the more recent earnings. Kela multiplies by two your earnings for the 6 months preceding the maternity, paternity or parental allowance period to arrive at an annual income. These earnings are not multiplied by a wage coefficient.

Self-employed persons can report either their self-employment wage or their income under the Self-Employed Persons' Pensions Act or the Farmers' Pensions Act as the 6-month earnings. Only regular income is recognised, but it is possible to report income for only part of the 6-month period.

### **If you have no earnings**

If you have no earnings that could form a basis for the calculation of the maternity, paternity or parental allowance, the allowance will be paid to you at a minimum rate (see the supplement for details). You can also be paid an allowance at the rate of an unemployment benefit you received before your parental leave (see page 30). If you are on a low income and have outstanding student debt, you may be entitled to an interest allowance (see page 52).

### **Paternity allowance for persons performing conscript or non-military service**

If you take a paternity leave while performing conscript or non-military service, you will be paid paternity allowance at the minimum rate. If you have dependants, you may also qualify for a conscript's allowance. For more information, see [www.kela.fi](http://www.kela.fi).

### **Work or study during a parental leave**

Mothers who study and receive financial aid during a maternity or parental leave are entitled to a minimum-rate maternity or parental allowance along with the financial aid. The maternity allowance is considered as income and counts towards the maximum income that students may earn per year. Mothers who work during a parental leave get a minimum-rate allowance from Kela for the days at work.

Fathers may not work while in receipt of paternity or parental allowance, unless they have sole responsibility for the care of their child. Fathers can study during a paternity or parental leave, and receive both financial aid and a paternity/parental allowance, provided they can show that they are looking after their child while studying.

### **Two babies in three years**

You can draw maternity, paternity or parental allowance at a rate calculated on the basis of the income that was used to calculate a previous allowance, if

you are expecting or adopting another child and the expected date of delivery or adoption precedes your previous child's 3rd birthday or the date on which 3 years have elapsed since you assumed care for an adopted child.

### **Payment of the allowance**

Maternity, paternity and parental allowances are payable for working days (which includes Saturdays, but not Sundays or holidays that fall between Monday and Saturday). They are paid in arrears every 25 days. The initial maternity allowance instalment comprises 30 days. Paternity allowances are paid in arrears for one or several payment periods at a time depending on how the father decides to time his leave.

## **Child benefit**

Child benefit is available from the beginning of the month following the birth of a child or other eligibility event (such as moving to Finland) until the end of the month in which the child reaches 17 years or moves permanently abroad.

Child benefit is paid to the mother, father or other provider and, in some cases, to the child him- or herself (if 15 or older). A single-parent supplement is available for parents who are not married or cohabiting. The child can be in either sole or joint custody.

## **Child maintenance allowance**

Kela is responsible for eligibility determination and payment of the child maintenance allowance as well as for the recovery of child support debt from liable parents. Kela is not responsible for child maintenance agreements or for determining the amount of child support payable. For details about how to apply and about the amount of the child maintenance allowance, see the supplement.

You can get child maintenance allowance if

- a parent with maintenance responsibilities has not paid child support in accordance with a previous agreement or court decision
- child support has been set at an amount lower than the child maintenance allowance due to financial difficulties on the part of the liable parent
- you have adopted the child as a single parent or
- the paternity of a child born out of wedlock has not been confirmed.

## Benefits from Kela for adoptive parents

Adoptive parents are eligible for largely the same benefits as biological parents. While adoptive parents are not eligible for the maternity allowance, they are entitled to an extended parental leave and parental allowance. In addition, the terms for receipt of the child home care allowance are more flexible for adoptive parents.

Benefits for adoptive parents:

- Maternity grant is payable for adopted children under 18 years. You must be living in Finland, and an adoption counsellor or international adoption agency must have identified a child to you for placement in your care. The child may be adopted from Finland or abroad. With international adoptions, permission is needed from the Finnish Board of Inter-Country Adoption Affairs. When applying for a permission, enclose evidence showing that the child has been identified to you. The application deadline is 2 months of when the child was placed in your care, but you can apply as soon as the child has been identified for placement with you.
- You can take a parental leave to look after a child adopted at under 7 years of age and receive parental allowance (or partial parental allowance) during the leave. If you adopt the biological child of your spouse or partner, you can receive parental allowance if the child was under 12 months at adoption and you take a parental leave to look after him or her. You cannot work or study full-time while on parental leave. Parental allowance is paid for at least 200 working days or until 234 working days have passed since the first working day following the day the child was born. Enclose proof of custody with your application. With international adoptions, permission is needed from the Finnish Board of Inter-Country Adoption Affairs. Claims can be backdated by 2 months from when the child was placed in your custody.
- You can claim paternity allowance or an equivalent benefit for female partners in a registered partnership from Kela and take a paternity leave and a daddy month just like other fathers.
- Adoptive parents have the same right as other parents to take a child care leave and to receive child home care or private day care allowance. Adoptive parents can get child home care allowance also for children over 3 years of age until the time when 2 years have elapsed from the beginning of the parental allowance period. If the child starts school in the meantime, the allowance is paid for less than 2 years.

### Adoption grant

If you adopt a child from abroad, you can claim adoption grant from Kela to offset some of the cost of the adoption. You can claim as soon as an international adoption agency has identified a child under age 18 to be placed in your custody and the Finnish Board of Inter-Country Adoption Affairs has authorised

the adoption. To qualify for the adoption grant, you must be living permanently in Finland. Adoption grant is not available if you adopt a child from Finland.

## Child care subsidies – an alternative to municipal day care

Once your parental leave is over, you can

- look after your child while receiving child home care allowance
- arrange for your child to be looked after by a private child care provider and receive child home care allowance or private day care allowance
- or place your child in municipal day care (this right is guaranteed by law). However, you cannot then receive child home care allowance or private day care allowance from Kela.

If you have more than one child, you can choose the child care arrangements that suit each of your children best. This means that you can be paid child home care allowance and private day care allowance at the same time as long as they are being paid for different children.

In addition, certain municipalities provide a municipal supplement for children who do not attend a municipal day care centre or other municipal day care provider. The amount of such supplements varies by municipality. Contact your municipal authorities for details.

You have the right to take an unpaid child care leave and keep your job. This right is based on the Employment Contracts Act and on collective agreements. You can remain on child care leave until your child is 3 years old. It is possible to take the leave in up to two parts for each child (each part must be at least one month in length). Notify your employer at least 2 months before taking a child care leave.

### Child home care allowance

You are entitled to the child home care allowance if a child under 3 years old in your family is looked after by his or her parents, some other care giver (for instance grandparents) or a private child care provider. Child home care allowance is not available if the child is in municipal day care or a place in municipal day care has been reserved for him or her.

The child home care allowance comprises two components (care allowance and care supplement). The latter is means-tested against family income.

Kela pays the child home care allowance to the parent or provider who actually looks after the child. It is paid in arrears on the last day of each month. Because the child home care allowance is taxable income, Kela withholds tax from it at the rate specified by the tax authorities. This rate may be too high, in which case you should request a revised tax card from the tax authorities. See [www.vero.fi](http://www.vero.fi) for further information.

You can be paid child home care allowance at the same time as maternity, paternity or parental allowance, but since the former allowance is deducted from the latter, none may remain payable to you.

### **Private day care allowance**

You are entitled to the private day care allowance if a child under school age in your family is looked after by a private day care provider or by a care giver you have hired. Private day care allowance is not available if the child is in municipal day care or a place in municipal day care has been reserved for him or her. Attendance of part-time preschool does not prevent payment of the private day care allowance.

The private day care allowance can never exceed the child care fee. Kela pays the allowance to the care giver you have hired. It is paid in arrears on the last day of each month.

If your child is enrolled in extended compulsory education, attends part-time municipal pre-school one year before starting school, or starts school at age 6, the basic allowance component of the private day care allowance is paid at a rate of €63,05 per month and the supplement is halved.

Payment of the private day care allowance requires that the child's care giver

- is not a member of the family
- has signed a contract with the parents to provide child care for at least one month
- or is a private day care provider (individual or organization).

The day care provider must be authorised by the local authorities. If your child is being looked after by a relative or other person, you must draw up an employment contract and pay wages.

The private day care allowance is subject to tax. Before paying it to the care giver, Kela withholds tax from it. If you have hired a private care giver, you must, in your capacity as employer, withhold taxes from the wage and pay any social security contributions due. For more information, see [www.kela.fi](http://www.kela.fi).

## Partial care leave and care allowance

After the parental leave, you can take a partial care leave, which allows you to work fewer hours per day or week. This will reduce your earnings. Your spouse or partner can be on partial care leave during the same period but at different times (for example, with one of you working fewer hours in the morning and the other in the afternoon).

To qualify for partial care leave, you must have been employed full-time by the same employer for at least 6 out of the last 12 months before you go on leave. You should agree the practical arrangements with your employer.

You can be on partial care leave until:

- your child completes his or her second year of school (on 31 July of the relevant year)
- if enrolled in extended compulsory education, your child completes his or her third year of school (on 31 July of the relevant year)
- if sick or disabled, your child reaches the age of 18 years.

### **Partial care allowance**

You can be paid partial care allowance if you work no more than 30 hours a week because of child care responsibilities.

Kela pays partial care allowance to parents whose child:

- is under 3 years of age or in the 1st or 2nd year of school
- is enrolled in extended compulsory education, until the end of July of the year in which the child completes his or her 3rd year of school
- attends preschool while in extended compulsory education or will start school one year late.

You can draw partial care allowance simultaneously with the child home care allowance or with the private day care allowance if the child is being looked after by someone else than his or her parents. Your child can attend municipal day care. Partial care allowance is not available simultaneously with the partial parental allowance or if your child is being looked after by one of his or her parents, who receives child home care allowance. See the supplement for details about the amount of the allowance.

## Sick or disabled children

### Special care allowance for children under 16

You can claim special care allowance from Kela if you have to stop working temporarily in order look after your child, who is under 16. To qualify for the special care allowance, you must

- participate in the treatment or rehabilitation of your child, who is under 7, in a hospital, outpatient clinic or a rehabilitation or adaptation training course
- participate in the hospital or outpatient treatment or rehabilitation of your child, who is between 7 and 15 years of age and severely ill
- or look after your child, who is under 16 and severely ill, at home as part of a hospital or outpatient treatment plan.

The special care allowance provides compensation for loss of income during periods in which you are completely unable to work, operate a business or study full-time because of the sudden onset or exacerbation of your child's illness.

The special care allowance is payable in respect of the treatment or rehabilitation of biological, adopted or stepchildren as well as children to whom you are a de facto parent.

The special care allowance is calculated in the same way as the sickness allowance. There is a minimum rate to which you are entitled no matter what. The local authorities may pay an informal care allowance for family members caring for a sick or disabled child.

### Rehabilitation services for children

Children with severe disabilities whom Kela has awarded disability allowance at the middle or the highest rate are entitled to medical rehabilitation services for persons with severe disabilities. The rehabilitation can take such forms as individual therapy or group rehabilitation or adaptation training. Group rehabilitation events may be arranged also for children without severe disabilities.

During participation in such an event, the parents of the child are eligible for a rehabilitation allowance.

Sick or disabled children can ask Kela to provide them with expensive or elaborate assistive devices that are essential to their studies. This can include such devices as computers and video magnifiers. Assistive devices can be provided for children in 7th year of comprehensive school or higher who aim at vocational education or entry into working life.

For more information, see [www.kela.fi](http://www.kela.fi) or visit a Kela office.

### **Temporary care leave**

In the event of a sudden illness of a child under 10, you can take a temporary care leave of up to 4 working days to look after your child. Either parent can be on temporary care leave but not both at the same time. The parent need not live in the same household as the child. Your employer is not required to pay you during a temporary care leave.

## HEALTH INSURANCE

### Reimbursements for medicine expenses

You can be reimbursed for the cost of medicines prescribed to you for the treatment of an illness.

Emollient creams prescribed for use in the treatment of a chronic skin condition are reimbursed at the basic reimbursement rate. Medicines whose purpose is to prevent illness or maintain good health are not reimbursed. The pharmacy will exchange the prescribed medicine for a more affordable alternative, unless this is expressly forbidden by your doctor or yourself.

To qualify for a reimbursement, you must take the medicine as instructed and purchase it for 3 months' use at a time in the most economical package size. Further, the medicine, emollient cream or clinical nutrient you are purchasing must have been confirmed as reimbursable by the Pharmaceuticals Pricing Board, which operates in affiliation with the Ministry of Social Affairs and Health. If such confirmation has not been given, you will have to pay full price.

#### Reference price system

Certain medicines belong to a reference price system, which comprises several reference price groups. Each group consists of interchangeable medicines (medicines that can be substituted for one another). Each of the medicines in a reference price group carries the same price.

Pharmaceutical companies provide quarterly price notifications to the Pharmaceuticals Pricing Board, which confirms the reference price group and reference price of each medicine. The reference price is calculated on the basis of the least expensive alternative in the reference price group as follows:

- If the price of the least expensive medicine in a reference price group is less than €40, the reference price is this price plus €1.50.
- If the price of the least expensive price in a reference price group exceeds €40, the reference price is this price plus €2.00.

If a particular medicine belongs to a reference price group and its price exceeds the reference price, the reimbursement is calculated on the basis of the reference price. This means that you would pay the copayment and the share exceeding the reference price, which does not count towards your annual limit for out-of-pocket medicine expenses. If the purchase price is the same or lower than the reference price, the reimbursement is calculated on the basis of the

purchase price. If your doctor disallows generic substitution, Kela will pay the reimbursement on the basis of the actual price even if the medicine belongs to a reference price group.

For more information about the prices of medicines, reimbursement criteria and interchangeable medicinal products, see [www.kela.fi/laakehaku](http://www.kela.fi/laakehaku) (in Finnish).

### **Reimbursement rates**

There are three rates of reimbursement:

- Basic reimbursement (35% of the purchase or reference price)
- Lower special reimbursement (65% of the purchase or reference price)
- Higher special reimbursement (100% of the purchase or reference price; a €3 copayment is charged for each medicine purchased at one time).

### **Medicines with limited basic reimbursability**

With certain medicines, the availability of basic reimbursements is limited. Reimbursements are available only if they are used for the indications specified by the Pharmaceuticals Pricing Board. This group includes medicines used in the treatment of MS or Alzheimer's disease. In order to be reimbursed for these medicines, you must submit Medical Certificate B to Kela.

### **Special reimbursements for medicines**

A higher rate of reimbursement is available for certain medicines used in the treatment of severe, long-term diseases. The diseases for which special reimbursements are available are specified by the Government (see the supplement). The medical criteria required for entitlement to a special reimbursement are set out by Kela in a separate decision.

In order to be reimbursed at the pharmacy, you must submit Medical Certificate B to Kela.

The entitlement to special reimbursements can be granted for a specified period or indefinitely. Once the entitlement has been granted, you will receive in the mail a new Kela card indicating your new entitlement and when it will expire.

Kela provides special reimbursements for medicines purchased after the Medical Certificate B arrived at Kela. With certain diseases, before qualifying for special reimbursement, you must first undertake lifestyle changes, whose effect on your illness is monitored. Also, with certain diseases you must first spend 6 months on regular medication before entitlement to special reimbursements can be granted.

### Clinical nutrients

Clinical nutrients may be essential to persons with such conditions as milk allergy or abnormal absorption of nutrients. The right to basic and special reimbursements for clinical nutrients is available on application only, in the same way as special reimbursements for medicines (see the supplement).

### Additional reimbursements for costs exceeding an annual maximum amount

You can receive an additional reimbursement for medicine expenses that exceed an annual out-of-pocket limit (see the supplement). Once you have exceeded this limit, Kela will send you a letter informing you of this, accompanied by a separate notification for the pharmacy. Keep the notification and present it at the pharmacy when purchasing prescription medicines.

## Reimbursement of the costs of private medical treatment

If you need to consult a doctor, you can either visit the municipal health centre or go to a private medical clinic. Kela reimburses part of the private doctor's fee and the examination and treatment charges according to a schedule of fixed charges.

By presenting your Kela card, the reimbursement can often be credited to you at the clinic. No reimbursement is available for medical services obtained from public-sector providers. Some employers provide medical care as part of their occupational health care programme.

No reimbursement is available for the following items, among others:

- administrative fees
- hospital inpatient and outpatient charges
- expenses for preventive care (except for dental care)
- fees charged for issuing a medical certificate for the purpose of acquiring a driving licence, applying to a school, satisfying the entry requirements for a job, or applying for a pension
- periods in which you are being treated in a public hospital or institution (such as a home for the elderly).

Reimbursements may be available for the cost of acquiring a medical certificate if the certificate was issued for the purpose of satisfying an eligibility condition for a Kela benefit. Contact a Kela office for more detailed information about reimbursements for medical certificate fees.

### **Reimbursements of the costs of consulting a doctor in private practice**

Kela reimburses part of the fees charged by doctors practicing privately. Fees charged by doctors are reimbursed according to a fixed schedule. Maximum limits on the reimbursable fees are specified in a schedule of fixed charges. The treatment provided must be medically necessary for the reimbursement to be provided.

The maximum reimbursable fee specified in the schedule of fixed charges is often smaller than the fee actually charged by the doctor. However, the reimbursement is calculated on the basis of the fee actually charged if it is smaller than the fixed charge.

If you have private medical insurance, you can claim additional reimbursement from your insurer. Before filing a claim with Kela, check the requirements for claiming reimbursement from your insurer.

### **Reimbursement of examination and treatment charges**

Costs for examinations and treatments ordered by a doctor in private practice are reimbursed according to a fixed schedule. Maximum limits on the reimbursable costs are specified in a schedule of fixed charges.

Reimbursements are available for examinations and treatments to which you are referred by a physician. These include

- laboratory and radiology tests
- psychological evaluations
- medical treatment
- chemotherapy
- physical therapy.

The treatment must be medically necessary and provided within 12 months of when the doctor gave you the referral. If your doctor refers you to a series of treatments, you can be reimbursed for up to 15 sessions.

## Reimbursement of the costs of private dental treatment

Reimbursements are available for the cost of dental and oral treatment provided by a dentist in private practice, treatment provided by dental hygienist on a dentist's referral, laboratory and radiology tests prescribed by a dentist, and transportation required to obtain dental treatment.

Fees charged by dentists in private practice are reimbursed according to a fixed schedule. Maximum limits on the reimbursable fees are specified in a schedule of fixed charges. Costs for oral and dental examinations can be reimbursed once per calendar year. Costs for laboratory and radiology tests prescribed by a dentist are reimbursed according to a fixed schedule.

Maximum limits on the reimbursable costs are specified in a schedule of fixed charges. Dental hygienists' services are reimbursed according to a fixed schedule. No reimbursement is available for the following items:

- dental care obtained from public-sector providers
- prosthetic procedures such as the manufacture or repair of removable dentures, dental crowns, bridges or implants
- the services of a dental technician
- orthodontic procedures (can be reimbursed under special circumstances)
- periods in which you are being treated in a public hospital or institution.

### **Dental treatment of front-veterans and mine clearance workers**

Front-veterans and mine clearance workers are entitled to the following reimbursements of dental expenses:

- dental examinations, preventive care and the clinical part of prosthetic work (according to a schedule of fixed charges)
- technical part of prosthetic work (according to a schedule of fixed charges)
- technical part of complete denture care provided by a specialist dental technician on the basis of a referral by a dentist (according to a schedule of fixed charges)
- other dental care (according to a schedule of fixed charges).

Front-veterans must be in possession of a front-veteran's, front-line service, veteran's or fortification corps badge. Mine clearance workers must have certification from the Military Archives. A Kela photocard marked with 'R' or 'MR' can also be used to gain access to dental care.

## Reimbursement of travel costs

Reimbursements are available for the costs of travel related to treatment, examination or rehabilitation. The costs are usually reimbursed on the basis of the least expensive way of reaching the nearest private or public doctor or treatment provider. Use of one's own car is reimbursed at the rate of €0.20 per kilometre travelled. In the case of Kela-provided rehabilitation, trips to the rehabilitation provider are reimbursed. Trips to the pharmacy for the purpose of purchasing medicines are not covered.

If you have to stay overnight due to difficult travel connections or the nature of the examination or treatment you are undergoing, you are eligible for an accommodation allowance from Kela. Costs incurred by an escort are reimbursed if the health care provider considers the presence of an escort or family member to be necessary. War veterans who participate in rehabilitation provided by the State Treasury get all of their travel costs reimbursed by Kela. See the supplement for details about reimbursement rates.

Kela keeps track of your annual out-of-pocket travel costs. Once you reach a specified maximum limit (for details, see the supplement), you will receive a card stating that you have reached the out-of-pocket maximum. By presenting the card to the driver, you can travel free of charge if the transport provider has a contract with Kela. If you have to pay for the trip, you can claim reimbursement from Kela afterwards.

## Medical treatment abroad

If you need urgent medical treatment in another EU/EEA country or in Switzerland, present your identity card or European Health Insurance Card to obtain medical services on the same terms as the local residents.

If you have neither card with you, you can seek reimbursement for the costs of medical treatment from Kela after the fact by submitting form SV 128. Kela pays a reimbursement equal to that which would have been available in the other country or under the Finnish National Health Insurance.

If you choose to seek treatment in another EU/EEA country or in Switzerland, you are entitled to reimbursement for any doctor's or dentist's fees you are required to pay as well as for the cost of any examinations or treatments to which you are referred. The reimbursement can be claimed retrospectively from Kela on form SV 128. If you choose to seek treatment without first acquiring a prior

authorisation, you cannot get a reimbursement for the cost of travel, residence or medication.

