

STUDENT FINANCIAL AID 2013–2014

More detailed information can be found on Kela's website (www.kela.fi).

STUDENT FINANCIAL AID – WHAT IT IS

The purpose of student financial aid is to provide financial support towards study-related costs, to the extent that the provision of such support is not considered to be the responsibility of your parents and that you have not made other financial arrangements to secure a living income. In order to qualify, you must be a full-time student, make satisfactory academic progress, and be in need of financial assistance.

Financial aid is available in the form of study grants, housing supplements and government guarantees for student loans. Study grant and housing supplement are government-financed monthly benefits. The study grant is subject to tax. If you are granted a government loan guarantee, you can apply for a student loan with a bank of your choice.

WHAT KIND OF STUDIES ARE SUPPORTED?

Student financial aid is available for full-time post-comprehensive school studies lasting at least two months at an upper secondary school, folk high school, vocational school or institution of higher education. Financial aid is also available for studies abroad.

Studying for a degree in higher education constitutes full-time study. Non-degree academic studies yielding at least 5 credits per month are also considered full-time. Vocational or other studies qualify if the studies comprise an average of at least 3 study weeks per month (or 25 hours a week). Studies to complete the upper secondary school curriculum constitute full-time study provided that the studies comprise at least 75 courses. Financial aid may also be granted to mature students studying at an upper secondary school, provided that they are studying for a dual degree, that is to say combining upper secondary studies with studies for a basic vocational degree. If you are studying at an upper secondary school, you must take at least 10 courses or 2 matriculation tests each semester.

ELIGIBILITY CRITERIA

The amount of financial aid depends on the type of school, your age and marital status, and your mode of accommodation. You will not be eligible for student financial aid if you receive any of the following benefits: pension (other than survivors' pension), rehabilitation allowance, unemployment benefits, adult education allowance (government guarantee for student loan is available), benefits accompanying apprenticeship training, conscript's allowance, or student benefits from another country or from the Åland Islands.

BENEFITS AVAILABLE UNDER THE FINANCIAL AID PROGRAMME

Study grant is available as soon as you are no longer eligible for child benefit (from the beginning of the calendar month following your 17th birthday).

Housing supplement can be paid to students living in rented or right-of-occupancy accommodation. No age limits apply. You are not eligible if you live with your parent, if your home is owned either by yourself or your spouse or cohabiting partner, or if your child or a child of your spouse or cohabiting partner lives with you (some exceptions apply). Students who do not qualify for the housing supplement on these grounds can apply for a general housing allowance online at www.kela.fi/asiointi.

Government guarantees for student loans are with some exceptions available to students receiving study grant payments. However, they can also be provided to students who do not receive any study grant and do not live with their parents, and who are either 18-19 years of age and attend a secondary-level educational institution or are under 17 years of age and in vocational education (a parental income test applies in the latter case). Students in higher education who are being paid study grant are awarded the government loan guarantee without application. Kela will not normally provide loan guarantees to students who have previously defaulted on a student loan, requiring Kela to pay it back, or who have an impaired credit record.

Student loans are available from banks operating in Finland. The lending bank will check the loan guarantee details with Kela when granting a loan. Interest, repayment and other terms and conditions applying to the loan are agreed between the bank and the student. The loan disbursements are specified in the decision concerning eligibility for financial aid. Interest is capitalised if it falls due during a semester in which the student receives financial aid or during the immediately following semester. While the rest of the interest is being capitalised, the student pays interest at a rate of one per cent twice a year (if at least EUR 15).

You are eligible for a **student loan tax deduction** provided that you complete your higher education degree within the set time and if, at the end of the semester in which you complete your degree, you have more than EUR 2,500 in outstanding student loan debt taken out while in higher education. The deduction is equal to 30% of the qualifying debt exceeding EUR 2,500.

If you attend a higher education institution, you are entitled to a **meal subsidy**. The subsidy is paid directly to the operator of the student cafeteria and is worth EUR 1.94 per meal.

Basic monthly rates of the study grant (EUR, before taxes):

Student	SECONDARY SCHOOL	HIGHER EDUCATION
1. is married or has dependants	246	298
2. lives alone, aged 20 or over	246	298
3. lives alone, aged 18-19	246 ↓	298
4. lives alone, aged under 18	100 ⇅	145 ↑
5. lives with his or her parent, aged 20 or over	80 ↑	122 ↑
6. lives with his or her parent, aged under 20	38 ⇅	55 ↑

Subject to parental income test: ↑ = may be increased ⇅ = may be increased or decreased ↓ = may be decreased

"Higher education" refers to universities, polytechnics (universities of applied sciences) and continuing education centres of universities. The secondary level includes all other educational institutes.

The increase that becomes payable at a specified age is available from the beginning of the month in which you reach the specified age. If you are getting less than the maximum financial aid available for the type of school you are attending (categories 4–6 in the table), you can get an increased study grant if the taxable annual income of your parents does not exceed EUR 39,000. The full increase is available up to an annual income of EUR 22,770. It is decreased on a sliding scale as income increases.