You can also apply for a prior authorisation to seek treatment in another EU/EEA country or in Switzerland. The application should be addressed to the public health care unit responsible for providing specialised medical care to you, but it can also be made to Kela on form SV 129. Once you have obtained prior authorisation, you have access to medical treatment in accordance with the prevailing standards and principles of the country in which you receive the treatment. The costs of the treatment are invoiced to the countries involved. You can also be reimbursed for the cost of travel, residence and medication and for the cost of having someone accompany you on the trip. This reimbursement can be claimed on form SV 128.

## Sickness allowance

Kela pays a sickness allowance as compensation for loss of earnings caused by an illness. If you are paid while on sick leave, the compensation is paid to your employer.

To qualify for the sickness allowance, you must be between 16 and 67 years of age and unfit for work on medical grounds. You can also receive sickness allowance if it is necessary for you take a leave to prevent the spread of an infectious disease or because of the donation of a vital organ or tissue. Persons receiving a pension are not eligible for the sickness allowance (with the exception of working pensioners under 68 who are medically unfit for the work they were performing).

Sickness allowance is paid in arrears and in specific instalments. Sickness allowance is paid for weekdays and Saturdays, but not for Sundays, May Day, Independence Day or holidays that fall between Monday and Saturday.

### **Waiting period and maximum length of payment**

Before receiving sickness allowance, you must complete a waiting period, which consists of

- the day of onset of work incapacity and the following 9 working days (including Saturdays)
- one working day, if you are again unfit for work for a reason for which you already received sickness allowance within the previous 30 days
- the day of onset of work incapacity and the following three working days, if you are self-employed or a farmer and you are insured under the Self-Employed Persons' Pensions Act or the Farmers' Pensions Act.

There is no waiting period if the period of incapacity for work is immediately preceded by the payment of partial sickness allowance or rehabilitation allowance.

Sickness allowance is payable for a maximum of 300 working days (about a year). All days during the past two years on which you were entitled to sickness allowance from Kela count towards the total time for which you can receive sickness allowance. After you have reached the maximum, you can get sickness allowance for an additional two months if you work for at least one month before payment of the allowance resumes.

To receive sickness allowance again for the same illness, you must have been fit for work for at least a year in the mean-time. If you become unfit for work because of a completely different illness, you can receive sickness allowance normally.

### **Sickness allowance is taxable income**

Kela withholds tax from the sickness allowance at the rate specified by the tax authorities. Tax is withheld in accordance with the criteria set out in your tax card. The minimum withholding rate is 20%. When a tax card issued for wage purposes is used, the rate specified in the card is increased by 2 percentage points. This is because certain deductions applicable to wage income do not apply to the sickness allowance. To avoid having to pay too much withholding tax, you may wish to obtain a revised tax card from the tax authorities.

See [www.vero.fi](http://www.vero.fi) for further information.

### **Amount of the sickness allowance**

The sickness allowance is normally linked to taxed earnings. The amount of the allowance also depends on your status (in rehabilitation, attending school, ill or unemployed), and any fluctuations in income.

### **Payment to employees**

The sickness allowance is normally calculated on the basis of your taxed earnings for a previous tax period and not your current earnings. The earnings are multiplied by a wage coefficient, and certain deductions are made (including commuting costs, earnings-related pension insurance and unemployment insurance contributions, and professional expenses). If you are paid while on sick leave, the sickness allowance is paid to your employer. If your wage is smaller than the sickness allowance, the balance is paid to you.

### **Payment to self-employed persons**

If you are self-employed or a farmer, the sickness allowance due to you is calcu-

lated on the basis of your insurable income under the Self-Employed Persons' Pensions Act or the Farmers' Pensions Act. If you are not required to take out insurance under either of these Acts, the sickness allowance is calculated on the basis of the earnings you have reported to the tax authorities.

If you are insured under the Self-Employed Persons' Pensions Act or the Farmers' Pensions Act, you can claim reimbursement also for the waiting period required under the National Health Insurance (during which sickness allowance is normally not paid). Sickness allowance can be paid out under one of the above Acts following the completion of the applicable waiting period until the end of the waiting period specific to the sickness allowance. Such an allowance is calculated solely on the basis of insurance earnings. If you remain unfit for work when you have completed the waiting period for the sickness allowance, Kela will recalculate your allowance, taking into account also any other earnings you may have.

### **Payment to grant holders**

If you have been awarded a research or creative activity grant and you have taken out insurance under Farmers' Pensions Act, any sickness allowance paid to you will be calculated on the basis of your insurable earnings under the Act. If you are not required to take out insurance, your sickness allowance will be based on your taxable grant income. If your grant is too small to count as taxable income or otherwise does not qualify as such, you may be eligible for the minimum-rate allowance only. For more information, see [www.mela.fi](http://www.mela.fi).

### **If your current earnings are higher than your taxed earnings**

If you have more recent earnings that are at least 20% higher than your taxed earnings or your income under the Self-Employed Persons' Pensions Act or the Farmers' Pensions Act (as multiplied by a wage coefficient), the allowance can be calculated on the basis of the more recent earnings. Kela will take your earnings for the 6 months immediately preceding the sickness allowance period and multiply them by two to arrive at an annual income. These earnings are not multiplied by a wage coefficient.

Submit a statement to Kela (e.g., a pay statement from your employer) showing the amounts of your pay, benefits in kind and any holiday pay you may have received. Self-employed persons can report their income under the Self-Employed Persons' Pensions Act or the Farmers' Pensions Act, or, if they are not required to take out insurance, their self-employment income. Only regular earnings are recognised, but it is possible to report earnings for only part of the 6-month period.

### **Payment to unemployed persons**

If you have received an unemployment benefit within the four months preceding the work incapacity, the sickness allowance due to you is equal to 86% of the

unemployment benefit. During the waiting period for the sickness allowance, you will receive unemployment allowance from Kela or from your unemployment fund.

### **Payment to students**

If you become ill while a student, you can claim sickness allowance. You can continue to receive financial aid for students until you are granted the sickness allowance. Study grant payments due while you receive sickness allowance are deducted from the allowance. The payment of financial aid is discontinued if you are awarded the sickness allowance for 18 days or more during a single calendar month.

If you have received financial aid during the 4 months preceding your illness, the sickness allowance due to you in the first 55 days of illness will be nearly as large as your study grant. After that, you will be paid the minimum sickness allowance. A waiting period usually consisting of the day of onset of incapacity plus the following 9 working days must be completed before the sickness allowance is paid.

### **If you are without income**

If you have little or no income, you will receive sickness allowance after completing a qualifying period of 55 days (including the waiting period). You will then be paid at least the minimum sickness allowance.

### **If you have received rehabilitation allowance**

If you have received rehabilitation allowance from Kela or an earnings-related pension provider in the 6 months preceding work incapacity, the sickness allowance due to you will normally be at least as large as the rehabilitation allowance.

### **Accident at work, traffic injury, occupational disease**

If you are unable to work on account of an accident at work, occupational disease or a traffic or military injury, you will receive a daily allowance from the relevant insurance scheme. If the sickness allowance would be larger than the insurance payment, Kela will pay you the balance. If the insurance payment is delayed, you can receive an interim sickness allowance from Kela.

## Partial sickness allowance and part-time work

The purpose of the partial sickness allowance is to make it easier for persons who are incapacitated for work to retain or return to full-time employment. Full-time employees can make an agreement with their employer to return to work on a part-time basis. While employed part-time, they are paid a partial sickness allowance by Kela.

The partial sickness allowance is intended for persons who are employed or self-employed on a full-time basis and between 16 and 67 years of age. It is payable after a waiting period. No waiting period need be completed if the partial sickness allowance follows on immediately from a sickness or rehabilitation allowance. During the waiting period, the employee may not pursue any employment. Part-time employment can begin after completion of the waiting period.

To receive partial sickness allowance, you must have a full-time position to which you are returning on a part-time basis. The practical arrangements are agreed between your employer and yourself. You must take a 40-60% cut in hours and pay. Further, you must have a doctor's statement indicating that the part-time work poses no risk to your health and recovery.

### **Amount of the partial sickness allowance**

The partial sickness allowance is half as large as the regular sickness allowance. If you receive any other compensations for loss of earnings, they are offset against your partial sickness allowance.

The partial sickness allowance is payable for up to 72 working days (for about three months). It is not available for periods of less than two weeks. All days on partial sickness allowance during the preceding two years count towards the 72-day maximum. If you reach the maximum, you must be fit for work for at least a year before you can again receive partial sickness allowance for the same illness.

If you are unable to work for health reasons for more than 10 days while receiving partial sickness allowance, you are entitled to the regular sickness allowance. Once your health improves, you can return to part-time work and again receive the partial sickness allowance.

## Sick leave, rehabilitation or retirement?

If you have received sickness allowance for 60 working days (meaning that your sick leave has lasted nearly 3 months), Kela will evaluate whether your illness could be helped by means of rehabilitation. No application is required from you.

If you are employed and become disabled on 1 June 2012 or thereafter, Kela will ask you to provide a statement from your occupational health doctor about your remaining capacity for work and your chances of being able to return to work. You will be asked for the statement by the time you have received sickness allowance for 90 working days.

If you have received sickness allowance for 150 working days (nearly 6 months), you will receive a letter from Kela telling you about various rehabilitation options available to you and, where appropriate, informing you how to apply for a pension or some other benefit.

Disability pension is normally not available until you have received sickness allowance for the maximum period (300 working days or about a year).

## REHABILITATION

Four main types of rehabilitation services are available through Kela:

- vocational rehabilitation
- medical rehabilitation for persons with severe disabilities
- rehabilitative psychotherapy
- discretionary rehabilitation.

Vocational rehabilitation is aimed at working-age people whose work capacity has deteriorated or is at risk of deteriorating over the next few years. The purpose of the rehabilitation is to assist in coping with work demands, promote return to work and (for young persons) support their entry into working life. The making available of assistive devices for work and study is another aspect of vocational rehabilitation.

Medical rehabilitation for persons with severe disabilities is aimed at people under 65 who receive disability allowance or pensioners' care allowance at its middle or highest rate. The rehabilitation promotes their autonomy and improves or maintains their work capacity and functioning.

Rehabilitative psychotherapy is intended for persons between 16 and 67 years of age whose work capacity or functional status has deteriorated because of a mental disorder. Its aim is to support and restore the rehabilitation clients' capacity for work or study.

Discretionary rehabilitation services are financed with an annual appropriation from Parliament. They can take the form of individual or group rehabilitation sessions, neurological rehabilitation or assistive devices for use in work.

The rehabilitation services available through Kela are provided by rehabilitation centres, therapists or other providers selected and reimbursed by Kela. You will normally not be required to pay anything for the rehabilitation. However, psychotherapy available as discretionary rehabilitation is subject to a copayment.

### **Other rehabilitation**

The responsibility for providing rehabilitation services is shared between a number of organisations. In addition to Kela, rehabilitation services are provided by public-sector health care providers such as health centres and hospitals. Vocational rehabilitation services are also available through earnings-related pension providers and the employment and economic development office. If a particular rehabilitation service is not available through Kela, you will be referred to the appropriate provider.

If you need rehabilitation as the result of a traffic accident or accident at work, the rehabilitation will be available through your insurer.

## Vocational rehabilitation of working-age people

Vocational rehabilitation is aimed at people entering or already in working life whose work capacity has deteriorated or is at risk of deteriorating over the next few years. The following are some of the forms that vocational rehabilitation services may take.

The purpose of vocational rehabilitation may be

- to improve your capacity for work so as to help you cope with work demands
- to help you overcome an impairment and enter working life
- to help you return to work after a lengthy absence.

### **Examinations preceding vocational rehabilitation**

Before the vocational rehabilitation begins, you may be asked to undergo an evaluation of your rehabilitation need or a rehabilitation examination at a rehabilitation centre. The purpose of this is to assess your rehabilitation needs and prospects and to draw up a vocational rehabilitation plan for you. The evaluation or examination is performed by a team consisting of a doctor, a social worker, a psychologist and an expert specialising in working life issues, as well as other professionals as needed.

### **Work and training try-outs and job coaching**

The purpose of work and training try-outs is to test your ability to handle different job situations and occupations. A try-out may make sense if you are no longer able to cope with your job duties and are faced with a reassignment or change of occupations. A referral to a try-out may be issued by Kela, your doctor or a professional whom you may have seen for the purpose of performing a rehabilitation examination.

### **Education and training**

Rehabilitation can take the form of general education in an upper secondary school or a folk high school, if such education is required to enter vocational training. Basic vocational education can help you train for an occupation that is suitable for you, taking into account any health issues that may restrict your choice of occupations. By means of retraining or further vocational training,

you can acquire a new occupation that helps you to minimise the impact of any health limitations you may have.

You will have to secure admission to a training programme yourself. You can apply for rehabilitation from Kela once you have been admitted to a training programme and you have acquired a medical certificate indicating your need for rehabilitation and the suitability of the training. You must file your claim with Kela before you can enter the training programme but need not wait for Kela's decision. During participation in the training, you can be compensated for necessary expenses related to training and travel. You can also be paid a rehabilitation allowance (see p. 40).

### **Workplace health promotion**

If you are employed, you can maintain and improve your work capacity by means of workplace health promotion (WHP) efforts subsidised by Kela. However, you must first take advantage of the health promotion available through your workplace occupational health service. Referral to WHP subsidised by Kela is through the workplace occupational health service.

WHP can take the form of individual or group rehabilitation. Taking place in a rehabilitation centre, WHP consists of a 1–12 day evaluation period during which an individual rehabilitation plan is drawn up, and a rehabilitation period of up to 21 days. WHP can also be organised in short periods of activity between which you return to your workplace.

### **Business subsidies**

The purpose of business subsidies in the rehabilitation context is to help self-employed persons and entrepreneurs with an illness or disability to start up a business and to acquire necessary tools and instruments. If you already are running a business, you can receive subsidy towards acquiring tools and instruments if they are for your personal use and if they are essential for you to perform your work. Before granting a subsidy, Kela evaluates whether your work and business activity is suitable in light of your illness. Also evaluated are your professional skills and the outlook of your business to remain profitable. The amount of subsidy granted is determined on grounds what is necessary and reasonable. The subsidy can cover up to 80% of your projected costs and can be up to €17,000.

### **Assistive devices needed in work and study**

If you need expensive equipment with your work or study on account of your illness or disability, you can receive them under Kela's vocational rehabilitation programme. This can include such equipment as video magnifiers, Braille displays or other computer equipment. Kela takes into account the environment in which you work or study and the demands it places on you. Kela also provides instruction in the use of assistive devices and makes sure they are serviced.

Assistive devices are available starting from 7th year of comprehensive school. They are granted for programmes of study whose aim is to prepare the student for participation in vocational training or entry into working life. Applications from comprehensive school students must be accompanied by a plan detailing how they intend to complete vocational training and explaining how they need assistive devices for study.

Other devices to assist in daily living may be available from the public health care providers.

## Medical rehabilitation for persons with severe disabilities

Kela has arrangements to provide medical rehabilitation services for persons with severe disabilities and to pay them compensation for the cost of participation in rehabilitation. Medical rehabilitation is intended for persons who have an illness or injury resulting in a medical or functional impairment that complicates their daily living. The idea is to help them cope better with job-related duties and activities of daily living.

You are eligible for medical rehabilitation for persons with severe disabilities if you

- receive disability allowance at its middle or highest rate
- are under 65 years of age and receive pensioners' care allowance at its middle or highest rate or
- receive disability allowance at its highest rate during a time in which a disability pension you are receiving under the National Pensions Act is suspended.

### **Application must include an individual rehabilitation plan**

Medical rehabilitation services for persons with severe disabilities are provided in accordance with a written rehabilitation plan and cannot be granted if such a plan is not available. You draw up the plan together with your doctor. The plan can be drawn up in cooperation with your family members and the public health care professionals responsible for your care.

It is set out either on a special form or the medical certificate 'B' form (provided the latter contains all of the necessary information). The plan is drawn up for a period of 1–3 years at a time but can be revised when needed.

The plan must include

- information about your illness and about your current circumstances
- details about any rehabilitation you have received previously and its outcome
- information about the medical or functional impairment caused by your illness
- details about the rehabilitation (goal, contact persons, follow-up methods and responsibility for care)
- the proposed rehabilitation measures and their timing, duration and frequency; the reasons necessitating any house calls and by whom they will be made
- if relevant, the reasons why the presence of family members or other close relatives is needed at the rehabilitation
- the contact information of the persons who drew up the plan.

### **Types of rehabilitation available**

The medical rehabilitation of persons with severe disabilities can be arranged in an outpatient or inpatient setting. Outpatient rehabilitation can include physical, occupational, speech or music therapy, psychotherapy, and neuropsychological rehabilitation.

Inpatient rehabilitation periods last at least 18 working days. If necessary to the success of the rehabilitation, a family member can accompany you at the rehabilitation.

If the rehabilitation is an integral part of medical treatment you are receiving, it is provided by the public health authorities. For example, if you are being treated in a hospital and but begin rehabilitation while there, the rehabilitation is provided by the hospital. The public health authorities also provide assistive devices needed with daily activities such as as mobility and communication aids.

## **Rehabilitative psychotherapy**

Kela reimburses costs of rehabilitative psychotherapy services for persons between ages 16 and 67 who have a diagnosed mental disorder that presents a risk to their capacity to work or study.

Reimbursement of rehabilitative psychotherapy requires the completion of three months of appropriate treatment after the diagnosis. Appropriate treatment means treatment offered by a health care provider in accordance with good standards of care and consisting of medical, psychiatric and psychotherapeutic examinations and treatment.

Rehabilitative psychotherapy must be based on a rehabilitation plan which has been drawn up by the health care provider responsible for the rehabilitation client's care and which includes a statement by a psychiatrist.

Kela reimburses costs of rehabilitative psychotherapy for up to 3 years. A maximum of 80 sessions per year and 200 sessions per 3 years are covered. Under special circumstances, another 3 years of therapy can be covered once 5 years have passed from a previous period of covered therapy.

Kela also reimburses costs of counseling visits to the family members of rehabilitation clients aged 16–25 years, provided they are necessary to ensure the success of rehabilitative psychotherapy. The need for such visits must be explained in the rehabilitation plan.

Kela covers costs of rehabilitative psychotherapy up to an amount specified by the Government. The maximum amount covered is often smaller than the therapist's fees, which means that you may have to pay some of the cost yourself. No reimbursements under the National Health Insurance are available for treatments reimbursed as rehabilitative psychotherapy.

## Discretionary rehabilitation services

Kela provides discretionary rehabilitation services within a budget appropriated yearly by Parliament. Discretionary rehabilitation services are aimed primarily at working-age people whose work capacity is impaired by an illness or injury.

Subject to personal need, discretionary rehabilitation services are also available to persons of different ages who are not active in working life and whose functional status and quality of life can be improved by means of rehabilitation.

The following are some of the forms that discretionary rehabilitation services may take.

### **Vocationally oriented medical rehabilitation (ASLAK)**

Vocationally oriented medical rehabilitation (the Finnish acronym is ASLAK) is a form of early rehabilitation created by Kela. It is suitable for workplaces and occupations in which workers are subjected to considerable physical, mental or social strain that may easily lead to health problems and a deterioration of work capacity.

You can apply to an ASLAK rehabilitation course if you already experience some functional limitations and you are at risk of continued deterioration of your

work capacity. ASLAK rehabilitation can be provided either in an inpatient or outpatient setting. It is implemented in 2–3 sessions over a period of one year. While not attending rehabilitation, you work in your regular job. The course is designed collaboratively by Kela, your workplace occupational health unit and the rehabilitation provider.

### **Adaptation training**

The purpose of adaptation training is to lessen the impact of an illness or injury on people's mental, physical and social functioning and work capacity, and to enable them to lead as full a life as possible. Adaptation training is usually implemented as an outpatient or inpatient course, with particular emphasis on various group activities. Some are family courses where the participants are accompanied by family members. Individual adaptation training is arranged for persons with severe disabilities.

### **Neuropsychological rehabilitation**

Neuropsychological rehabilitation services are available to persons aged 16 or over. Their purpose is to help with learning disorders and to assist in recovery from a brain injury. The diagnoses for which neuropsychological rehabilitation is available include dyslexia, visual perception disorder, ADHD and mixed developmental disorder. Rehabilitation may also be necessary in the aftermath of a stroke, cerebral haemorrhage, brain injury, encephalitis or other disease of the central nervous system.

Access to neuropsychological rehabilitation must be preceded by a neuropsychological examination focusing on the specific nature of the difficulties experienced and their severity, extent, degree of impairment and treatability.

Neuropsychological rehabilitation is provided 1–2 times a week in an outpatient setting. Kela provides access to therapy for one year at a time. You can apply for an extension, but you must obtain a statement from your neuropsychologist.

You can receive neuropsychological rehabilitation through Kela for up to 3 years. The maximum period for which rehabilitation is provided depends on its outcome.

## **Rehabilitation allowance**

The purpose of the rehabilitation allowance is to provide you with an income while participating in rehabilitation aimed at helping you to remain in, return to or enter working life. To qualify for the rehabilitation allowance, you must be between 16 and 67 years of age and prevented from working due to participation

in rehabilitation. Further, you must have a valid rehabilitation decision issued, for example, by Kela or your occupational health care provider. No decision is required from young persons or from persons with limited functioning attending an apprenticeship programme. If you are paid a wage while in rehabilitation, the rehabilitation allowance is paid to your employer.

You do not qualify for the rehabilitation allowance if you receive

- an old-age pension or early old-age pension under the National Pensions Act or an earnings-related pensions act
- a full compensation for loss of earnings under a worker's compensation or motor insurance plan, the Military Injuries Act or the Act Concerning Injuries Sustained in Military Service.

### **Payment of rehabilitation allowance and the waiting period**

Rehabilitation allowance is payable for working days (Monday to Saturday, not including holidays) after completion of a waiting period. It is paid after completion of a rehabilitation programme, and is subject to tax.

The waiting period typically consists of the first day of rehabilitation and the following 9 working days. If you start a brief adaptation training or rehabilitation course, or undergo an examination or experimental period aimed at evaluating your need for rehabilitation, the waiting period is one day. A one-day waiting period also applies to cases where rehabilitation is resumed within 30 days. If you start rehabilitation immediately after you were paid sickness allowance, an unemployment benefit or rehabilitation subsidy, payment of the rehabilitation allowance can commence right away without your having to complete a waiting period. The waiting period is 30 days if you were paid disability pension at its full rate immediately before starting rehabilitation.

### **Amount of the rehabilitation allowance**

The rehabilitation allowance is calculated in the same way as the sickness allowance (see page 29). However, different calculation rules apply during participation in vocational rehabilitation. Other income and compensations you may receive may reduce the rehabilitation allowance due to you.

### **Rehabilitation allowance for persons under 20**

If you are between 16 and 19, you are eligible for rehabilitation allowance if your work capacity is significantly weakened or the range of future occupations available to you is substantially limited by an illness or injury, and if you require intensified rehabilitation or an in-depth evaluation of your work capacity.

To receive rehabilitation allowance, you must have an individual training and rehabilitation plan drawn up in your home municipality. The plan must con-

tain preliminary information about your outlook and goals for vocational rehabilitation as well as a draft educational plan. Submit the plan to Kela together with your application for rehabilitation allowance. Kela will track the progress of the plan.

See the supplement for details about the amount of the rehabilitation allowance. In the interim between the issuance of a rehabilitation decision and participation in rehabilitation, the rehabilitation allowance is paid at a rate reduced by 20%. After completion of the waiting period, rehabilitation allowance for young persons can be paid until the end of the month in which you reach the age of 20 years or, alternatively, until the end of your rehabilitation or education (if ongoing).

### **Rehabilitation allowance for apprentices**

If your work capacity is significantly impaired and there is a risk that you may become disabled for work within the next few years, you can get rehabilitation allowance while attending an apprenticeship programme. The part of the rehabilitation allowance corresponding to your wage is paid to your employer.

### **Maintenance allowance in respect of rehabilitation expenses**

If you incur additional costs on account of rehabilitation and receive rehabilitation allowance at a rate not exceeding a specified minimum amount, you can receive an additional €9 per day in the form of a tax-free maintenance allowance. It is paid principally during participation in rehabilitation examinations or tryouts or in outpatient rehabilitation.

### **Rehabilitation assistance following participation in rehabilitation**

After you no longer receive rehabilitation allowance, you may be eligible for rehabilitation assistance. Whether you qualify for rehabilitation assistance and how much you receive depends on an evaluation of your circumstances. The maximum amount you can receive is equal to the amount of rehabilitation allowance you received in the space of 6 months.

## OCCUPATIONAL HEALTH CARE

Employers are required by law to arrange for and to fund the delivery of occupational health (OH) services for their employees. In addition, employers may, but are not required to, to provide their employees with access to medical services.

Entrepreneurs and other self-employed people may choose to arrange for occupational health cover for themselves, but are not required to do so. Further, entrepreneurs can be compensated for the cost of any medical services they provide for their employees on top of preventive OH services.

The provision of OH services is governed by the Occupational Health Care Act. Good OH practice must be adhered to, meaning that the provision of OH services must be plan-driven and geared to identified needs in the workplace. The measures and methods of occupational health care focus on the work, the working environment, the working community and the workers.

The right of employers, entrepreneurs and self-employed people to claim compensation for OH costs is founded on the Health Insurance Act. Claims for compensation must be filed with Kela.

The compensation for the costs of preventive OH services covers 50% or 60% of allowable costs. The compensation rate is 60% if your employer and the occupational health care provider have agreed on common documented practices relating to the management, follow-up and early support for work capacity. If this is not the case, the compensation rate is 50%. The maximum amounts of the compensations are confirmed annually by Kela (see the supplement).

Up to 50% of the cost of medical care is compensated. The maximum amounts of the compensations are confirmed annually by Kela (for details see the supplement).

OH services are provided by municipal health centres, private medical clinics, OH centres operated by state and municipality employers, OH centres operated by a single employer or by several employers together, and individual OH professionals.

## BENEFITS AND SERVICES IN RESPECT OF DISABILITY

The purpose of disability benefits is to strengthen the autonomy and quality of life of persons with disabilities or long-term illnesses. Eligibility for disability benefits and their amount are not conditional on the income and assets of the recipients or their families. Persons in institutional care are eligible on the same terms as everyone else.

The disability benefits available from Kela are:

- disability allowance for persons under 16 years of age
- disability allowance for persons aged 16 years or over
- care allowance for pensioners
- dietary grant for persons with coeliac disease
- interpreting services for the disabled.

### Disability benefits

#### Disability allowances

Children under 16 can get disability allowance if they have an illness or injury that creates a need for care and rehabilitation that lasts at least 6 months and imposes particular strain and requires a greater commitment than the care of non-disabled children of the same age. Disability allowance for children under 16 is not awarded solely on the basis of financial hardship.

The amount of the allowance (see the supplement) is tied to the degree of strain and commitment required of the family. Disability allowance is awarded at an increased rate if the daily care of the child is demanding and time-consuming on a daily basis. The third, and highest, rate of disability allowance is for children who need around-the-clock care.

After the child has reached the age of 16 years, he or she may be entitled to a rehabilitation allowance or a disability allowance for persons aged 16 years or over. Applications for these follow-up allowances should be filed with Kela well before the child's 16th birthday.

Disability allowance for persons aged 16 years or over can be awarded to persons over the age of 16 years who have a disability or long-term illness. Impairment in functional status lasting at least 12 months is required to qualify for the allowance. The purpose of the disability allowance is to compensate for the

- hardship
- need of assistance

- need of guidance or supervision, and/or
- costs resulting from an illness or injury.

You can receive disability allowance at the basic rate if you have an illness or injury that causes you significant hardship and continuous expenditure.

You can be paid disability allowance at an increased rate if the hardship is considerable and you need outside assistance or supervision at least weekly or you have expenditure that is at least equal to the amount of the increased disability allowance per month.

Disability allowance at the highest rate can be awarded to persons with severe disabilities who need substantial outside assistance on a daily basis or who incur substantial costs from their disability. Persons who are blind, unable to move or prelingually deaf are entitled to the highest rate of disability allowance. See the supplement for details about the amount of the allowance. Disability allowance is not payable to persons entitled to care allowance for pensioners.

### **Care allowance for pensioners**

The purpose of the care allowance for pensioners is to compensate pensioners with a disability or long-term illness for the need of care and additional expenses caused by their disability or illness. You can be granted the allowance if you receive

- an old-age pension, early old-age pension, full disability pension or rehabilitation subsidy
- a full disability pension on account of a traffic or other accident, or a compensation for loss earnings payable after one year has elapsed from a traffic accident
- a guarantee pension
- corresponding benefits from abroad.

Persons in receipt of a partial disability pension, part-time pension, survivor's pension or unemployment pension only are not eligible for the care allowance.

To qualify for the care allowance for pensioners, your functional status must be weakened for a period of at least 12 months, resulting in at least a weekly need of assistance, guidance or supervision with personal activities of daily living or in continuous expenditure equal at least to the amount of the care allowance per month. For more information, see [www.kela.fi](http://www.kela.fi).

Kela provides a supplement allowance to war veterans in receipt of both the additional front-veterans' supplement and the care allowance payable at the middle or highest rate. No application is necessary.

### **Dietary grant**

Persons aged 16 years or over who have coeliac disease are eligible for a dietary grant towards the cost of maintaining a gluten-free diet. The grant can be awarded indefinitely.

## **Interpreting services for the disabled**

Interpreting services for the disabled are intended for persons living in Finland who have

- a hearing impairment
- a combined vision and hearing impairment or
- a speech impairment.

In addition, you must be in need of interpretation in order to

- work
- pursue post-compulsory education
- run personal errands and interact with authorities
- participate in society
- pursue hobbies and take part in recreational activities.

Use of interpreting services further requires that you are able to communicate with the help of an interpreter and that you use an effective means of communication.

To request access to interpreting services, contact Kela's Centre for Interpreting Services for the Disabled. Once your request has been approved, you can ask the Centre to provide you with an interpreter free of charge.

## FINANCIAL AID FOR STUDENTS

After you have gained admission to a Finnish or foreign school, you can apply for financial aid from Kela. Foreign students attending a Finnish school cannot normally get financial aid from Kela. Financial aid is available for secondary education (upper secondary school or institute of vocational education), for higher education and for various other courses of study. For more information, see [www.kela.fi](http://www.kela.fi).

Financial aid is provided in the form of the following benefits:

- study grant
- housing supplement
- government guarantee for student loans.

The following three benefits are also provided on the basis of the Act Concerning Financial Aid for Students:

- tax deduction in respect of student loans for higher education students
- meal subsidy for higher education students
- interest allowance for persons on a low income.

Kela also provides school transport subsidies for students in secondary education.

Financial aid is subject to various rules, which you should review carefully. For example, the income you earn over a calendar year affects the number of months for which you can get financial aid. This means that you must keep an eye on your cumulative income so as to make sure that you do not exceed the maximum annual limit.

You can get financial aid if

- you study full-time
- your own and, under certain circumstances, your parents' income do not exceed certain limits
- your course of study lasts at least 2 consecutive months.

Financial aid is not available in combination with certain benefits or in certain situations. You cannot get financial aid if you receive

- financial aid from some other country
- unemployment benefits
- child benefit (but you can get housing supplement)
- sickness allowance (see p. 30)
- adult education subsidy (but you can get a government guarantee for your student loan)
- job alternation compensation

- rehabilitation allowance for the same course of study
- compensation for loss of earnings on account of an accident
- or a pension (survivors' pensions do not affect eligibility for financial aid).

Finally, financial aid is not available if you attend labour policy education or apprenticeship training, are performing military or non-military service, or are incarcerated.

Financial aid can be granted from the beginning of the month in which your application was received by Kela or your school. It is usually granted for the entire course of study all at the same time. This means that you do not have to reapply in the following academic year. However, you can apply for a shorter period of time if you wish.

## Study grant

You can be paid study grant from the beginning of the month following your 17th birthday. Its amount depends on your age, housing circumstances, marital status, school and (in certain cases) your parents' income (for details see the supplement).

If you attend an institute of secondary education, are under 20 years of age and do not have a family, your parents' income can reduce the amount of study grant to which you are entitled. Parental income up to €40,800 per year has no effect on your study grant. For each full €1,010 exceeding that amount, your study grant and housing supplement are reduced by 5%. If your parents' annual income is €61,000 or more, you are not eligible for study grant.

You need not report your parents' income in your application. If your parents' income has decreased by at least 20% from their taxed income, Kela can award financial aid on the basis of their current income. You can report the changed income and the reason for the change in your application and enclose the necessary documentation on the current income of both of your parents. However, there is no obligation to report the changed income.

If your parents have low income, you can receive study grant at a higher rate if you live with them or live by yourself but are 17 years of age. For each full €2,070 by which your parents' income exceeds €20,700, the increase to your study grant is reduced by 10%. If their income is €39,000 or more, no increase is applied to your study grant. For details see [www.kela.fi](http://www.kela.fi).

## Housing supplement

You can be paid a housing supplement for the months in which you attend school and live in rented or right-of-occupancy accommodation.

Housing supplement is not available for owner-occupied homes. If several students share accommodation, each should apply for housing supplement according to their share of the rent.

You do not qualify for the housing supplement if

- you live with your parent(s)
- you live with a child of your own or of your spouse or partner
- you live in a home owned by your spouse or yourself
- you are entitled to free dormitory housing and there are no particularly weighty reasons for you not to accept a place in a dormitory.

If you are not entitled to the housing supplement, you can apply for the general housing allowance (see page 56). However, you cannot be paid general housing allowance if you are entitled to the student housing supplement but it is not payable for a certain period (such as the summer break).

The amount of housing supplement due to you depends on your housing costs and whether you live in a home owned by your parents. The housing supplement can cover up to 80 % of your allowable housing costs (for details see the supplement).

Your parents' income affects the housing supplement due to you only if you are under 18 years of age and unmarried and do not have children.

If you live together with your spouse or partner, you can be paid housing supplement as long as the income of your spouse or partner does not exceed a certain limit. Half of the rent or maintenance charge for your home is calculated as your share of the housing costs. If both of you are students, you must apply for the student housing supplement separately.

If you live with a child of your own or of your spouse or partner, you are eligible for the general housing allowance. If you are receiving student housing supplement, discontinue it and apply for the general housing allowance from Kela. However, even if you live with a child you can be paid student housing supplement if you, on account of your studies, have to live in a different town from the rest of your family or if you study abroad. This requires that other members of your family live in your family's principal home. You can be paid general housing allowance for the principal home.

If you share accommodation with others, your housing costs are considered to be shared equally, but can also be divided in some other way. For more information, see [www.kela.fi](http://www.kela.fi).

If your school provides you with a place in a dormitory at no cost to you, you cannot be paid student housing supplement or general housing allowance. Even if you have been assigned a place in a dormitory, you can still live in rented accommodation and be paid student housing supplement if

- you live in a home that you have had since before you applied to school, and the home is located in the same town as your school
- you live together with your spouse or partner
- you cannot live in a dormitory for health or other special reasons
- the dormitory is closed (or not free) on weekends or holidays. (You can be paid a housing supplement for a rented home but live in the dormitory while school is in session).

### **For how long is financial aid available?**

In upper secondary school, financial aid is initially granted for 3 years, but you can apply for additional aid if you continue to study on a full-time basis.

In an institute of vocational education, financial aid is granted for a period corresponding to the extent of the course of study. After that, if you continue to study on a full-time basis, you can get additional aid. You need not apply for aid each year. Payment is continued automatically.

Upper secondary school students are usually not eligible for aid during the summer months. Students in vocational education can get aid for any summer months if they study on a full-time basis. You can get financial aid for any number of secondary education degrees.

Higher education students can get financial aid for the length of time that completion of their degree normally takes. The maximum period of time for which financial aid is available depends on the extent of your studies and when you commenced study. In a single academic year, financial aid is normally available for 9 months. However, you can get aid for additional months in which you study full-time.

## Government guarantees for student loans

Besides the study grant and the housing supplement, the financial aid system also includes an arrangement by which student loans are guaranteed by the government. The actual loans are made by banks.

Financial aid can be granted from the beginning of the month in which your application was received by Kela or your school. You can apply for a loan guarantee for the entire duration of your studies, but Kela will grant it one year at a time and check your eligibility before each academic year.

Higher education students who receive study grant payments usually get the loan guarantee without an application.

Once you have been granted a loan guarantee, you can contact a bank of your choice and agree the loan terms (including interest and repayment). The bank is notified by Kela of the loan guarantee details. If you are under 18, you must have a power of attorney and the written consent of your legal guardian to apply for a loan. You must repay the loan to the bank after completing your studies. If you experience repayment difficulties, do not hesitate to contact your lender bank.

To qualify for a government loan guarantee, you must be in receipt of a study grant or adult education subsidy.

However, even if you are not in receipt of a study grant, you may qualify for a loan guarantee if

- you are between 18 and 19 years of age, live by yourself, and are ineligible for the study grant on account of your parents' income
- you are under 17 years of age, live by yourself, and are ineligible for the study grant on account of your entitlement to the child benefit (upper secondary school students are not covered).

Kela will not grant loan guarantees to students whose previous student loan it has had to repay to the bank in its role as the loan guarantor or who do not have a good credit record. In such a case, you can submit a statement explaining your situation, after which Kela will reconsider your eligibility for a loan guarantee.

The amount of loan guaranteed depends on your age, the level of education you are pursuing, and the country in which you study (for details see the supplement). It is up to you to choose how much loan you wish to take out.

### **Government guarantees for student loans: Recipients of adult education subsidy**

If you have been active in working life for at least 5 years, you may be eligible for an adult education subsidy from the Education Fund. For more information, see [www.koulutusrahasto.fi](http://www.koulutusrahasto.fi).

If you qualify for adult education subsidy for an uninterrupted period of at least 8 weeks, you may be eligible for a government guarantee for a student loan. For the amounts, see the supplement.

The terms of the loan guarantee are the same as in the student financial aid system. Your income does not affect your eligibility for a loan guarantee.

Adult education subsidy and loan guarantees can be backdated to the first day of the month preceding the date of application. Two different applications must be filed. Application forms for the government loan guarantee (OT12) are available from Kela's offices. You can submit the loan guarantee application together with your application for adult education subsidy to the Education Fund or a Kela office, or file it separately with Kela.

### **Student loan tax deduction**

You may be entitled to a tax deduction for the student loan debt you have if

- you completed your degree in the target time
- at the end of the term in which you graduate, you have more than €2,500 in outstanding student loan debt taken out while in higher education.

For more information, see the supplement or visit Kela's website at [www.kela.fi](http://www.kela.fi).

### **Meal subsidy for higher education students**

By presenting a valid student ID or a meal subsidy card issued by Kela, you can get a student discount in subsidised student restaurants. Kela pays the difference between the full price and the discount price to the operator of the restaurant. The meal subsidy programme is for higher education students, for vocational education students eligible for financial aid, and for students attending specialisation programmes. If you do not have student ID, contact your school to obtain a meal subsidy card.

### **Interest allowance**

If you have a government guaranteed student loan, Kela can in certain situations pay the interest due on your loan. This requires that you have a low income and that the interest due on your market-rated loan is not being capitalised.

The low-income requirement means that your taxable income from work or capital may not exceed on average €1,195 per month during the 4 months pre-

ceding the payment of the interest. Your spouse's income does not affect your eligibility for interest assistance. The income limit is raised if you have children under 18 or if you have under-18 children of your spouse living with you. More information is available at [www.kela.fi](http://www.kela.fi).

## School transport subsidy

You are eligible for school transport subsidy if you attend an upper secondary school or pursue basic vocational education or equivalent folk high school studies. The distance between your home and school must be at least 10 kilometres and your monthly travel expenses over €54.

You will have to pay at least €43 per month out of your own pocket. Depending on the mode of transportation, Kela will pay the subsidy to the transport operator (Matkahuolto or VR), to your school, or to yourself. For more information, see [www.kela.fi](http://www.kela.fi).

## CONSCRIPT'S ALLOWANCE

Kela provides a conscript's allowance for persons performing their compulsory military or alternative service and for their spouse and children. Persons in refresher training are eligible as well. Further, conscript's allowance is available for women performing voluntary military service and their spouse and children.

The conscript's allowance can take the following forms:

- for conscripts themselves: assistance towards housing costs and interest payments on student loans
- for the spouse and children of conscripts: basic assistance, housing assistance and special assistance
- for children entitled to maintenance payments, an amount equal to the maintenance allowance.

Spouse and children' refers to

- the spouse or registered partner of the conscript who is not separated from the conscript
- a cohabiting spouse who has a dependent child under 18 with the conscript
- a child under 18 of the conscript or his or her married spouse, or a child placed into the custody of the conscript whose legal guardian the conscript is. In order to be recognised as the legal guardian, the conscript must have contributed financially to the child's maintenance before entering the service.

### Amount of the conscript's allowance

The amount of the conscript's allowance is affected by the income of the conscript and his or her eligible family members during the performance of the service. The value of or income from assets do not affect the amount of the allowance. The full amount of the basic assistance is equal to the full national pension (see the supplement for details).

If received during the performance of the service, the following count as income:

- for employees, wage or salary (including fringe benefits), minus withholding taxes and contributions towards earnings-related pensions and unemployment insurance
- net earnings under an existing YEL (Self-Employed Persons' Pensions Act) insurance plan
- net earnings under an MYEL (Farmers' Pensions Act) insurance plan
- social welfare benefits minus taxes
- nearly all other income at net value (with the exception of child benefit, sickness allowance for conscripts, social assistance, etc.)

The housing assistance available from Kela covers the actual and reasonable housing costs. The following are considered as housing costs; rent, maintenance charge, separate heating and water charges, interest and annual payments on housing loans, electricity and gas charges, and the maintenance costs for single-family homes.

If you acquired your home immediately before entering or while performing the service, Kela will normally not pay any housing costs unless you had a particular reason (such as starting a family) for acquiring a new home.

If you are performing non-military service, your place of service will pay for your accommodation, which means that you cannot get housing assistance. However, you may be able to get housing assistance for the costs of your regular home, if you live elsewhere while in service.

Conscripts and their family members who are not entitled to conscript's allowance may be entitled to general housing allowance or student housing supplement from Kela. If you were paid general housing allowance immediately before entering the service, Kela will continue to pay it while you are in service. For the purpose of calculating the conscript's allowance, the housing allowance paid to you is deducted from your housing costs.

## GENERAL HOUSING ALLOWANCE

Low-income households are eligible to receive general housing allowance towards the costs of living in a home which is used year-round. The housing allowance can be provided either for the entire home or for a part of it (for example, if another part is rented out). Housing allowance is not available for holiday homes.

### Amount of the general housing allowance

When calculating the amount of the housing allowance, a certain basic deductible (the share that must be paid out of pocket) is first deducted from reasonable housing costs (see next page). No basic deductible is assessed if the household's income is less than a threshold set by the Government (for details see the supplement). The housing allowance is in any case at most 80% of the reasonable housing costs. In other words, you will have to pay at least 20% of your housing costs yourself.

The amount of the basic deductible depends on

- the number of persons in the household
- the household's monthly income before taxes
- the household's assets.

$$\text{Housing allowance} = (\text{Reasonable housing costs} - \text{basic deductible}) \times 0.80$$

### Payment of the housing allowance

Kela pays housing allowance on the first working day of each month by deposit into your account or, if you so choose, into the account of your landlord. You can receive housing allowance from the beginning of the month preceding the date on which you filed your application.

Kela checks your eligibility for the housing allowance once a year, unless there is reason to check it sooner (for example because of changes in your personal circumstances or a substantial increase or decrease in income). Therefore, when applying for housing allowance, you must describe your household's circumstances for one year in advance in order for the allowance to be paid correctly.

In the case of long-term unemployed persons who find work, the review is postponed by 6 months unless there is some other reason to perform it (such as a regular annual review).

### **Reasonable housing costs**

Housing allowance is not payable for all housing costs, but only for reasonable housing costs as defined by law and Government decision. Reasonable housing costs may not exceed maximum limits set each year by the Government, which vary according to the municipality in which the home is located (for details see the supplement).

### **The following are accepted as housing costs:**

- Rented homes: You can be paid housing allowance towards the rent. If you have separate heating or water charges, they too are accepted as housing costs to the extent that they do not exceed the maximum limits defined by the Government (see the supplement). In the case of housing provided by your employer, Kela will only accept the rent you actually pay yourself as a housing cost (and not the taxable value of the home).
- Right-of-occupancy and partial-ownership homes: Besides the maintenance charge, separate water or heating charges are accepted as housing costs (for details see the supplement).
- Unit in a housing co-operative: Besides the maintenance charge, separate water or heating charges are accepted as housing costs (for details see the supplement). Part of the interest paid on housing loans is also accepted (see next page).
- Single-family homes: The costs of maintenance and repair (see the supplement) and part of the interest paid on housing loans (see next page) are accepted as housing costs.

The limits for reasonable housing costs depend on the size of the home and the number of residents. The maximum size of the home is calculated by reference to the number of persons in the household (for details see the supplement).

In households with more than 8 residents, Kela increases the maximum size of the home by 10 square metres for each additional resident. Any disabled person who needs a particularly large amount of space on account of assistive devices or an outside caregiver counts as two persons for the purpose of calculating the housing allowance.

### **Maximum housing costs**

The maximum housing costs are set annually by the Government. When calculating your housing allowance, what counts are not your actual housing costs but these Government-defined maximums. Any part of your actual costs that exceeds the defined maximum costs will have to be paid by you out-of-pocket (on top of the basic deductible). Also, if you live in a home larger than the maximum size defined for the number of residents in your household, the housing allowance due to you is calculated on the basis of the allowable maximum home size.

The maximum housing costs depend on the location, age, size and heating system used in your home. Consult the tables in the supplement for details about the allowable maximum housing costs.

### **Treatment of housing loan interest as housing costs**

Fifty-five percent of the annual interest payable on any personal housing loans you have taken out to purchase or modernise a home is accepted as housing costs. The interest on loans taken out to pay the deposit on a partial-ownership or right-of-occupancy home is not accepted as housing costs.

### **Basic deductible linked to the amount of income**

The higher your income, the larger the basic deductible you will have to pay. If the combined income of you and your household exceeds a certain limit, you will not be entitled to housing allowance at all. Persons with a very low income have no basic deductible to meet at all (for details see the supplement). The amounts of the basic deductible are set annually by the Government.

If your income varies, Kela can estimate your average monthly income over the following year. Any regular income over a period of at least 5 months is considered as regular monthly income. For students, Kela estimates an average monthly income on the basis of their term-time and summer income.

### **Income and assets**

The amount of housing allowance payable to you depends on the gross monthly income and assets of all of the persons in your household.

Along with other income from other sources, the following benefits are considered as income:

- unemployment benefits
- sickness allowance
- rehabilitation allowance
- maternity, paternity and parental allowances
- child home care allowance and private day care allowance
- adult education subsidy
- pensions (including survivors' pensions, with the exception of orphans' pensions).

Self-employment income is calculated on the basis of insurable earnings under the Self-Employed Persons' Pensions Act or the Farmers' Pensions Act.

Incidental income, such as conscripts' per diem allowances and temporary or minor earnings of under 18-year-olds, does not affect the housing allowance.

All of the assets of yourself and the other members of your household, except for your home, count as assets for housing allowance purposes. However, shares in a housing co-operative or in an undivided estate are not counted as assets.

Any outstanding debt is deducted from the assets. Fifteen percent of the value of assets exceeding a specified limit (see the supplement) is calculated as annual income.

## UNEMPLOYMENT SECURITY

If you become unemployed or finish school and do not have a job, contact the employment and economic development office as soon as possible to register as an unemployed job seeker. Your search for employment is considered to begin officially on the date of registration.

Kela provides basic unemployment benefits for unemployed job seekers. Unemployment benefits related to previous earnings are provided by unemployment funds for their members.

### **Unemployed or not?**

The employment and economic development office issues a binding statement to Kela and the unemployment fund about whether you are considered to be an unemployed job seeker who is eligible for unemployment benefits. If the employment office considers you a full-time student or a self-employed person, you do not qualify for unemployment benefits.

### **Renew your status as an unemployed job seeker**

Unemployment benefits are payable only if you are registered with the employment office as an unemployed job seeker. The waiting period (i.e., when you are not yet eligible for unemployment benefits) will not begin to run until you have registered with the employment and economic development office.

To qualify for unemployment benefits, you must actively seek employment and accept offered work or training. You must renew your status as an unemployed job seeker in the manner specified by the employment and economic development office, for example by reporting regularly to the office.

### **If you decline offered work or training**

The employment and economic development office may withdraw your eligibility for unemployment benefits for a specified period if you turn down an offer for work or training or do not renew your status as an unemployed job seeker.

You can lose your eligibility for unemployment benefits

- for one month if you turn down an offered job that would have lasted up to 5 days
- for two months if you, without showing just cause, turn down an offer of work or training, decline to participate in the drawing up of a job-seeking plan or in a labour market policy measure, or withdraw yourself from the labour market for more than 6 months without an acceptable reason
- for 3 months if you resign from a job

- until you have worked or been in training for at least 3 months, if you have repeatedly turned down offered work or training.

Long-term unemployed persons who receive labour market subsidy may lose their right to the subsidy indefinitely if they resign from a job or turn down offered work or training. They will regain their right to the subsidy after they have worked, been in training or participated in a labour market policy measure for at least 5 months.

During the first 3 months of unemployment, job seekers who possess vocational qualifications may decline job offers that do not correspond to their qualifications without losing their right to unemployment benefits. Possession of vocational qualifications means having completed vocational training and acquired the required practical experience or having otherwise acquired extensive work experience.

### **Basic unemployment benefits from Kela**

The basic unemployment benefits available from Kela are:

- labour market subsidy for persons who do not meet the condition regarding previous employment or who have been paid basic or earnings-related unemployment allowance for 500 days
- labour market subsidy paid in the form of integration assistance for immigrants
- basic unemployment allowance for persons who meet the condition regarding previous employment but do not belong to an unemployment fund
- training subsidy or training allowance for the duration of vocational training
- extended basic unemployment allowance or unemployment pension for aging unemployed persons
- job alternation compensation payable during a job alternation leave.

### **Earnings-related unemployment allowance and other benefits linked to earnings**

You are entitled to earning-related unemployment allowance if you had been a member of an unemployment fund for at least 8 months when you became unemployed and you meet the condition regarding previous employment (i.e., have worked for at least 8 months during a preceding period of a little over two years). Separate rules apply to self-employed persons.

The amount of earnings-related unemployment allowance due to you is calculated on the basis of your pre-unemployment earnings. It is payable for up to 500 days. For more information about the earnings-related unemployment

allowance and other unemployment benefits linked to earnings, contact the Federation of Unemployment Funds in Finland ([www.tyj.fi](http://www.tyj.fi)) or your own unemployment fund.

### **Condition regarding previous employment**

Kela checks whether unemployed jobseekers meet a condition regarding previous employment. If you meet the condition applicable to an employee or a self-employed person, you are entitled to the basic unemployment allowance, which is not means-tested.

To meet the condition applicable to employees,

- you must have been in paid employment for at least 34 weeks (about 8 months) during the 28 months preceding the unemployment (known as the reference period) and
- you must have worked at least 18 hours per week and
- your pay for full-time work must comply with the terms of the relevant collective agreement or, if no collective agreement exists, must exceed a specified income limit (for details see the supplement).

To meet the condition applicable to self-employed persons,

- you must have been self-employed for at least 1.5 years (18 months) during the 4 years preceding the unemployment and
- your self-employment must have been sufficiently extensive (for details see the supplement).
  
- Any paid employment during the 28 months preceding the unemployment also counts towards the condition regarding previous employment.

Once you have qualified, you need not requalify unless you leave the labour market without acceptable reason for more than 6 months. In that case, you must meet the condition regarding previous employment again before you can be paid basic or earnings-related unemployment allowance.

The period in which the condition must be met, normally 28 months, can be extended for up to 7 years for such reasons as illness, full-time study or care of a child under aged 3 years or younger. The period is also extended by participation in an employment promotion measure (see page 70).

## Labour market subsidy

To qualify for the labour market subsidy, you must be between 17 and 64 years of age, resident in Finland and an unemployed job seeker. The condition regarding previous employment need not be met. The labour market subsidy can be paid for an indefinite period.

The purpose of the labour market subsidy is to provide financial assistance for

- unemployed job seekers who enter the labour market for the first time or otherwise have no recent work experience;
- long-term unemployed persons who have exhausted their 500-day eligibility for the basic or earnings-related unemployment allowance.

Certain restrictions apply to the payment of the labour market subsidy to young people.

- Unemployed persons between 17 and 24 who have not completed vocational training are entitled to the labour market subsidy only when participating in an employment promotion measure.
- Unemployed persons between 18 and 24 can be paid employment promotion subsidy also between labour market measures as long as they have not turned down work or training offered by the employment and economic development office and have not neglected to apply to vocational training suitable for them.

### 5-month qualifying period

If you have not finished vocational training, you must complete a 5-month qualifying period to get labour market subsidy. No qualifying period is required if the labour market subsidy is paid immediately after unemployment allowance has been paid for the maximum period of time. The following periods count towards the qualifying period:

- time spent registered with the employment and economic development office as an unemployed job seeker
- times spent in work, self-employment or labour market policy measures during the 2 years preceding the unemployment.

### Waiting period

The labour market subsidy is payable after completion of a waiting period. You must have been registered as an unemployed job seeker with the employment and economic development office for at least 5 working days in order to qualify for the labour market subsidy. The waiting period need not be completed in one stretch. All days of unemployment within any period of 8 consecutive calendar weeks count.

### **Amount of the labour market subsidy**

Labour market subsidy is paid for 5 days per week. There is no maximum duration. It is increased for dependent children under 18 who live in the same household as the recipient. During participation in an employment promotion measure, the labour market subsidy is paid at an increased rate for up to 200 days. See the supplement for details about the amounts.

Unemployment benefits are taxable income subject to a 20% withholding rate. Alternatively, you can acquire a revised tax card for the receipt of social security benefits with a different withholding rate. Your own earned income will always reduce the labour market subsidy available to you.

The labour market subsidy is normally a means-tested benefit. This means that any other income that the unemployed person, his or her parents – if they live in the same household as the unemployed person – may have decreases the amount of the labour market subsidy.

Your income from capital or other sources do not affect the amount of labour market subsidy payable if the subsidy is paid

- after the recipient has received basic or earnings-related unemployment allowance for the maximum length of time (this rule is in effect for the first 180 days of labour market subsidy)
- to persons aged 55 years or over, provided they completed the condition regarding previous employment before becoming unemployed
- during participation in an employment promotion measure
- in the form of a travel allowance.

### **The effect of earnings on the labour market subsidy**

If you have incidental or part-time earnings while unemployed, they are adjusted with your labour market subsidy every four weeks. The basic rule is that each euro you have in earned income decreases the labour market subsidy due to you by 50 cents. Counted as earned income are such payments as wages and other monetary compensations, taxable reimbursements of expenses, fringe benefits, etc.

Adjusted labour market subsidy is payable for persons who work full-time for up to 2 weeks, who work part-time, who work a reduced schedule due to a temporary lay-off or who have self-employment income.

The number of hours per month may not exceed 80% of the number of hours regarded as full-time employment. Persons working a reduced week or day may not exceed 80% of the number of weekly hours regarded as full-time employment.

If your working time is reduced by one or more full days because of a temporary layoff and your wage is reduced correspondingly, the labour market subsidy is not adjusted. Instead, you will receive a full unemployment benefit for the days you are unemployed. Your total weekly working time may not exceed 80% of what counts as full-time employment.

### **The effect of other social security benefits**

Any income from capital or other income you may have decreases the amount of labour market subsidy due to you. Any other social security benefits you may have are normally deducted from your labour market subsidy directly, with the exception of the following:

- child benefit
- child support payments or child maintenance allowance
- general housing allowance or pensioners' housing allowance
- survivors' pensions
- care allowance for pensioners or disability allowance
- disability indemnity under the Employment Accidents Act, conscript's allowance or annuity or supplemental annuity under the Military Injuries Act
- income support.

Any child home care allowance being paid to the recipient or his/her spouse is deducted from the labour market subsidy. However, child home care allowance being paid to the spouse is not deducted if the spouse looks after a child personally and is not eligible for unemployment benefits on account of child care or the receipt of a maternity, paternity or parental allowance.

### **Unemployed persons living with their parents**

If you live with your parents and do not meet the condition regarding previous employment, the labour market subsidy due to you is reduced by 50%. If your parents' income does not exceed €1,781 per month, the reduction is not made. For each dependent person the parents have living in their household, the income limit is increased by €106.

If you can present reliable proof that your parents do not support you financially, the labour market subsidy can be paid at the full amount.

Recipients living with their parents get the full labour market subsidy during participation in labour market training, job training or other labour market policy measures.

## Integration assistance for immigrants

Unemployed immigrants are paid labour market subsidy in the form of integration assistance at the maximum for the first 3 years of their residence in Finland. The amount of integration assistance is determined by the same criteria that apply to the ordinary labour market subsidy (for details see the supplement).

To receive integration assistance, immigrants must have a personal integration plan, to which they are entitled as soon as they register as an unemployed job seeker with the employment and economic development office or apply to the social welfare office for social assistance. An integration plan must be drawn up at the latest when the immigrant has been unemployed or has received social assistance for 5 months. It is drawn up in collaboration between the employment and economic development office, the local authorities and the immigrant him- or herself. The integration plan may provide for such measures as education and on-the-job training.

## Basic unemployment allowance

Basic unemployment allowance is payable to unemployed job seekers between ages 17 and 64 who live in Finland and meet the condition regarding previous employment (see page 62). Persons between 65 and 67 can normally be paid basic unemployment allowance only when temporarily laid off from their job.

The basic unemployment allowance is payable after completion of a waiting period. You must have been registered as an unemployed job seeker with the employment office for at least 7 working days in order to qualify. The waiting period need not be completed in one stretch. All days of unemployment within any period of 8 consecutive calendar weeks count.

During participation in an employment promotion measure, basic unemployment allowance is normally paid also during the waiting period.

### **Amount of the basic unemployment allowance**

See the supplement for details about the amount of the basic unemployment allowance. It is increased for children under 18 who live in the same household as the recipient.

Basic unemployment allowance is paid for 5 days per week. It is taxable income subject to a 20 % withholding rate. Alternatively, you can acquire a revised tax

card for the receipt of social security benefits with a different withholding rate.

Basic unemployment allowance is paid for a maximum of 500 days. If you are still unemployed when the allowance runs out you can claim labour market subsidy.

### **Supplementary allowance and transition assistance**

There are three situations in which the basic unemployment allowance can include a supplementary allowance:

- unemployment preceded by an employment history of at least 3 years (supplementary allowance is payable for 20 days)
- dismissal for business or production related reasons preceded by an employment history of at least 20 years (supplementary allowance is payable for 100 days)
- participation in an employment promotion measure (supplementary allowance is payable for 200 days).

If you qualify on several grounds, the supplementary allowance is paid primarily on the basis of participation in an employment promotion measure, secondarily on the basis of an employment history of at least 3 years and lastly on the basis of an employment history of at least 20 years.

If you are covered by the transition assistance provisions and you have an individual re-employment plan, you are eligible for transition assistance on top of your unemployment security benefits. Coverage by the transition assistance is determined by the employment and economic development office. Among others, the transition assistance system covers persons dismissed for business or production related reasons with an employment history of at least 3 years.

Transition assistance is provided for the duration of the employment promotion measures laid out in the re-employment plan, as well as for intervening periods of 7 calendar days or fewer, for a total of up to 200 days.

You may qualify for both transition assistance and the supplementary allowance at the same time on several grounds, but the two are not payable at the same time. Supplementary allowance is not payable to job seekers entitled to transition assistance. If you have already been paid transition assistance for the maximum length of time, you cannot be paid supplementary allowance during participation in an employment promotion measure until your eligibility for the unemployment allowance is restarted.

For amounts, see the supplement.

### **The effect of earnings on the amount of the basic unemployment allowance**

If you have incidental or part-time earnings while unemployed, they are adjusted with your basic unemployment allowance. The basic rule is that each euro you earn decreases the allowance due to you by 50 cents. Days on which unemployment allowance was adjusted to your earnings are converted to days on full allowance for purposes of calculating the 500-day maximum payment period.

Your own income from capital does not affect the amount of the basic unemployment allowance. Other social security benefits have the same effect on the basic unemployment allowance as they do on the labour market subsidy.

You cannot be paid basic unemployment allowance if you are entitled to sickness allowance, partial sickness allowance, special care allowance or maternity, paternity or parental allowance. However, basic unemployment allowance can be paid for the waiting period specified in the Health Insurance Act if you are ill but not eligible for the sickness allowance. If the sickness allowance is smaller than the unemployment allowance after completion of the waiting period, it is paid at a rate equalling at least 86 percent of the unemployment allowance.

If you are unemployed and have been paid sickness allowance for the maximum period (300 days), you have filed a claim for disability pension which is either pending a decision or has been turned down, and you meet the eligibility requirements for unemployment benefits, you will continue to be paid the unemployment benefit to which you were entitled.

Unemployment allowance is normally not available for persons receiving a pension. However, the following pensions do not prevent payment of the basic unemployment allowance:

- partial disability pension and part-time pension; persons receiving a partial disability pension are eligible for the basic unemployment allowance even if they are not looking for full-time work
- disability pension paid under the National Pensions Act on account of permanent blindness, mobility disability or need for outside assistance
- unregistered pensions (e.g., pensions from a pension fund) are offset against the unemployment allowance
- disability pensions paid from abroad.

## **Assistance for aging unemployed persons**

Labour market subsidy is payable until the statutory retirement age, but the basic and earnings-related unemployment allowances can be paid for up to 500 days only. Aging unemployed persons who satisfy the condition regarding previous

employment are eligible for an extended unemployment allowance and can avail themselves of a kind of unemployment path to retirement. Recipients of unemployment allowance for self-employed persons are not eligible for extended unemployment allowance or unemployment pension.

**Extended unemployment allowance for persons born in 1955 or thereafter**

If you were born in 1955 or later, you are entitled to extended unemployment allowance if you reach the age of 60 years before having received unemployment allowance for the maximum length of time. You must also have completed at least 5 years of employment during the previous 20 years. If you meet these criteria, you can be paid an extended unemployment allowance until the end of the calendar month in which you reach the age of 65. Instead of a daily allowance, you can choose to take old-age pension at age 62. No penalty for early retirement will be applied to the pension.

**Extended unemployment allowance for persons born in 1950-54**

If you were born between 1950 and 1954, you are entitled to extended unemployment allowance if you reach the age of 59 years before having received unemployment allowance for the maximum length of time. You must also have completed at least 5 years of employment during the previous 20 years. If you meet these criteria, you are eligible for an extended unemployment allowance until the end of the calendar month in which you reach the age of 65. Instead of a daily allowance, you can choose to take old-age pension at age 62. No penalty for early retirement will be applied to the pension.

**Extended unemployment allowance for persons born before 1950**

If you have been paid unemployment allowance for the maximum period possible, you can apply to retire on an unemployment pension.

Persons being paid unemployment allowance for self-employed persons cannot get an extended unemployment allowance or an unemployment pension.

**Unemployment pension**

The purpose of unemployment pensions is to provide income security for aging unemployed persons who are under the statutory retirement age. Payable under both the earnings-related and national pension systems, they are available for persons born before 1950 (see p. 79).

## Employment promotion measures

Unemployed job seekers have several alternatives available to them to improve their chances of finding work. Participation in an employment promotion measure is agreed with the employment and economic development office. Employment promotion measures consist of:

- labour market training
- self-motivated study
- work try-outs
- preparatory training for the working life
- on-the-job training
- work and training tryouts
- support for immigrants engaged in self-motivated study and
- rehabilitative work activity.

### **Labour market training and self-motivated study**

Labour market training is funded by the labour administration and is available free of charge to the students. It is intended primarily for unemployed job seekers and persons aged 20 or older who are at risk of unemployment. While unemployed, you can also engage in self-motivated study (for example, complete a degree). Financial assistance with self-motivated study is available if

- you are registered with an employment and economic development office as an unemployed job seeker
- you are at least 25 years old as you begin your course of study
- your need for education has been recognised by the employment and economic development office
- your course of study is included in your individual re-employment plan
- you study on a full-time basis.

The determination as to whether your course of study meets the requirements for self-motivated study is made by the employment and economic development office. The office will also monitor your progress. Assistance with self-motivated study is available for the duration of the course of study, but not for more than 24 months for each course of study. The employment and economic development office keeps track of the months of assistance used up.

### **Financial assistance during participation in an employment promotion measure**

During participation in an employment promotion measure, you are paid the unemployment benefit to which you are entitled as an unemployed job seeker (labour market subsidy, integration assistance, basic unemployment allowance or earnings-related unemployment allowance). You may also be entitled to transition assistance, a compensation for expenses or an increased compensation for expenses.

Basic or earnings-related unemployment allowance paid during participation in an employment promotion measure counts against the 500-day maximum limit for receiving unemployment allowance.

Unemployment benefits are paid during participation in an employment promotion measure even if the job seeker would not otherwise qualify for the benefit in question, provided that the non-entitlement is due to:

- specified period of non-eligibility
- mandated period of employment to requalify for benefit
- qualifying period
- restriction associated with vocational training
- waiting period
- means testing.

Unemployment benefits are, however, not paid during participation in rehabilitative work activity, if no entitlement to unemployment benefit exists on account of a mandated period of employment, restriction applicable to young persons without vocational qualifications or a waiting period.

While participating in an employment promotion measure, no means testing rules are applied to the labour market subsidy. This means that the income of the recipient's parents has no effect on the amount of the subsidy. While an employment promotion measure is ongoing, unemployment benefits are payable also for the time off.

During participation in other services organised during a period of unemployment, job seekers are not eligible for unemployment benefits during days of absence, unless the absence is due to:

- incapacity for work
- illness of a child under the age of 10 years (up to 4 days)
- job interview or equivalent reason related to search for employment.

### **Compensation towards travel and food expenses**

If you participate in labour market training or are engaged in self-motivated study, you can apply to Kela for compensation for expenses towards your travel, accommodation and associated expenses during the training.

The compensation is paid as part of your training subsidy or labour market subsidy. It is paid for up to 5 days per week and is free from tax.

The compensation for expenses can be increased if you participate in training outside your commuting area or (under certain conditions) in training outside your home municipality.

The compensation for expenses may be available (at the standard or increased rate) also during participation in job training, preparatory training for the working life or work try-outs. The compensation is only paid for days of active participation. During job training, the compensation is paid only to long-term unemployed persons who have exhausted their 500-day entitlement to the unemployment allowance or who have been paid labour market subsidy for at least 500 days.

Additionally, the compensation for expenses can be paid (either at the standard or increased rate) to persons participating in training which is aimed at improving job search skills, is arranged or commissioned by the labour authorities, and is organised as a group training event lasting 5-20 days.

If you participate in rehabilitative work activity and collect labour market subsidy, you may be eligible for a compensation for expenses payable during days of participation as specified in your individual activation plan.

An additional condition for young persons who are under age 25 and without vocational qualifications is that, in order to qualify for a compensation of expenses during a job tryout, they must have exhausted their entitlement to the unemployment allowance or received labour market subsidy on account of unemployment for at least 500 days.

## Other assistance for unemployed persons

### Travel allowance

Unemployed persons who are entitled to the labour market subsidy and who will work out-of-area for at least 2 months can apply for a travel allowance equal to the labour market subsidy. It is available for up to 4 months starting from the first day of out-of-area employment for as long as the employment continues.

Travel allowance is claimed from the employment and economic development office which issues a binding statement to Kela about whether the allowance can be granted. It is paid by Kela.

### Assistance with student loan interest

Unemployed persons who have completed an education can have the interest on their student loan paid by the state. Kela pays the entire interest due on student loans. The unemployed person has no repayment obligation (see p. 52).

### **Looking for work in another EU or EEA country**

Labour market subsidy is not payable if you leave Finland to look for work abroad. On the other hand, if you are paid basic or earnings-related unemployment allowance, you can travel to another EU or EEA country to look for work without losing your right to the allowance. However, you must first be registered with a Finnish employment and economic development office for at least 4 weeks.

During a single period of unemployment, you can use your right to seek employment in another EU or EEA country only once. You will regain your right to look for work abroad by working in Finland for at least 4 weeks.

## **Job alternation compensation**

Persons taking a job alternation leave are entitled to a compensation equal to 70 % or 80% of the unemployment allowance to which they would be entitled were they unemployed. For those who have an employment history of at least 25 years, the compensation is 80% of the unemployment allowance (see the supplement for details).

Unemployment fund members can apply to their fund. Their compensation is calculated on the basis of the earnings-related unemployment allowance.

Employees working full-time can agree with their employer on a job alternation leave that lasts an uninterrupted period of 90 to 359 calendar days. The employer agrees to hire a replacement who is registered with the employment and economic development office as an unemployed job seeker. The replacement must work the same number of hours but need not be hired for the same position as the person taking the leave.

After the leave is over, employees have the right to return to their job or a comparable job.

A new job alternation leave can be taken after 5 years of employment.

## RETIREMENT SECURITY PROVIDED BY KELA

The Finnish pension system is based on two complementary pension schemes: the national pension scheme and the earnings-related pension scheme. National pensions provide basic income security in retirement. The retirement security provided by Kela comprises the following benefits:

- national pensions
- child increase
- front-veterans' supplements
- survivors' pensions
- guarantee pensions
- housing allowance for pensioners
- care allowance for pensioners (see Disability benefits on page 44).

Earnings-related pension rights are accrued through employment and self-employment. There are several earnings-related pension providers. Your employer has selected the pension provider with whom you are insured. Contributions to the earnings-related pension system are paid by both your employer and yourself. If you are self-employed, you get to select your pension provider. If you are a farmer, your pension provider is the Farmers' Social Insurance Institution (Mela).

For more information about earnings-related pensions, contact your pension provider or the Finnish Centre for Pensions. Information is also available at [www.tyoelake.fi](http://www.tyoelake.fi). You can file your application for earnings-related pension with Kela.

### National pensions

National pensions offer a basic income for persons who are entitled only to a very small earnings-related pension or to none at all. To qualify for a national pension,

- you must be living in Finland
- you must have lived in Finland for at least three years after reaching the age of 16 (an exception applies to young persons who are incapacitated for work)
- any other pensions or benefits you receive may not exceed a certain maximum limit (for details see the supplement).

To qualify for a national pension, any other pension or benefits you receive may not exceed a certain limit (for details see the supplement). Therefore, if you exceed this limit, it is not worthwhile to apply for a national pension. To find out the amount of your prospective earnings-related pension, contact the Finnish Centre for Pensions or your own pension provider, or go to [www.tyoelake.fi](http://www.tyoelake.fi).

Kela will issue a decision on your national pension as soon as the amount of your earnings-related pensions is known.

### **Types of national pension available at different ages**

- Under the National Pensions Act, you can apply for a disability pension if you become disabled when you are between 16 and 64 years of age.
- Unemployment pensions for long-term unemployed persons who are 63 of age and born before 1950 are another type of national pension.
- The old-age retirement age under the National Pensions Act is 65 years. If you postpone the start of your pension, you will receive a larger pension. At the earliest, you can begin to receive old-age pension at age 62, in which case the pension is referred to as an early old-age pension.

### **National pensions: Rates of payment**

National pension at the full rate is payable only if you receive no earnings-related pensions or their combined amount is less than the amount allowed to qualify for a full national pension (for details see the supplement). If your earnings-related pensions exceed this amount, your national pension is reduced or not payable at all. If you are married or cohabit, the amount is smaller than the corresponding amount for a person living alone.

If you have lived abroad after reaching the age of 16 years, your national pension may be reduced. In this case, contact Kela to check your right to a national pension.

National pensions are covered by the EU Regulations and can therefore be paid to residents of other EU/EEA countries, of Switzerland or of certain countries that have a social security agreement with Finland. Persons moving abroad can receive Kela pensions for up to a year only (except in special cases). Pensioners' housing allowance can only be paid towards the costs of a home located in Finland.

The rates of national pensions, child increases and pensioners' care allowances are adjusted at the beginning of each year to changes in the national pensions index, which reflects the cost of living.

### **Types of income that reduce your national pension**

Your national pension is reduced by the before-tax amounts of any earnings-related pensions or other benefits paid to your regularly or periodically. Your spouse's income does not affect your pension.

The following payments are regarded as earnings-related pensions:

- pensions (including survivors' pensions) based on a private-sector or public-sector employment relationship, self-employment or elected office, or on an agreement concerning the provision of foster family care or informal care
- pensions (including survivors' pensions), life annuities and assistance pensions payable under a statutory insurance against employment accidents
- disability pensions, survivors' pensions and compensations for loss of earnings (if payable for longer than 12 months) under motor insurance arrangements
- assistance pensions under the Military Injuries Act
- the basic amount of the farm closure compensation.

The following do not decrease your national pension:

- earnings-related pension rights accrued after reaching the age of 63 years
- increases in earnings-related pensions because of child care or education
- one-off increases in disability pensions.

### **Have you lived or worked abroad?**

If you have lived abroad after reaching the age of 16 years, your national pension will be adjusted to the length of your residence in Finland. If you have lived in Finland at least 80% of the time between age 16 and the start of your pension, your national pension will not be reduced.

If you have worked in another EU or EEA country or in Switzerland, your residence abroad will not reduce your Finnish national pension, but any earnings-related pensions you receive from abroad will reduce your national pension.

If you move to Finland after reaching age 65, you can only receive a Finnish national pension if you have previously lived in Finland for at least three years.

### **Disability pensions under the national pensions system**

If you are faced with a long-term illness, you will normally first be paid a sickness allowance. Sickness allowance is payable for persons between 16 and 67.

Persons who have been paid sickness allowance for 150 working days normally get from Kela a letter informing them about rehabilitation options or about how to apply for a pension.

Under the National Pensions Act, you are entitled to a disability pension if you have lived in Finland for a sufficiently long period (see page 74) and you meet the following requirements:

- You are between 16 and 64 years of age.
- You have an illness, injury or defect that prevents you from earning a reasonable living. If you are 60 or over, you can get a disability pension on somewhat easier terms.
- If you are blind or immobile without assistance, you are entitled to a disability pension under the National Pensions Act even if you work.

If you are not entitled to a sickness allowance or none remains to be paid, you will normally begin to receive disability pension under the National Pensions Act after a period corresponding to the sickness allowance period (300 working days maximum). In other words, it will begin in about one year from when you became ill. In certain situations you can get a disability pension from Kela sooner than a pension under the earnings-related pension system. For more details, contact a Kela office.

### **Rehabilitation allowance for young persons**

If you became disabled before you were 15 years old, you can get a disability pension under the National Pensions Act when you reach 16, without an initial sickness allowance period. Typically, however, persons between 16 and 19 are not granted a disability pension right away. Rather, their potential to benefit from vocational rehabilitation is evaluated first.

Instead of a pension, they will be paid rehabilitation allowance if their working ability is impaired significantly by illness, injury or defect and therefore needs to be evaluated in detail. Further, an individual education and rehabilitation plan must have been drawn up by the local authorities in cooperation with their legal guardian and themselves as well as other experts as needed.

The purpose of rehabilitation is to strengthen vocational capacity. A disability allowance may be available in addition to the rehabilitation allowance. See the supplement for details about the amount of the rehabilitation allowance.

### **Rehabilitation subsidy: a fixed-term disability pension**

Disability pension can also be paid in the form of a fixed-term rehabilitation subsidy. It requires that an individual treatment and rehabilitation has been, or is being, drawn up for you. The rehabilitation subsidy is paid at the same rate

and is subject to the same terms as the disability allowance.

If you apply for both a national pension and an earnings-related pension on account of disability for work, Kela and the responsible pension provider will consult each other before issuing you with a decision. This will avoid situations in which one of them grants and the other denies an application for pension.

However, if your application for pension is denied or is still pending when your sickness allowance or sick pay ends, you are entitled to compensation from the unemployment security system even though you are disabled. This requires that you register as an unemployed job seeker with the employment and economic development office.

If Kela turns down your application for a pension, you can be referred to rehabilitation or other services available through Kela.

Besides a disability pension, Kela can pay you a child increase, a care allowance for pensioners and a housing allowance for pensioners. All are free from tax.

Some employment is allowed even if you receive a disability pension (for details see the supplement). If you start work, contact Kela and your earnings-related pension provider. Kela will examine your right to a pension, taking into account your overall situation.

If Kela pays you a full disability pension (see the supplement) and you start work, with the result that you are no longer eligible for the pension because of excess income, you can suspend your pension for up to 2 years. However, this is not possible if your health has improved substantially. If you were being paid care allowance for pensioners immediately before your pension was suspended, Kela will pay you an amount equal to the highest rate of the disability allowance

When you reach the age of 65 years, Kela will convert your disability pension into an old-age pension. You need not apply for this, and no separate decision will be issued to you about the conversion. The amount of your national pension will normally not change (unless there are changes in any other pensions you may receive).

### **Unemployment pension**

The purpose of unemployment pensions is to provide income security for aging unemployed persons who are under the statutory retirement age. They can only be awarded to persons born before 1950 and are paid out as national pensions.

To qualify for an unemployment pension under the National Pensions Act, you must be between 63 and 64 years of age and

- have worked for at least 5 years during the previous 15 years
- have received a certificate about your unemployment from the labour administration
- have been issued a certificate by Kela or your unemployment fund about having reached the 500-day maximum for the payment of the unemployment allowance.

If you were born in 1950 or thereafter, you cannot be paid an unemployment pension. However, you can be paid unemployment allowance or labour market subsidy until you reach age 65. If you have been paid extended unemployment allowance, you can get an old-age pension at age 62 without penalty for early retirement.

Besides an unemployment pension, you can be paid a child increase and a housing allowance for pensioners, but not a care allowance for pensioners. Unemployment pensions are usually automatically converted into an old-age pension when the recipient reaches the age of 65. The amount of the pension changes only if there are changes in any other pensions the recipient may have.

You may only work to a very limited extent while drawing an unemployment pension (for details see the supplement). If you earn more or if you decline a job offered by the employment office that would last at least a month, Kela will halt the payment of your pension. More than a month's residence abroad may stop the payment of your unemployment pension if you are not willing to return to Finland to accept a job offer. Such situations are always determined case by case.

### **Old-age pension at 65**

The old-age retirement age specified by the National Pensions Act is 65 years. Persons aged 65 or over can also be paid care allowance for pensioners, housing allowance and front-veteran's supplement, even if they do not receive a national pension. Kela grants old-age pensions upon application starting from the beginning of the month following the applicant's 65th birthday. Applications can be backdated up to 6 months.

In the earnings-related pension system, payment of an old-age pension can begin at age 63. If you are entitled to a national pension as well as earnings-related pensions, you can choose whether you wish to start the payment of your national pension early. If you do so, your national pension will be permanently smaller than if you had retired at 65. It is decreased by 0.4% for each month by which you retire early.

If you start your pension immediately at age 62, your pension will be 14.4% smaller than it would have been at 65. Before retiring, you should find out how large your early retirement pension would be.

Persons receiving an early old-age pension will not be eligible for pensioners' housing allowance until they are 65. If you start your old-age pension later than the beginning of the month following your 65th birthday, your pension will be increased by 0.6% for each month by which you postpone your pension. There is no maximum limit to the amount by which your pension can be increased. However, no increase is available for periods in which you did not accrue national pension rights for various reasons such as foreign residence.

## Child increase

You can apply for a child increase for each under 16-year-old child of your own or of your spouse who lives in your household. It is available also for foster children living with you or your own children living elsewhere for whom you pay maintenance payments equalling at least the child maintenance allowance. For details about the amounts, see the supplement.

You can be paid a child increase even if you do not receive a national pension. Besides national pensions, child increase is available with

- disability pensions, unemployment pensions, old-age pensions and early old-age pensions based on a public- or private-sector employment relationship
- statutory pensions in respect of disability under an employment accident insurance, motor insurance or military injuries scheme, life annuity, disability pension or compensation for loss of earnings for 12 months following a traffic accident.

## Front-veteran's supplement and additional front-veteran's supplement

Front-veteran's supplement is payable to men and women living in Finland who have been awarded one of four service badges. The application period for the service badges expired on 31 December 1994.

The front-veteran's supplement is not offset against income or assets. A tax-free benefit, it is paid at the same time as the national pension.

Pensioners who are paid national pension and front-veteran's supplement may be eligible for an additional front-veteran's supplement.

## Survivors' pensions

In the event of the death of a spouse or the parent or other provider of a child, statutory survivors' pensions offer financial security for the surviving spouse and children. Survivors' pensions are available as spouses' pensions and orphans' pensions.

### **Survivors' pensions: Available under several laws**

Finland has two survivors' pension systems that complement each other:

- survivors' pensions from Kela, and
- survivors' pensions from the earnings-related pensions system, which are based upon the employment or self-employment pension rights accrued by the deceased.

You can collect a survivor's pensions from both systems at the same time. You can submit applications for all types of survivors' pension to Kela. For information about the survivors' pensions from the statutory earnings-related pensions system, contact the pension provider of the deceased or visit the earnings-related pension portal at [www.tyoelake.fi](http://www.tyoelake.fi) or the Finnish Centre for Pensions at [www.etk.fi](http://www.etk.fi).

Employment accident and motor insurers also pay survivors' pensions and assistance pensions to surviving spouses and children. For more information, visit the websites of the insurance companies or the State Treasury at [www.valtiokonttori.fi](http://www.valtiokonttori.fi), or consult their brochures.

Surviving spouses and children may also be entitled to a lump-sum compensation from a group life insurance policy, if the deceased was gainfully employed when he or she died. For more information, contact the deceased's employer or visit the website of the Farmers' Social Insurance Institution at [www.mela.fi](http://www.mela.fi).

If the deceased had at some point worked in another EU/EEA country, in Switzerland, or in a country that has a social security agreement with Finland, the surviving spouse and children may also be entitled to a survivors' pension from the deceased's country of employment. Applications for survivors' pensions from abroad and from Finland can be submitted on the same application form.

### **Eligibility for a survivor's pension from Kela**

Kela can pay you a survivor's pension if you are covered by the Finnish social security system and you are either widowed and under 65 years of age or a child whose parent or other provider has died. Children who attend school can be paid an orphan's pension until they are 21.

For the surviving spouse or child to qualify for a survivor's pension,

- the deceased must have lived in Finland for at least three years after reaching the age of 16
- the surviving spouse must have lived in Finland for at least three years after reaching the age of 16 and the death of his or her spouse, and must have moved back to Finland within a year of the death
- the child must have been living in Finland when his or her parent or other provider died or have moved to Finland within a year of the death.

Information about how the residence of the deceased or the applicant outside Finland affects the survivor's pension is available from Kela.

### **Spouse's pension from Kela**

Kela pays surviving spouses under the age of 65 a spouse's pension. It begins as a so-called initial pension, which may be followed by a continuing pension.

In order to get a spouse's pension, you must have been married to or have lived in a registered partnership with the deceased. Spouse's pension is not available following the death of a common-law spouse, but the children of the deceased may be eligible for an orphan's pension (see page 84).

If you and your spouse do not or did not have a child, you can only get a spouse's pension if

- you were at least 50 when your spouse died
- you married your spouse before you were 50 and before your spouse was 65
- your marriage lasted at least 5 years.

An initial pension is awarded for a period of 6 months following the death of your spouse. The amount of the initial pension is not affected by any other income or pensions you may have. If your spouse lived or worked abroad, the initial pension may be paid at a reduced rate. For details about the amounts, see the supplement.

The pension is awarded from the beginning of the month following the date of death and is paid for 6 months or until the end of the month in which you reach the age of 65. If you remarry before you are 50, the initial pension is discontinued.

You cannot be paid initial spouse's pension at the same time with the following Kela benefits:

- disability pension
- unemployment pension
- early old-age pension
- pension assistance for the long-term unemployed
- a comparable pension from abroad.

However, Kela will pay you the part of the initial pension exceeding your national pension.

After the initial pension, you may be eligible for a continuing pension consisting of a basic amount and a means-tested supplement (see the supplement for details). If you have a dependent child under 18 of your own or of the deceased, the continuing pension will include at the least the basic amount. Depending on your income, you may be eligible also for the means-tested supplement and for a housing allowance. If your spouse lived or worked abroad, the basic amount and the supplement may be paid at a reduced rate.

If you do not have a dependent child under 18, you may be eligible for the means-tested supplement and a housing allowance, but not for the basic amount.

If you remarry before you are 50, Kela will pay you a lump sum equal to three years of the basic and supplemental amounts of the continuing pension. This requires that you have been paid spouse's pension for at least a year.

The supplemental amount is offset against nearly all other income you may have. Of the value of earnings, unemployment benefits, sickness allowances and the child home care allowance, 60% is offset against the supplemental amount of your continuing pension. For farmers and self-employed persons, income certified in accordance under the Self-Employed Persons' Pensions Act or the Farmers' Pensions Act counts for purposes of the supplemental amount. Income is assessed at gross value (minus any interest paid on housing loans). Assets have no effect on the spouse's continuing pension.

If your income is low, you may be entitled to assistance with housing costs along with your survivor's pension. Widows and widowers who live alone and are paid a pension are eligible for the pensioners' housing allowance (see p. 87).

If you live with your children, you can choose whether to apply for the pensioners' housing allowance or the general housing allowance (see p. 56). Assistance is available for both rented and owner-occupied housing.

### **Orphan's pension from Kela**

In the event of the death of a parent, Kela and the deceased parent's earnings-related pension provider will pay an orphan's pension until the child is 18. Kela will continue to pay orphan's pension until the age of 21 if the child is a full-time student. Orphan's pension is not payable for young persons who are paid disability pension in accordance with the National Pensions Act.

Orphan's pension is payable also following the death of a step parent or a foster parent. All orphan's pensions include a basic amount (see the supplement). If both parents have died, Kela will pay two basic amounts.

Children under 18 may be eligible for an additional amount, which is offset against any other survivors' pensions they may receive.

## Guarantee pension

The guarantee pension is a new stand-alone pension benefit that provides a reasonable level of income security for persons living in Finland. To qualify for a guarantee pension, the combined amount of any other pensions you receive from Finland or abroad must be less than the full guarantee pension. Typically, recipients of the guarantee pension receive a national pension but only a small earnings-related pension or none at all.

You may qualify for a guarantee pension,

- if you are aged 62 years or over and receive an old-age pension or early old-age pension
- if you receive a disability pension under the National Pensions Act or a full disability pension (either under the Employees' Pensions Act or an equivalent pension based on an employment relationship in the private or public sector)
- if you receive a continuous pension in respect of an accident pension, life annuity or disability pension, or compensation for loss of earnings payable for 12 months following a traffic accident
- if you receive an unemployment pension
- if you receive a farm closure compensation
- comparable pensions from abroad.

Immigrants who do not receive any of the following benefits are entitled to a guarantee pension if they have reached the age of

- 65 years or
- 16 years and are unfit for work within the meaning of the National Pensions Act. Guarantee pensions cannot be granted solely on the basis of blindness or mobility disability.

To qualify for a guarantee pension, applicants must prove that they have applied for all Finnish or foreign pensions and compensations to which they may be entitled.

Guarantee pensions are not awarded to persons receiving a part-time pension, partial disability pension or survivors' pension only.

If you live abroad on a permanent basis, you cannot get a guarantee pension. It is payable only in the case of temporary residence abroad.

### Amount

Any other pensions you may receive are deducted in full from the unreduced amount of the guarantee pension. This includes such pensions and spouses'

pensions and workers' compensation pensions. The Act on Guarantee Pensions details the pensions deducted from guarantee pensions. See the supplement for amounts and examples.

The following are not deducted from guarantee pensions: earned income, income from capital, property, pensioners' care allowance, front-veterans' supplements or the child increase supplementing a pension.

If you choose to receive your national pension before the standard old-age retirement age of 65 years, your guarantee pension will be reduced by the same percentage as your national pension. With the guarantee pension, the percentage of reduction for early retirement does not depend on the age at which a guarantee pension is first paid.

## HOUSING ALLOWANCE FOR PENSIONERS

You may be eligible for the housing allowance for pensioners if you are aged 16 or older, receive a pension and have a low income, or if you are aged 65 or older and live permanently in Finland.

Receipt of the following pensions makes you eligible for the housing allowance for pensioners until you are 65:

- national pensions or survivor's pensions from Kela
- full disability pensions, unemployment pensions or spouse's pensions from an earnings-related pension provider
- pensions, life annuities or spouse's pensions on account of 100% disability and based on statutory employment accident insurance, traffic injury or military service injury
- comparable benefits from abroad
- guarantee pensions.

You are not eligible for the housing allowance for pensioners if you are paid, as your only benefit,

- a partial disability pension
- a part-time pension
- an early old-age pension or old-age pension under the legislation on statutory earnings-related pensions (if you are under 65).

However, Kela will automatically continue payment of the housing allowance for pensioners if your disability pension is converted into an earnings-related old-age pension before you are 65.

If both your spouse and yourself are paid pensions or other benefits that make you eligible for the housing allowance for pensioners, and you both are 65 or older, you must file a joint application for the housing allowance for pensioners. The allowance is divided half-and-half between your spouse and yourself.

### **General housing allowance or housing allowance for pensioners?**

If you are under 65, live alone and are paid a pension which makes you ineligible for the housing allowance for pensioners, you can be paid general housing allowance until you are 65. After reaching age 65, you will begin to be paid housing allowance for pensioners from the beginning of the month following your birthday.

If you are married and your spouse is entitled to the housing allowance for pensioners, the allowance will be paid to your spouse in its entirety until you have reached the age of 65. At that point, the allowance is divided half-and-half between you and your spouse.

If you have children under 18 or other persons besides your married or cohabiting spouse in your household, you may choose whether to apply for the general housing allowance or the housing allowance for pensioners.

### **Amount of the housing allowance for pensioners**

The housing allowance for pensioners covers 85% of reasonable housing costs exceeding an out-of-pocket share consisting of a basic deductible and an additional deductible linked to income. The basic deductible is a standard amount for all (see the supplement for details).

Depending on the income of your spouse and yourself, you may have to meet an additional deductible. It is equal to 40% of your income exceeding specified limits (see the supplement). If your income is less than these limits, the additional deductible is not assessed.

The housing allowance for pensioners is calculated according to the following formula:

$$\text{Housing allowance} = 85\% \times [\text{Housing costs} - (\text{basic deductible} + \text{possible additional deductible})]$$

The allowance is recalculated at intervals of two years.

Kela will pay the housing allowance for pensioners into your account or, with your authorisation, into the account of your landlord.

### **Allowable housing costs**

Housing allowance is not paid towards all of your housing costs, but only towards allowable housing costs as defined by law and Government decision. Allowable housing costs may not exceed maximum limits set by the Government, which vary according to the municipality in which the home is located (for details see the supplement).

Housing allowance for pensioners is available for your primary residence but not for a holiday home.

The following are accepted as housing costs:

- Rented homes: You can be the principal tenant or a subtenant. The rent and any water charges included in it are accepted as housing costs. If water and heating is not included in the rent, Kela will assess them on the basis of average costs set annually by the Government.
- Right-of-occupancy homes: Accepted housing costs are the maintenance charge, the water charges and interest on loans taken out to acquire the right of occupancy or partial ownership.

- Residential care homes: If you live in a residential care home for the elderly and your rent includes service charges, only the part of your total housing bill itemised as the rent is accepted as housing costs. If you live in a private home for the elderly or boarding house, you can be paid housing allowance for the part of your costs itemised as the boarding fee.
- Units in a housing co-operative: The maintenance charge, any included water charges, and interest on loans taken out to purchase the home are accepted as housing costs. If water and heating is not included in the maintenance charge, they are assessed on the basis of average costs, just like in a rented home.
- Single-family homes: Housing costs are calculated on the basis of average costs for heating, water and maintenance and repair, which are set annually by the Government. Also accepted as housing costs are the ground rent and interest on loans taken out to purchase the home.

### **Maximum housing costs and costs of maintenance and repair**

The maximum housing costs and the costs of maintenance and repair are established annually by Government decree. If your housing costs exceed the maximum limit, only the part not exceeding the maximum will count towards the housing allowance. Any part of your actual costs that exceeds the defined maximum costs will have to be paid by you out-of-pocket (on top of the deductible). The maximum costs are tied to the location of your home and whether you have children under 18 living with you (for details see the supplement).

The costs of maintenance and repair established by the Government are used instead of the actual housing costs for the purpose of calculating the housing allowance payable for single-family homes. The computed water and heating charges are also used for rented homes and units in housing co-operatives where water and/or heat are not included in the rent. For details, see the supplement.

The classification of municipalities into heating categories is based on a Government decree. Heating charges are accepted only to the extent that they are for a reasonably sized home. For single residents, the maximum size is 70 square metres. For each additional resident, the maximum size is increased by 15 square metres.

### **Treatment of housing loan interest as housing costs**

If you have taken out a loan to purchase or repair a primary home, the interest due on your loans is accepted as housing costs. This applies also to the interest on loans taken out to pay a right-of-occupancy or partial-ownership fee. These interest payments are not deducted from annual income.

### **The effect of income on the housing allowance for pensioners**

The amount of the housing allowance for pensioners depends on nearly all of the regular income that you and your spouse have. If you live alone, your housing allowance depends on your income, assets and housing costs. If you live together with your spouse, your housing allowance will also depend on your spouse's income and assets and your combined housing costs.

The following types of income affect the amount of your housing allowance for pensioners:

- earnings and income from pensions
- self-employment income as calculated under the Self-Employed Persons' Pensions Act or the Farmers' Pensions Act.
- unemployment allowances
- income from assets, such as rent income and interest on deposits, and
- other income from capital.

Interest on loans is deducted from the income. However, interest on housing loans for the principal home is not deducted, because it is added to the housing costs. Interest on consumer credit may not be deducted from income.

The amount of housing allowance for pensioners due to you is not affected by any disability or care allowances being paid to you or by the income or assets of an estate. Deposits not exceeding €2,000 do not affect the amount of housing allowance due to you. Your spouse can also have €2,000 in deposits. Any interest on deposits exceeding € ,000 is added to income. The value of the deposits is added to assets. If the total amount of interest and dividend income is €60 per year or less, it is disregarded.

All assets (minus debt) are taken into account for purposes of calculating the housing allowance for pensioners, with the following exceptions: a home which you own and live in, shares in undivided estates, and shares in a housing co-operative. Eight percent of the value of assets exceeding certain limits (see the supplement) is added to income.

After the income of your spouse and yourself have been added together, they are compared against the income threshold for receipt of the full housing allowance (for details, see the supplement). If your income exceeds this limit, 40% of the excess is regarded as the so-called additional deductible and added to the basic deductible (see the housing allowance calculation formula on page 88).

## How to appeal a decision

Nearly all decisions concerning a benefit available from Kela can be appealed to the Social Security Appeal Board. If your appeal is about financial aid for students, file it with the Student Financial Aid Review Board. Decisions concerning unemployment benefits should be appealed to the Unemployment Appeal Board.

You have a further right of appeal to the Insurance Court, which is the highest court of appeal in social security matters. The decision issued to you by Kela contains more detailed instructions about how to appeal.

## Exchange of information between public authorities

All Kela staff members are subject to an obligation of confidentiality. Information about you is used solely for official purposes. Kela is authorised to release information to other public authorities in a manner prescribed by law. Kela obtains essential information from other public authorities and from pension providers, insurance companies, employers, unemployment and workplace funds, landlords, housing co-operatives and real estate companies, health centres and hospitals.

# SUPPLEMENT 2013

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## Maternity grant

**Eligibility:** Expectant mothers resident in Finland whose pregnancy has lasted at least 154 days and who undergo a medical examination at a maternity health clinic or a doctor's office by the end of the 4th month of pregnancy. Also payable to adoptive parents for an adopted child under age 18.

**Amount:** Choice between a maternity pack with childcare items and a tax-free cash benefit of €140. Mothers of twins are entitled to three maternity grants, mothers of triplets to six.

**When to claim:** Two months before the due date or earlier.

## Adoption grant

**Eligibility:** An adoptive parent living in Finland whom an international adoption service provider has designated for the placement of a child under 18 years.

**Amount:** Flat-rate benefit. Amount depends on the child's home country as follows:

Estonia	The Philippines, Ethiopia and Russia	South Africa, Kenya, China and Colombia	Other countries
€1,900	€3,800	€4,500	€3,000

If more than one child is adopted at the same time, 30% of the full benefit is paid for each additional child.

**When to claim:** Within 2 months of adoption or designation for adoption.

## Child benefit

**Eligibility and amount:** Tax-free benefit for each child under 17 who is resident in Finland, payable to the child's provider:

Amount (€) per month according to the number of eligible children					
1st child	2nd child	3rd child	4th child	5th and each additional child	Supplement for single parents
104.19	115.13	146.91	168.27	189.63	48.55

Single parents get an increase for each child. The benefit is free from tax.

**Length of payment:** Paid from the beginning of the month following the child's birth. Payment continues to the end of the month in which the child reaches the age of 17.

## Payment dates in 2013:

25.01.	26.03.	24.05.	26.07.	26.09.	26.11.
26.02.	26.04.	26.06.	23.08.	25.10.	20.12.

**When to claim:** Claims can be backdated by up to 6 months.

## Maternity, paternity and parental allowance

**Eligibility:** Mothers: Pregnancy has lasted 154 days and mother has lived in Finland or another EU/EEA member state for at least 180 days before due date.

Mothers and fathers: Must be insured under the Health Insurance Act.

**Maternity allowance:** 105 weekdays. Payment begins 30–50 weekdays before the due date. Special maternity allowance is payable throughout the pregnancy if risk factor cannot be eliminated.

**Paternity allowance:** altogether 54 working days. Father can take 1–18 working days after the child is born during the maternity and parental allowance. Must be taken before the child is 2 years old. Concerns only parents who began to receive special maternity allowance, maternity allowance or parental allowance (adoptive parents) after 1 January 2013. If payment began in 2012, the paternity allowance is paid in accordance with the previous legislation.

**Parental allowance:** Payable immediately after the maternity allowance. Length of payment depends on the number of children in the family as the parental allowance eligibility period begins (for one child, 158 weekdays; for each additional child, 60 weekdays more). Can be paid as a partial benefit if both parents are working part time. Adoptive parents are entitled to parental allowance for up to 200 weekdays for a child adopted at age 7 or younger or for 234 working days from the first working day following the day the child was born.

**Amount and taxation:** Depends on the claimant's earnings or, if self-employed, on insurable annual income under the YEL/MYEL Acts (in 2013, calculated as a rule on the basis of taxable earnings in 2011), but is at least €23,77 a day. This is the rate payable to mothers who work while on maternity/parental allowance, to students receiving study grant, and to fathers completing their conscript or alternative service.

Maternity allowance for employed or self-employed mothers is equal to 90% of earned income for the first 56 days of payment; parental allowance for mothers and fathers and the paternity allowance payable during the daddy month are equal to up to 75% of earned income for the first 30 workdays. These benefit increases are available for annual earnings up to €54,552; for the exceeding part, the rate of increase is 32.5%.

Taxable income. Adjusted yearly to changes in the wage index. Single consecutive payments extending past 1 January are not index-adjusted.

**When to claim:** Maternity allowance: No later than 2 months before the due date.

Special maternity allowance: Within 4 months of the desired payment date.

Parental allowance: No later than one month before the desired payment date. Claim must be signed by both parents.

Paternity allowance: Can be claimed each period separately or all at once. According to new law 1.1.2013: claim within 2 months after child has reached 2 years. According to previous law: claim within 2 months of the end of the parental allowance period.

## Compensation for holiday pay

**Eligibility:** Employers who provide holiday pay to an employee who is on parental leave are entitled to a compensation for each calendar month in which the employee accrued holiday while on maternity, paternity or parental allowance, provided that the employee was paid allowance for at least 14 days during that month. Compensation is paid for 2.5 days per calendar month.

**Amount:** The compensation per day is equal to the 300th part of the annual earnings on which the allowance paid to the employee during the holiday accrual period was based, multiplied by a factor of 1.26.

**When to claim:** Within 6 months of the end of the parental allowance period.

## Partial care allowance

**Eligibility:** Payable to parents working shorter hours who meet the following requirements:

- Family includes
  - a child under the age of 3, or
  - a child in the 1st or 2nd year of school, or
  - a child in extended compulsory education
- Parent works no more than 30 hours a week in order to look after the child

The allowance can also be shared between the parents if one of them stays at home on mornings and the other on afternoons.

**Amount and payment:** €96,41 per month, taxable income. Paid on the last working day of each month. Payable until the child reaches 3 years. Parents of children in extended compulsory education can get partial care allowance while their child is between age 6 and the completion of the 3rd year of school (i.e., for a maximum of 4 years). Parents of children who start school at the age of 8 years can get the allowance for a total of 3 years.

**When to claim:** Claim can be backdated by up to 6 months.

## Child home care allowance

**Eligibility:** Payable to parents of children under school age who live in Finland and are not in municipal day care. As a further requirement, the family must include a child under age 3. Also available to adoptive parents of children over 3 years of age either until 2 years have elapsed from the beginning of the parental allowance period, or until the child starts primary school.

**Amount and payment:** Care allowance is paid separately for each eligible child. Care supplement is paid for one child only and depends on the family's income.

The care allowance is paid at the following rates (€):	
for one child under age 3 (or adopted child over age 3)	336.67
for each additional child under age 3	100.79
for each additional child under school age	64.77

**Care supplement:** The care supplement is paid for one child eligible for the care allowance. Its maximum amount is €180,17 / month. It is taxable income.

The effect of family size and income on the amount of the care supplement			
Family size	Income limit for full care supplement, €/month	Reduction (%)	Income limit at which eligibility for care supplement ends, €/month
2	1,160	11.5	2 726,66
3	1,430	9.4	3 346,65
4	1,700	7.9	3 980,57

A family is considered to be parents and up to two children under school age. If family income exceeds the income limit, the full amount of the care supplement is reduced by a percentage of the excess income.

**When to claim:** Claim can be backdated by up to 6 months.

## Private day care allowance

**Eligibility:** Parents of a child under school age who is living in Finland and does not attend municipal day care. Payable for each child in family starting from when payment of the parental allowance ends. Discontinued if the child transfers to municipal day care or starts school. If the family includes a child under age 3, the parents can choose between child home care allowance and private day care allowance. If parents are granted child home care allowance for the youngest of several children under 3 years of age, they can be paid private day care allowance for their other children.

### Care provider can be

- an individual or organisation that provides fee-based child day care services.
- an individual who has a contract with the parents to look after the child for at least one month; cannot be a family member.

**Amount:** Care allowance €171,40 / child / month  
Income-related care supplement up to €144,14 / child / month

Both are payable for each entitled child. The care supplement is paid at its maximum rate if the family's income does not exceed a limit linked to family size. Any income in excess of the limit reduces the supplement by a percentage of the excess income, as shown in the table below. The family is considered to consist of the parents and up to two children under school age. Maternity, paternity and parental allowances are considered as income for the purposes of determining the care supplement but do not reduce the care allowance.

The effect of family size and income on the amount of the care supplement

Family size	Income limit for full care supplement, €/month	Reduction (%)	Income limit at which eligibility for care supplement ends, €/month
2	1,160	11.5	2 413,35
3	1,430	9.4	2 963,36
4	1,700	7.9	3 524,50

A family is considered to be parents and up to two children under school age. If family income exceeds the income limit, the full amount of the care supplement is reduced by a percentage of the excess income.

**Payment:** Paid directly to the care provider (private care provider or day care centre).

**When to claim:** Claim can be backdated by up to 6 months.

## Child maintenance allowance

**Eligibility:** Children under 18 years who are living in Finland and whose parent has not met their child support obligations. Also available if child maintenance payments are set at a level lower than the child maintenance allowance due to financial difficulties on the part of the liable parent. Also payable to children born out of wedlock if paternity has not been confirmed and to children adopted by a single parent.

**Amount and taxation:** €151.85 per month; free from tax

**Payment:** Deposited into the recipient's bank account on the 10th of each month or the immediately preceding banking day.

**How to claim:** Claim can be made by the child's provider or the child personally (if 15 years of age or older); claim can be backdated by up to 3 months.

**Disability allowance for persons under 16 years** See page 19.

## Special care allowance for parents of a sick child

**Eligibility:** Mother or father participating in the treatment or rehabilitation of a child under age 16 in a hospital, outpatient clinic (hospital or special care district), rehabilitation or adjustment training course, or as part of home care in connection with treatment in a hospital/hospital outpatient clinic. The parent must be on unpaid leave from his or her regular job. The presence of a serious illness or disability (e.g. a severe developmental disability, leukaemia or brittle diabetes) is a condition for eligibility, except if the child is between 0 and 6 years of age and undergoes treatment in a hospital or outpatient clinic.

**Amount and taxation:** Dependent on the claimant's earnings; at least €23.77 During hospital treatment or rehabilitation, can be paid to both parents if their joint participation in the treatment is judged necessary by the treating physician. Taxable income.

**When to claim:** Claim can be backdated by up to 4 months.

## General housing allowance

**Eligibility:** Low-income households living in rental, owner-occupied or right-of-occupancy homes located in Finland.

**Amount:** 80% of reasonable housing costs that exceed a deductible linked to household size, income and location of the home. The allowance must come to at least €16.81 per month in order to be payable.

### Housing costs

- rental homes: the rent, separate heating charges up to a maximum amount which depends on the living area and type of heating, and separate water charges up to €27.15 per person and per month
- right-of-occupancy homes: maintenance charge and separate heating and water charges as in rental homes
- owner-occupied apartments in a housing cooperative: maintenance charge and separate water and heating charges as in rental homes
- owner-occupied single-family houses: heating costs according to government decision (see below) plus maintenance costs at €68.13 per home and €28.25 per person and per month

### Heating costs in 2013

The living area (in m<sup>2</sup>) is multiplied by

- €1.27 in municipalities belonging to heating costs category I\*
- €1.40 in municipalities belonging to heating costs category II
- €1.55 in municipalities belonging to heating costs category III

\* the heating costs categories are explained in connection with the pensioners' housing allowance

In owner-occupied dwellings, 55% of the interest due on individual housing loans is added to the housing costs.

**Size of the home:** If the household lives in a home larger than the limits shown in the table below, the excess space is ignored when determining the amount of the allowance.

The amount of housing allowance granted is determined by reference to housing costs, defined as follows:

1	2	3	4	5	6	7	8
37	57	77	90	105	115	125	135

**Maximum allowable housing costs:** If actual housing costs exceed a maximum limit for allowable housing costs specified by Government Decree, the excess is not taken into account in calculating the amount of the housing allowance. The maximum allowable costs are scaled in relation to the living area, location, age and size of the home. Age of the home refers to the year in which it was built, refurbished or modernised.

**Maximum allowable housing costs €/sq.m./month:  
Central heating or equivalent**

Age	Size in sq.m. Class I municipality						
	-25,9	26-30,9	31-35,9	36-45,9	46-60,9	61-80,9	81-
1985	14.02	13.18	12.34	11.57	11.10	10.86	10.78
1986-95	14.85	14.00	13.16	12.68	12.37	11.94	11.85
1996-	15.35	14.51	13.67	13.18	12.88	12.44	12.36

Age	Size in sq.m. Class II municipality						
	-25,9	26-30,9	31-35,9	36-45,9	46-60,9	61-80,9	81-
1985	13.18	12.34	11.50	10.73	10.25	10.02	9.93
1986-95	14.00	13.16	12.32	11.84	11.53	11.60	11.01
1996-	14.51	13.67	12.83	12.34	12.04	11.60	11.52

Age	Size in sq.m. Class III municipality						
	-25,9	26-30,9	31-35,9	36-45,9	46-60,9	61-80,9	81-
1985	11.80	10.96	10.12	9.67	9.36	9.16	9.08
1986-95	13.08	12.24	11.40	11.04	10.66	10.22	10.14
1996-	13.58	12.74	11.90	11.55	11.16	10.73	10.64

Age	Size in sq.m. Class IV municipality						
	-25,9	26-30,9	31-35,9	36-45,9	46-60,9	61-80,9	81-
1985	10.96	10.12	9.28	8.82	8.52	8.32	8.24
1986-95	12.24	11.40	10.56	10.20	9.82	9.38	9.30
1996-	12.74	11.90	11.06	10.71	10.32	9.88	9.80

**Maximum allowable housing costs €/sq.m./month: Other type of heating**

Municipality class	Size in sq.m.						
	-25,9	26-30,9	31-35,9	36-45,9	46-60,9	61-80,9	81-
I	7.69	7.52	7.35	7.25	7.22	7.17	7.10
II	7.52	7.35	7.18	7.08	7.05	7.00	6.93
III	7.01	6.85	6.68	6.58	6.54	6.51	6.48
IV	6.17	6.00	5.84	5.74	5.70	5.67	5.63

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Class I municipalities: Helsinki

Class II municipalities: Espoo, Kauniainen and Vantaa

Class III municipalities: Hyvinkää, Hämeenlinna, Joensuu, Jyväskylä, Järvenpää, Kajaani, Kerava, Kirkkonummi, Kouvola, Kuopio, Lahti, Lappeenranta, Lohja, Nurmijärvi, Oulu, Pori, Porvoo, Raisio, Riihimäki, Rovaniemi, Seinäjoki, Sipoo, Tampere, Turku, Tuusula, Vaasa and Vihti

Class IV: All other municipalities

### Housing allowance: income and asset test

No effect on housing allowance if income does not exceed (€/month)						
Location of the home	Household size / persons					
	1	2*	3	4	5	6
Class I-II municipality	700	760	910	1,030	1,240	1,450
Class III municipality	700	730	835	970	1,135	1,330
Class IV municipality	700	730	775	880	1,015	1,210

\* If one of the members of a two-person household is a dependent child, €90 is deducted from the household's monthly income for calculation purposes.

If the household's combined assets (minus debt) exceed the amounts shown below, 15% of the excess is counted as income. This amount is divided by 12 for the purpose of applying it to the household's monthly income.

Housing allowance asset test					
Ruokakunnan henkilöluku					
1	2	3	4	5	6
12,650	14,750	16,850	18,950	21,050	25,250

**Payment and taxation:** Paid on the 1st of each month into the household's or landlord's account. Not subject to tax.

**When to claim:** Payable from the beginning of the month preceding the month in which the claim was made.

## Doctors' and dentists' fees

**Doctors' fees:** doctors' fees in private practice are reimbursed according to a fixed schedule.

**Dentists' fees:** dentists' fees in private practice are reimbursed according to a fixed schedule.

Dental technicians' services and dental prosthetics are not covered (except for war veterans, see below). Orthodontic services are covered under special circumstances only. War veterans are entitled to a reimbursement of the **fixed schedule** for oral and dental examinations, preventive treatment and clinical work performed by a private dentist or specialist dental technician as part of dental prosthetic care, and for technical prosthetic procedures. The fees charged by specialist dental technicians for complete denture care are covered on the basis of the dentist's referral.

**Dental hygienists' fees are reimbursed according to a fixed schedule.**

The treatment must be preceded by a dentist's examination and be provided according to a treatment plan reviewed by a dentist.

**When to claim:** Reimbursement is available directly from the place of treatment or by claim submitted within 6 months of the expenses being incurred.

**Payment:** By direct reimbursement at the place of treatment, by deposit into the insured person's bank account or by claim submitted within 6 months of the expenses being incurred.

**Please note:** No reimbursement is available for care provided in a municipal health centre or for periods in which an insured person was treated in a public hospital or other institution.

## Examinations and treatments ordered by a doctor

**Reimbursement:** according to a fixed schedule.

**Payment:** Deducted directly from the fee or paid into the client's bank account.

**When to claim:** Within 6 months of the expense being incurred, personally from Kela office or by mail.

**Current schedule fees can be found on the Kela website at [www.kela.fi](http://www.kela.fi).**

## Travel expenses in connection with treatment or rehabilitation

**Copayment:** €14.25 one-way, €242.25 in calendar year.

**Reimbursement:** Costs exceeding the copayment are reimbursed. As a rule, the reimbursement is based on public transport fares. If copayments total €242.25 within a calendar year, any exceeding costs are reimbursed in full.

**Accommodation allowance:** Up to €20.18 per night.

**When to claim:** Claim can be backdated by 6 months. Direct reimbursement is available for medical transport by ambulance or helicopter.

## Reimbursements for medicines

Reimbursements are available for medicines, emollient creams and clinical nutrients which the Pharmaceuticals Pricing Board has recognised as reimbursable and which have been prescribed for the treatment of an illness.

### Reimbursement:

Basic reimbursement	Lower special reimbursement*	Higher special reimbursement*
35 of reference price or actual price	65 of reference price or actual price	100% of reference price or actual price exceeding a €3 copayment (payable for each medicine purchased)

\*See the list of illnesses entitling the patient to special reimbursement of medicine expenses on pp.13–14.

**How to claim:** Deducted from the bill at pharmacy or paid to the customer's bank account on the basis of a claim submitted within 6 months of purchase. Special reimbursements are provided for costs incurred after the patient has filed a claim indicating the presence of a severe illness (doctor's statement 'B') with Kela.

### Additional reimbursement for particularly large medicine expenses

**Threshold:** €670 If the patient's out-of-pocket medicine expenses in a calendar year exceed this threshold, the exceeding part is reimbursed in full.

**Copayment:** A €1.50 copayment applies to each purchase made after the patient has reached the entitlement threshold.

**How to claim:** Deducted from the bill at the pharmacy if you present your Kela card and

a special notification from Kela, or payment on the basis of a claim filed within 6 months of the end of the calendar year in which the right to additional reimbursement was gained..

### Medicines with limited basic reimbursability

The Pharmaceuticals Pricing Board is authorised to restrict the availability of basic reimbursements for a given medicine to specified diagnoses only. In such cases, a doctor's statement or a doctor's specific indication on the prescription form must be shown to prove entitlement to basic reimbursements.

**Reimbursement:** Basic reimbursement (special reimbursements may be available for certain medicines with limited basic reimbursability)

**When to claim:** Within 6 months of the expense being incurred. For more information about the availability of reimbursements and about generic substitution, go to [www.kela.fi](http://www.kela.fi) and click on Sickness & Disability -> Medicinal Products Database.

#### Special reimbursements for medicine expenses: list of diseases covered: 100% reimbursement

Hypopituitarism 101	Trigeminal or glossopharyngeal neuralgia 119
Diabetes insipidus 102	Hypogammaglobulinaemia 120
Diabetes mellitus 103	Severe hypofunction of reproductive glands 121
Hypothyroidism 104	Aplastic anaemia 122
Adrenocortical insufficiency 105	Chronic vitamin D malabsorption 123
Hypoparathyroidism 106	Congenital metabolic disorders 124
Pernicious anaemia and other vitamin B12 malabsorption disorders 107	Chronic coagulation disorders 126
Myasthenia gravis 108	Post-transplant conditions in organ or tissue transplants 127
Multiple sclerosis 109	Cancers of the female genital tract 128
Parkinson's disease 110	Idiopathic thrombocytopaenia and granulocytopenia 129
Epilepsy and comparable convulsive disorders 111	Malignant neoplasms not mentioned above 130
Severe psychosis and other severe mental disorders 112	Sarcoidosis 132
Behavioural disorders associated with mental retardation 113	Severe chronic pancreatic insufficiency 133
Glaucoma 114	Generalised erythroderma 134
Breast cancer 115	Pustular eczema 135
Prostate cancer 116	Uraemia requiring dialysis 137
Leukaemia and other malignant diseases of blood and bone marrow as well as malignant diseases of the lymphatic system 117	Severe anaemia in connection with chronic renal failure 138

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### 65% reimbursement

Chronic heart failure 201	Ulcerative colitis and Crohn's disease 208
Disseminated connective tissue diseases, rheumatoid arthritis, and comparable conditions 202	Severe hereditary dysfunctions of lipid metabolism (familial hypercholesterolaemia and Type III dyslipoproteinaemia) 211
Chronic asthma and similar chronic obstructive diseases 203	Gout 212
Chronic hypertension 205	
Chronic coronary heart disease 206	Severe, long-term narcolepsy 214
Chronic arrhythmias 207	

### Clinical nutrients; 65% reimbursement

Congenital metabolic disorders 503	Allergy to cow's milk in infants 505
Conditions requiring daily tube feeding 504	Allergy to cow's milk and/or soy protein in infants 506

### Clinical nutrients; 35% reimbursement

Severe malabsorption of nutrients, primarily lipids 601	Severe malnutrition in children 602
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## Rates of the daily allowances

Sickness allowance, rehabilitation allowance and earnings-related maternity, paternity and parental allowances

Annual earnings (€)	Daily allowance (€/workday)
– 1 361	No sickness allowance on the basis of earnings
1,362–35,457	0,7 x Annual earnings : 300
35,458–54,552	82,73 + 0,4 x (Annual earnings – 35, 457) : 300
Over 54,552	108.19+ 0.25 x (Annual earnings – 54,552) : 300

**Examples, €/day** \* Pay after deduction of work-related expenses and the share of contributions to earnings-related pension and unemployment insurance (3.94%), or annual income from self-employment without deductions.

Annual earnings after deductions*	Daily allowance before taxes
0–1,361	0.00
6,000	14.00
10,189	<b>23,77 Minimum amount</b>
13,000	30,33
15,500	36,17
20,500	47,83
25,500	59,50
30,000	70,00
35,000	81,67
40,000	88,79
50,000	102,12
60,000	112,73

### Contributions to the National Health Insurance:

from wage earners towards the daily allowances	0.74% of pay
from self-employed persons towards the daily allowances	0.74% of self-employment income
from employers towards National Health Insurance	2.04 % of payroll
from insured persons towards medical care insurance	1.30 % of earnings subject to local government tax
from recipients of pension or other benefit	1.47% of pension or benefit income subject to local government tax

## Sickness allowance

**Eligibility:** Residents of Finland between ages 16 and 67 who are employed or self-employed and incapable of work due to illness. Eligibility ends at the latest at the beginning of the month following the recipient's 68th birthday.

**Waiting period:** The first day of incapacity plus the following 9 weekdays (Mon-Sat). If the same illness recurs within one month, waiting period is just one day. The waiting period for entrepreneurs is the first day of incapacity plus the following 3 weekdays.

**Partial sickness allowance:** After completion of the waiting period for the sickness allowance, available to persons who return to work on a part-time basis, with working hours and pay reduced to 40–60% of what they were earlier.

**Duration:** Sickness allowance; payable for up to 300 weekdays. Partial sickness allowance; payable for 12–72 weekdays.

**Amount:** Depends on the claimant's earnings or entrepreneurial income under the YEL and MYEL Acts. The partial sickness allowance is half the regular allowance.

Work-related expenses (e.g. commuting expenses, union dues and unemployment fund membership fees) are deducted from earnings (but not from entrepreneurial income). An additional deduction of 3.89% is made for contributions towards pension and unemployment insurance.

- If the claimant can show proof that his/her earnings during the six months preceding the illness were at least 20% higher than the earnings based on tax information, the allowance can be calculated on the basis of the higher, more recent earnings.
- Minimum amount is €23,77 per weekday.
- Unemployed recipients get at least 86% of the unemployment allowance, or if they are in preparatory training for working life, of the employment subsidy.
- Students get at least the 25th part of the monthly study grant per day.
- Recipients of rehabilitation allowance get a benefit at least equal to the rehabilitation allowance. If the rehabilitation allowance is being paid by an earnings-related pension provider, the per-day allowance is equal to the 25th part of the monthly rehabilitation allowance (municipal supplement not included).

Adjusted yearly by a wage factor.

**Payment and taxation:** The first instalment is for 6 weekdays; subsequent instalments are for 25 weekdays each. The payments are subject to tax.

**When to claim:** Within 2 months of the desired start of payment.

## Rehabilitation allowance

**Eligibility:** Residents of Finland between ages 16 and 67 who are prevented from working due to rehabilitation. Not payable after the beginning of the month following the recipient's 68th birthday.

**Waiting period:** The first day of rehabilitation plus the following 9 weekdays or

- none, if the client prior to the rehabilitation was in receipt of sickness allowance or an unemployment or training benefit or
- the first day of rehabilitation, in the case of assessment of rehabilitation need or prospects or adaptation training or family rehabilitation lasting up to 12 weekdays, individualised rehabilitation programme lasting up to 18 weekdays or resumption of rehabilitation within 30 days or
- 30 days, if, prior to rehabilitation, the client received disability, individual early retirement or unemployment pension under the national pension or employment pension laws, or change-of-generations pension.

**Duration:** Payable for weekdays during participation in rehabilitation.

**Amount:** Calculated like the sickness allowance, with the exception of the following cases:

- During vocational rehabilitation, the allowance is equal to 75% of the 300th part of earnings calculated for sickness allowance purposes
- Rehabilitation clients who have during the preceding 4 months received an unemployment benefit, training subsidy, wage subsidy in order to participate in preparatory training for working life, or study grant, receive a rehabilitation allowance equal to 86% of the preceding benefit plus 10 percent.
- Pensioners undergoing rehabilitation get 10% of the total sum of their pensions
- The allowance is reduced by 20% during the time that a recipient is waiting for a rehabilitation programme to start.

Adjusted yearly in line with the earnings-related pensions (TEL) index.

**Maintenance allowance:** €9 per day

**Payment and taxation:** The first instalment is for 6 days; subsequent instalments are for 25 days each. The payments are subject to tax.

**When to claim:** Within 4 months of gaining eligibility.

## Rehabilitation allowance for persons under 20

**Eligibility:** Provided as a substitute for disability pension to persons aged between 16 and 19 who have a long-term illness or are severely handicapped. The purpose is to ensure a successful vocational rehabilitation process.

**Amount:** € 23,77 per day at the minimum.

## Rehabilitation services

**Eligibility:** Persons with impaired functioning have a statutory right to vocational rehabilitation. Persons with severe disability have a statutory right to medical rehabilitation. Rehabilitative psychotherapy is provided to persons with a psychological disorder that has the potential to impact their capacity to work or study negatively.

Kela also arranges discretionary rehabilitation services within an annual budget appropriated by Parliament, including rehabilitation courses, adaptation training, and vocationally-oriented medical rehabilitation (ASLAK rehabilitation).

**Amount:** The costs of rehabilitation procedures are reimbursed in full, with the exception of psychotherapy. The maximum rates of reimbursement for rehabilitative psychotherapy are listed at [www.kela.fi](http://www.kela.fi). Reimbursement-related travel costs are reimbursed in the same way as if they were related to the treatment of an illness.

**Award:** From the first day of the month of application or later.

## Disability allowance for persons under the age of 16

**Eligibility:** Children under 16 who live in Finland and are disabled or chronically ill, and whose care puts the parents under financial or other strain for a period of at least 6 months.

**Amount, taxation, payment and how to claim:** See below at Disability allowance for persons aged 16 or over.

## Disability allowance for persons aged 16 or over

**Eligibility:** Residents of Finland aged 16 or over who are disabled and do not receive a pension under the national pension or employment pension laws, and whose functional status is impaired for at least one year due to illness or injury.

**Amount and taxation:** Disability allowance is a tax-free benefit.

Disability allowance €/month	
Basic rate	92,31
Middle rate	215,40
Highest rate	417,68

**Payment:** Paid monthly to the recipient's account. The payment date is determined by the initial letter of the recipient's surname.

A–K	L–R	S–Ö
4th	14th	22th

**When to claim:** Claims can be backdated by up to 6 months.

## Care allowance for pensioners

**Eligibility:** Persons aged 16 or over who live in Finland and are paid old-age pension, guarantee pension or pension or other compensation on account of complete incapacity for work. An impairment of the recipient's functional capacity caused by an illness or injury and lasting at least 12 months is a further requirement.

**Amount and taxation:** The allowance is exempt from tax.

Care allowance for pensioners €/month		
Basic rate		61,93
Middle rate		153,91
Highest rate		325,46

**Payment and how to claim:** Same as with the disability allowance for persons aged 16 or over

## Supplementary allowance for war veterans

**Eligibility:** Persons in receipt of the additional front-veterans' supplement and the care allowance for pensioners at the middle or highest rate

**Amount and taxation:** €104,42 per month, tax-free

## Dietary grant

**Eligibility:** People with coeliac disease aged 16 or over. The purpose of the grant is to help them maintain a gluten-free diet.

**Amount and taxation:** €23,60/month (tax-free).

**Please note:** All disability benefits are available also for persons institutionalised on a long-term basis in a public facility

## Interpreting services for the disabled

**Eligibility:** Residents of Finland with a hearing, combined vision/hearing, or speech disorder who, because of their impairment, need interpretation in order to work, study, run errands or to pursue recreational activities.

**How to apply:** Applications must be submitted to Kela, and they are handled by Kela's Centre for Interpreting Services for the Disabled.

## Occupational health services

**Eligibility:** Employers must ensure that all employees have access to preventive health services and may, at their own discretion and expense, provide additional services. Self-employed persons and entrepreneurs can choose to arrange for occupational health cover and access to general practitioner level services for themselves.

**Amount:** 50% of all necessary and reasonable costs incurred by an employer, self-employed person, or entrepreneur, according to a schedule of fees for specific services. The reimbursement rate for preventive occupational health services is 50% or 60%.

Employer-provided occupational health services: Maximum reimbursements per employee and accounting period in 2012,€			
Reimbursement category	Costs	Reimbursement at 50 %	Reimbursement at 60 %
Reimbursement category I	160,00	80,00	96,00
Reimbursement category II: Medical services	240,10	120,05	–

  

Occupational health services for the self-employed: Maximum reimbursements per year in 2013			
Reimbursement category I: workplace or farm survey	834,00	417,00	500,40
Reimbursement category I: other preventive occupational health care	417,09	208,55	250,25
Reimbursement category II: medical services	297,59	148,80	–

**Service providers:** Employers can contract a municipal health centre, other authorised health care provider (for example a medical group practice/clinic), or a self-employed occupational health care professional to provide the occupational health services. Employers can also set up their own occupational health unit to provide the services or establish such a unit in cooperation with other employers.

**When to claim:** Employers claim reimbursement from Kela separately for each accounting period. The claim must be submitted within 6 months of the end of the accounting period. Self-employed persons and entrepreneurs must claim reimbursement within 6 months of the original expense. If services are obtained from a municipal health centre, the centre will deduct the reimbursement provided by Kela from the amount billed to the self-employed person.

## Study grant

**Eligibility:** Full-time students who are resident in Finland and in need of financial assistance.

Monthly amounts of the study grant, €			
	Student	Secondary education	Higher education
Married or has dependants		246.00	298.00
Aged 20 or above; lives alone		246.00	298.00
Aged 18-19; lives alone		246.00 <sup>3</sup>	298.00
Aged under 18; lives alone		100.00 <sup>2</sup>	145.00 <sup>1</sup>
Aged 20 or above; lives with parents		80.00 <sup>1</sup>	122.00 <sup>1</sup>
Aged under 20; lives with parents		38.00 <sup>2</sup>	55.00 <sup>1</sup>

1) = parental income can increase the amount

2) = parental income can increase or decrease the amount

3) = parental income can decrease the amount

**Amount:** See 'Financial aid for students' on Kela's website ([www.kela.fi](http://www.kela.fi)).

**Payment and taxation:** Paid on the 4th of each month or the nearest following banking day. Subject to tax. A 10% tax withholding is made on study grants paid at a rate of €170 per month or more.

**When to claim:** Can be awarded from the beginning of the month in which claim was made (not retroactively).

## Housing supplement for students

**Eligibility:** Childless students who live in a rental, right-of-occupancy or part-ownership home or under a separate lease in a dormitory maintained by the municipality, a foundation, or a charitable organisation. Students with dependent children also qualify if their studies require them to rent a dwelling in a different town than the rest of their family. Students who are not eligible can claim general housing allowance from Kela.

**Amount:** 80% of the rent. Not payable for monthly rents of less than €33.63 or for any part of the rent exceeding €252.00. The housing supplement can vary between €26.90 and €201.60 per month.

- However, the maximum amount is €58.87 if the home is rented from or owned by the student's parents.
- Persons studying abroad can get up to €210.00 per month.

**Housing expenses:** Recognised as housing expenses are the rent, the maintenance charge and any fixed charges for water, electricity or furniture specified in the rental agreement.

**Payment and taxation:** Paid at the same time as the study grant. Taxable income.

## Government guarantees for student loans

**Eligibility:** Students who receive study grant or adult education subsidy

- Students eligible for child benefit in their own right who do not live with their parents or attend an educational institution other than upper secondary school and who would be entitled to a study grant based on parental income.
- Students aged 18–19 who do not live with their parents, even if they would not be entitled to a study grant based on parental income.

**Amount:**

	€ per month
Secondary-level students under 18	160.00
Secondary-level students 18 or over	300.00
Higher education students and recipients of adult education subsidy	300.00
Students studying abroad (higher education institutions)	600.00
Students studying abroad (other educational institutions)	600.00

**When to claim:** Claimed at the same time as the study grant for the entire course of study.

## Student loan tax deduction

**Eligibility:** Students in higher education may be entitled to a student loan tax deduction if they complete a recognised degree within a target time and have more than €2,500 in outstanding student debt.

The target time is equivalent to the number of years necessary to complete the required number of credits (60 credits corresponds to one year of study) plus two years (Bachelor's and Master's degree) or plus one year (polytechnic degree or Bachelor's degree only).

**Amount:** The maximum deduction is 30 percent of the eligible student debt exceeding €2,500. Debt accrued outside the target time for the degree is not eligible debt.

**When to claim:** A decision or proposed decision on the student loan tax deduction is sent by Kela automatically to all graduates.

## Interest allowance

**Eligibility:** Low-income persons, provided that,

- if the loan carries a market rate of interest, the interest is no longer being capitalised
- If the loan is interest subsidised, the claimant has not been awarded financial aid during the five months preceding the month in which the interest becomes due.

**Amount:** Interest due on the student loan minus any penalty interest for delayed payment and banking charges

**Payment:** Paid to the student or to the lending bank.

**How to claim:** Within 2 months of the month in which the interest becomes due.

## School transport subsidy

**Eligibility:** Full-time students of an upper secondary school or institute of vocational education with a one-way commute of at least 10 km and travel costs of more than €54.00 per month.

**Amount:** Student pays €43 per month.

**When to claim:** Must be claimed separately for each school year. Claims can be back-dated by up to one month and must be filed with the school.

## Conscript's allowance

**Eligibility:** Family members of persons performing their military or alternative civil service and, in respect of housing costs, conscripts themselves. Also persons attending refresher training for reservists and women performing voluntary military service.

**Amount:** Covers the daily living expenses which the family cannot meet out of its net-income.

- The full amount for single recipients is equal to the full national pension (€ 630,02 per month).
- The amount is affected by the number of recipients: the first recipient gets up to the full amount, the second 50% and the third and additional recipients 30% each.
- The conscript and his or her family members can get assistance with reasonable housing costs.
- Family members can get help with their necessary and reasonable medical expenses, child care costs (e.g. buying a pram), and interest on student loans.
- Interest due on government guaranteed student loans can be paid entirely by the government.
- Child support payments due during the service can be paid if the conscript is required under a court decision or a written agreement confirmed by the municipal social welfare board to pay child support for a child under 18 years of age, but is unable to do so because of insufficient income or assets.

**When to claim:** Claim can be backdated to the beginning of the month.

**Payment and taxation:** Deposited to the recipient's account on the 1st or 2nd of each month. Free from tax.

## Basic unemployment allowance

**Eligibility:** Unemployed residents of Finland aged 17–64 (or aged 65–67 if laid off temporarily) who

- are fit and available for work
- are looking for full-time employment and have not been offered work or training
- satisfy the condition regarding previous insured employment.

**Condition regarding previous employment:** wage and salary earners: Employed for at least 34 weeks (about 8 months) during the 28 months preceding unemployment and

- with at least 18 hours of employment per week and
- pay for full-time work as per collective agreement; if no collective agreement exists, at least €1,134 per month.

**Condition regarding previous employment: self-employed persons:** Self-employed for at least 18 months during the 4 years preceding unemployment and - extent of the self-employment activity meets specified criteria (insurable earnings under the YEL Act consistently at least €710 per month or insurable farming income under the MYEL Act at least €400 per month).

**Waiting period:** 7 working days; must be completed once for each 500 days of payment.

**Amount:**

Basic unemployment allowance and child increase: Rates per day (€)	
Basic unemployment allowance	32.46
Child increase for 1 child	5.24
Child increase for 2 children, total	7.69
Child increase for 3 or more children, total	9.92

**A supplementary allowance** (€4.75 per day) may be payable in any of the following situations:

- recipient has at least 3 years of previous employment (payable for 20 days)
- recipient was dismissed for economic or production-related reasons and has an extensive employment history of at least 20 years (payable for 100 days)
- recipient participates in an employment promotion measure (payable for 200 days).

If the recipient is entitled to the supplementary allowance on several grounds, it is paid primarily on the basis of participation in an employment promotion measures, secondarily on the basis of unemployment following at least 3 years of previous employment and lastly on the basis of an extensive employment history.

**Transition assistance:** Persons who are covered by the transition assistance provisions and who have a current re-employment plan are eligible for an additional payment of €4.75 per day.

**Payment and taxation:** Paid for 5 days in each week for a total of up to 500 days. Subject to tax. TT2 form must be submitted.

**When to claim:** Claim can be backdated by 3 months.

## Job alternation compensation

**Eligibility:** Employee and employer must sign an agreement about the job alternation arrangement

- Employment relationship must have lasted at least 13 months
- Employee must have worked for at least 10 years total
- The position vacated by the employee taking a job alternation leave must be filled by an unemployed person registered with the employment office.

**Amount and payment:** Persons who are not members of an unemployment fund receive their benefit from Kela

- 70% of the full amount of the unemployment allowance, up to € 22.72 per day (80% if they have a work history of more than 25 years, up to € 25.97 per day)
- No child increases are available
- Not means tested but own earnings (income from a second job) reduce the benefit

**When to claim:** Claim can be backdated by up to 3 months.

## Labour market subsidy

**Eligibility:** Residents of Finland aged 17–64 (or aged 65–67 if laid off temporarily) who

- are fit and available for work
- are looking for full-time work and have not been offered suitable work or training
- have received basic unemployment allowance for the maximum period (500 days)
- are not entitled to the unemployment allowance due to not satisfying the condition regarding prior employment.

**Qualifying period:** Persons entering the labour market for the first time must complete a five-month qualifying period (does not apply to recent graduates of vocational institutions).

**Waiting period:** 5 working days.

**Means test:** Most types of income and social security benefits received by the claimant affect the amount of labour market subsidy payable.

**No means test is applied**

- for the first 180 days if the claimant has already received unemployment allowance for 500 days
- to recipients aged 55 or over who satisfied the condition regarding prior employment on becoming unemployed
- to the travel grant (available for up to 4 months)
- during participation in labour market policy measures.

**Amount:** The full amount of the labour market subsidy is equal to the basic unemployment allowance, but it is means tested. Increased for dependent children.

Labour market subsidy: Amount and income limits (€)			
Family circumstances	Full subsidy before taxes	Entitled to full subsidy if income does not exceed this amount*	No subsidy if income exceeds this amount*
Single recipient	32.46	311	1,221
Maintenance liabilities but no children	32.46	1,044	2,408
1 child	37.70	1,174	2,764
2 children	40,15	1,304	2,999
3 children	42,38	1,434	3,225
4 children	42,38	1,564	3,355
5 children or more	42,38	1,694	3,485

\* Other than earned income. Any amount of earned income will reduce the subsidy.

**Additional amount:** During participation in employment promotion measures, an additional amount of €4.75 per day is payable for up to 200 days.

**Payment and taxation:** Payable for five days a week for an indefinite period. Taxable income.

**When to claim:** Claim can be backdated by up to 3 months.

**Assistance during participation in employment promotion measures**

During participation in an employment promotion measure, recipients are paid the unemployment benefit to which they are entitled on account of unemployment. Further, they may be eligible to an additional transition assistance payment or compensation for expenses.

Receipt of basic or earnings-related unemployment allowance during participation in an employment promotion measure counts against the 500-day maximum entitlement to unemployment allowance.

**Compensation for expenses:** €9 / day

**Increased compensation for expenses:** €18 / day

## National pensions

**Eligibility:** National pensions provide basic retirement security for residents of Finland aged 16 years or over. The pensionable age for old-age pension is 65 years. Other types of pension include disability pension (for those aged between 16 and 64) and unemployment pension (for persons born before 1950).

**Amount and income thresholds:** The amount of national pension payable depends on the recipient's other pension income and his/her family circumstances. National pensions are taxable income. For details about tax deductions in respect of pension income, see page 35.

Full rate of national pension and income thresholds, € per month			
Family circumstances	Full national pension	Maximum earnings-related pension for full pension	No pension if earnings-related pension exceeds
Single recipient	630,02	55,62	1 302,30
Living in a couple relationship	558,83	55,62	1 159,88

National pensions smaller than €6.70 per month are not paid.

**Payment:** The monthly date of payment is determined by the recipient's last initial.

A–K	L–R	S–Ö
4th	14th	22nd

Earnings limits for pension recipients	
Disability pension	Up to € 733,80 per month
Unemployment pension	Up to € 694,83 per month
Old-age pension	No limits apply

**Increase for children under 16 years of age:** Flat-rate supplement to national/ earnings-related pension; free from tax; €21.97 per month and per child

**Front-veterans' supplement:** Flat-rate; free from tax; €49.22 per month.

**Additional front-veterans' supplement:** €6.31–237.71 per month

**Care allowance for pensioners:** See page 19.

**Supplementary allowance for veterans:** See page 20.

**When to claim:** Claim can be backdated by up to 6 months.

## Guarantee pensions

**Eligibility:** Persons living in Finland and receiving an old-age, disability or unemployment pension, and immigrants who have lived in Finland for at least 3 years and have reached age 65 or are disabled. Total pension income from other sources must be less than the amount of the guarantee pension.

**Amount:** The full amount is €738,82 per month. All other pensions of the recipients are deducted at gross value from this amount. Recipients' other income or the income of their spouse has no effect. Opting to take the national pension early reduces the guarantee pension as well.

Amount of the guarantee pension at various pension income levels, € per month, recipients living alone

National pension	Other pensions, total	Guarantee pension	Total pension income
0	0	738,82	738,82
630,02	0	108,80	738,82
630,02	42,00	66,80	738,82
606,81	102,00	30,01	738,82
583,49	148,64	6,69	738,82
555,81	204,00	0	759,81
512,31	291,02	0	803,33

Amount of the guarantee pension at various pension income levels, € per month, recipients in a couple relationship

National pension	Other pensions, total	Guarantee pension	Total pension income
0	0	738,82	738,82
558,83	0	179,99	738,82
558,83	42,00	137,99	738,82
535,62	102,00	101,20	738,82
441,12	291,01	6,69	738,82
436,62	300,00	0	736,62
411,62	350,00	0	761,62

Guarantee pensions of less than € 6.69 per month are not paid out.

**Payment and taxation:** Paid on the 22nd of each month to the recipient's bank account. If banks are closed on the payment day, the pension is paid on the previous business day. Taxable income; due to the effect of the tax deduction in respect of pension income, no tax is usually payable, see page 35.

## Survivors' pensions

**Eligibility:** Surviving spouses under 65 years of age are entitled to a spouse's pension, provided that both the spouse and the deceased are/were living Finland. Children of the deceased under 18 years of age (18–20 if student) are entitled to an orphan's pension payable until age 21.

**Spouse's initial pension:** Paid at the rate of € 324,93 per month for 6 months following the death of a spouse. Other income has no effect on the amount.

**Spouse's continuing pension:** Basic amount is paid at a rate of € 101,78 per month if the surviving spouse has a child under 18 years of age. Otherwise not payable. Surviving spouses on a low income are eligible for an additional amount (see below).

Rates of the additional amount of spouse's continuing pension, € per month				
Family circumstances	Full additional amount	Income limit for full pension	Surviving spouse with a child under age 18: No additional amount if income reaches	Surviving spouse without a child under age 18: No additional amount if income reaches
Single recipient	528,24	55,62	1 112,05	1 098,71
Living in a couple relationship	457,05	55,62	969,71	956,30

**Orphan's pension:** Basic amount is € 59,79 per month (paid to all recipients of orphan's pension).

Orphan's pension: Additional amount and income limits, € per month			
Full rate	Annual income limit for full pension	No additional amount if income reaches	
90,43	55,62	236,46	

**Payment and taxation:** Payment dates are as with national pensions. Subject to tax.

**When to claim:** Claim can be backdated by up to 6 months.

## Housing allowance for pensioners

**Eligibility:** Residents of Finland who are aged 65 or over and recipients of a pension under age 65; may not in be permanent institutional care.

**Basic deductible:** €607,40 a year (about €50,62 per month)

**Additional deductible:** Calculated if the recipient's own or, if married, combined annual income with spouse, exceeds a set amount.

Income thresholds for the additional deductible according to family status, € per year	
Single recipient	8 633
Recipient living with a spouse or partner who is not entitled to the housing allowance	12 655
Recipient living with a spouse or partner who is entitled to the housing allowance	13 867

If assets exceed € 16 319 (single recipient) or €26 110 (married or cohabiting recipients), 8% of the excess is regarded as income for housing allowance purposes. One's primary home does not count as assets.

**Amount:** 85% of the amount exceeding the deductibles up to specified maximum limits.

Calculation formula:  $HA = 0.85 [HC - (BD + AD)]$

HC = housing costs                      BD = basic deductible

AD = additional deductible calculated as  $AD = 0.4 (AI - MI)$

AI = annual income for purposes of calculating the housing allowance

MI = maximum income (if exceeded, additional deductible must be assessed)

**Payment and taxation:** The 4th of each month or the nearest preceding banking day. Exempt from tax. Minimum amount payable: €6.65 per month.

**When to claim:** Claim can be backdated by up to 6 months.

Maximum housing costs covered (€ per year)			
Resident in	Pensioner with no children	Pensioner with 1 or 2 children under 18	Pensioner with 3 or more children under 18
Class I municipality	7405	8 886	10367
Class II municipality	6 810	8 172	9 534
Class III municipality	5 974	7 169	8 364

Class I municipalities: Espoo, Helsinki, Kauniainen and Vantaa

Class II municipalities: Hyvinkää, Hämeenlinna, Joensuu, Jyväskylä, Järvenpää, Kerava, Kirk-

konummi, Kouvola, Kuopio, Lahti, Lappeenranta, Lohja, Nurmijärvi, Oulu, Pori, Porvoo, Raisio, Riihimäki, Rovaniemi, Seinäjoki, Sipoo, Tampere, Turku, Tuusula, Vaasa and Vihti  
 Class III municipalities: All other

Heating costs €/sq.m./month		
Location of house	House built in 1974 or thereafter	House built before 1974
Heating costs category I	1,27	1,65
Heating costs category II	1,40	1,82
Heating costs category III	1,55	2,02

**Municipalities in heating costs category I:** Askola, Aura, Espoo, Eura, Eurajoki, Hamina, Hanko, Harjavalta, Helsinki, Honkajoki, Huittinen, Hyvinkää, Iitti, Imatra, Ingå, Jämijärvi, Järvenpää, Kaarina, Kankaanpää, Karkkila, Karvia, Kauniainen, Kimitoön, Kerava, Kirkkonummi, Kokemäki, Koski, Kotka, Kouvola, Kustavi, Köyliö, Laitila, Lapinjärvi, Lappeenranta, Lavia, Lemi, Lieto, Lohja, Loimaa, Loviisa, Luumäki, Luvia, Marttila, Masku, Merikarvia, Miehikkälä, Mynämäki, Myrskylä, Mäntsälä, Naantali, Nakkila, Nousiainen, Nurmijärvi, Orimattila, Oripää, Paimio, Pargas, Parikkala, Pomarkku, Pori, Pornainen, Porvoo, Pukkila, Punkalaidun, Pyhtää, Pyhäranta, Pöytyä, Raseborg, Raisio, Rauma, Rautjärvi, Ruokolahti, Rusko, Salo, Sastamala, Sauvo, Savitaipale, Siikainen, Sipoo, Siuntio, Somero, Suomenniemi, Säskylä, Taipalsaari, Taivassalo, Tarvasjoki, Turku, Tuusula, Ulvila, Uusikaupunki, Vantaa, Vehmaa, Vihti, Virolahti and and the municipalities of the Province of Åland.

**Municipalities in heating costs category II:** Akaa, Alajärvi, Alavus, Asikkala, Enonkoski, Evijärvi, Forssa, Halsua, Hartola, Hattula, Hausjärvi, Heinola, Heinävesi, Hirvensalmi, Hollola, Humppila, Hämeenkoski, Hämeenkyrö, Hämeenlinna, Ikaalinen, Ilmajoki, Isojoki, Isokyrö, Jalasjärvi, Janakala, Jokioinen, Joroinen, Juupajoki, Juva, Kangasala, Kangasniemi, Kannus, Karijoki, Kaskinen, Kauhajoki, Kauhava, Kaustinen, Kihniö, Kokkola, Korsnäs, Kristiinankaupunki, Kruunupyy, Kuortane, Kurikka, Kärkölä, Lahti, Laihia, Lappajärvi, Lapua, Lempäälä, Lestijärvi, Loppi, Luoto, Maalahti, Mikkeli, Mustasaari, Mänttä-Vilppula, Mäntyharju, Nastola, Nokia, Närpiö, Orivesi, Padasjoki, Parkano, Pedersören kunta, Perho, Pertunmaa, Pieksämäki, Pietarsaari, Pirkkala, Puumala, Pälkäne, Rantasalmi, Riihimäki, Ruovesi, Savonlinna, Seinäjoki, Soini, Sulkava, Sysmä, Tammela, Tampere, Teuva, Toholampi, Urjala, Uusikaarlepyy, Vaasa, Valkeakoski, Vesilahti, Veteli, Vimpeli, Virrat, Vöyri, Ylöjärvi, Ypäjä and Ähtäri.

**Municipalities in heating costs category III:** All other.

**Water charge:** €27,15 / month / person

**Standard maintenance charge:**

House built or refurbished in 1974 or thereafter: €40,59 / month

House built or refurbished before 1974: € 52,77 / month

## Taxation of pensions

### Pension income deduction:

The purpose of the pension income deduction is to ensure that no tax is payable on small pensions if the pensioner has no other earned income. The maximum deduction for income subject to local government tax is €8,530 in 2013. If earnings (net of work-related expenses) exceed €8,530, the deduction is reduced by 55 percent of the excess.

#### Net income of a pensioner living alone: Illustrative examples, € per month

Earnings re-related pension	National pension	Guarantee pension	Total pension	Tax	Net pension
0	630,02	108,8	738,82	5,02	733,81
100	607,81	31,01	738,82	5,02	733,81
200	557,81	0	757,81	5,15	752,68
300	507,81	0	807,81	5,49	802,34
400	457,81	0	857,81	5,83	852,00
500	407,81	0	907,81	11,55	896,28
600	357,81	0	957,81	32,60	925,24
700	307,81	0	1007,81	53,64	954,20
800	257,81	0	1057,81	74,68	983,15
900	207,81	0	1107,81	95,72	1012,11
1000	157,81	0	1157,81	116,76	1041,07
1100	107,81	0	1207,81	137,80	1070,03
1200	57,81	0	1257,81	158,85	1098,99
1500	0	0	1500	260,76	1239,24

#### Net income of a married or cohabiting pensioner: Illustrative examples, € per month

0	558,83	179,99	738,82	5,02	733,81
100	536,62	102,2	738,82	5,02	733,81
200	486,62	52,2	738,82	5,02	733,81
300	436,62	0	736,62	5,01	731,57
400	386,62	0	786,62	5,35	781,23
500	336,62	0	836,62	5,69	830,89
600	286,62	0	886,62	6,03	880,55
700	236,62	0	936,62	23,65	912,93
800	186,62	0	986,62	44,69	941,89
900	136,62	0	1036,62	65,74	970,85
1000	86,62	0	1086,62	86,78	999,81
1100	36,62	0	1136,62	107,82	1028,76
1200	0	0	1200	134,51	1065,49
1500	0	0	1500	260,76	1239,24

Municipal income tax rate, 19.00%; parish tax rate, 1.33%; tax deductions factored in.



# Useful addresses

Contact information for Kela's offices can be found in phone directories and on Kela's website at [www.kela.fi](http://www.kela.fi).

## Kela - The Social Insurance Institution of Finland

Nordenskiöldinkatu 12, 00250 Helsinki  
P.O. Box 450, 00101 Helsinki  
Telephone +358 (0) 20 634 11

### Phone services

Families with children	020 692 226
Students	020 692 229
Conscripts	020 692 220
Sickness-related benefits	020 692 224
Unemployed persons	020 692 230
Pensioners	020 692 222
Benefits for survivors	020 692 228
Housing benefits	020 692 221
Rehabilitation	020 692 225
Disability benefits	020 692 231
Moving to or from Finland	020 692 227
Kela card, European Health Insurance Card	020 692 223

The service is open Monday through Friday 8 a.m. through 6 p.m. Regular local / mobile charges apply.

## Where to appeal

**Social Security Appeal Board**  
Siltasaarekatu 12 A  
P.O. Box 330, 00531 Helsinki  
Telephone +358 29 516 3800  
[www.somla.fi](http://www.somla.fi)

**Insurance Court**  
Lönrotinkatu 13 C  
P.O. Box 338, 00121 Helsinki  
Telephone +358 29 564 3200  
[www.oikeus.fi/vakuutusoikeus](http://www.oikeus.fi/vakuutusoikeus)

**Student Financial Aid Review Board**  
Hämeentie 3  
P.O. Box 386, 00530 Helsinki  
Telephone +358 29 533 3000  
[www.opintotuenmuutoksenhakulautakunta.fi](http://www.opintotuenmuutoksenhakulautakunta.fi)

**Unemployment Appeal Board**  
P.O. Box 124, 00531 Helsinki  
Telephone +358 29 516 001  
[www.ttlk.fi](http://www.ttlk.fi)



**KELA**  
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