If your monthly study grant is EUR 170 or more, a 10 per cent preliminary tax is withheld. The tax can also be withheld in accordance with your personal tax card. If you have no income apart from the study grant, you need not pay income tax on it because you are entitled to a student grant exemption in your annual tax return. You can ask the tax office to send your tax card directly to Kela.

Housing supplement covers 80 per cent of the rent. It is not available if the rent is less than EUR 33.63 per month, and is not granted for the part of the rent that exceeds EUR 252. The maximum amount of housing supplement is thus EUR 201.60 per month. If you live in accommodation owned by or rented from your parent, the maximum supplement you can get is EUR 58.87 per month. If this accommodation is located in the same building as your parent's principal residence, the maximum housing supplement rate is EUR 58.87 per month and the study grant is paid at the rate applicable to students living with a parent.

Government guarantees for student loans (EUR per month):

Secondary education: Students aged under 18	160	Higher education	300
Secondary education: Students aged 18 or over	300	Recipients of adult education allowance	300

HOW OTHER INCOME AFFECTS FINANCIAL AID

Income check and exempt amounts (the maximum income you can have and not suffer any reduction in aid). All grants, scholarships, taxable earnings and investment income (student financial aid excepted) received during the calendar year are taken into account, with the exception of grants and scholarships associated with international student exchange programmes. For each month during which you receive study grant or housing supplement, the exempt amount is on average EUR 660, and for each aid-free month EUR 1,970. Assuming that you received aid for 9 months, you would be allowed to have up to EUR 11,850 a year in other income. The income may be earned at any time during the calendar year.

The income is not checked when the aid is granted, so you must make sure not to exceed the annual exempt amount. By cancelling or returning aid by the end of May the following year (as of 2014), you can raise your exempt amount. The income check is based on taxation data. If you exceed your exempt amount, you will be required to pay back the equivalent amount of study grant and housing supplement. The amount recovered is increased by 15%.

Regarding income which you have received before the month in which you started school or after the month in which you graduated: any amount exceeding EUR 1,970 per month, averaged over the period, is exempt from the income check.

You must report all grants and scholarships as well as income received from abroad.

If you are under 20 and attending a secondary-level school, your **parents' income** will affect the amount of aid granted to you (for the housing supplement, the age limit is 18). Your study grant and housing supplement are reduced by 5 percent for each full EUR 1,010 that your parents' combined income exceeds EUR 40,800. If your parents' combined annual income is at least EUR 61,000 per year, no financial aid is available. Parental income is not taken into account if you are married or have dependants. The parental income test is normally based on the most recent income data available from the tax authorities.

HOW LONG CAN YOU GET FINANCIAL AID?

In an institute of higher education your maximum eligibility period for financial aid is determined by reference to how long obtaining a degree in your line of study is normally considered to take. For each year of study (consisting of 60 credits), you are entitled to 9 months of aid, and for each semester of study, to 5 months of aid. The maximum period of eligibility is equal to the number of years the degree normally is considered to take plus 10 months of aid. For instance, the target completion time for a polytechnic (university of applied sciences) degree comprising 210 credits is 3.5 academic years, and the maximum period for which financial aid is available is 42 months.

If you are enrolled in a 300-credit programme leading first to a Bachelor's and then to a Master's level degree, the maximum period of eligibility for aid is 55 months. Financial aid for university-level studies begun in the academic year 2011–2012 or thereafter is granted in two steps, first for the Bachelor's degree and then for the Master's degree. You can use a maximum of 37 months of aid for the Bachelor's degree and up to 28 months for the Master's degree, for a total maximum of 55 months.

After you complete a degree, you qualify for additional months of aid, which you can use for other academic studies (along with any months you may have left over from your first degree). This option is not available for Bachelor's-level studies if you are accepted to complete both a Bachelor's and a Master's degree. For studies in an institute of higher education, financial aid is available for up to 70 months. But if you drop out and then start a new higher education course of study, the months for which you have already received financial assistance are deducted from your entitlement for the new degree. Financial aid you may have received for secondary-level education is not deducted from your financial aid entitlement for higher education.

If you are **in vocational education**, the duration of financial aid depends on the extent of your studies. If you are studying at an **upper secondary school**, financial aid is granted for the first three school years (for a mature student completing a dual degree, aid is only granted for one academic year at a time). After this period of financial aid you may apply for additional aid for one academic year at a time, if you are a full-time student. After the end of the normal course of study, financial aid may be granted for a period of time not exceeding 12 months. The normal course of study for completing the upper secondary school curriculum is 4 years. For completing a basic vocational degree, the normal course of study is the time corresponding to the extent of the studies plus one year.

FINANCIAL ASSISTANCE FOR MATURE STUDENTS

If you have 8 or more years of employment history, you may be eligible for an adult education allowance from the Education Fund. Further information is available from the Education Fund (www.koulutusrahasto.fi).

If you receive adult education allowance for a consecutive period of at least 8 weeks, Kela can grant you a government guarantee for a student loan. The terms of the loan guarantee are the same as in the regular student financial aid system. The earliest that the loan guarantee can be granted is the beginning of the month preceding that in which your application is received by Kela or your school. Applications for a loan guarantee can be made by using Kela's online service or on form OT12.

FOREIGN STUDENTS

If you are not a Finnish citizen, you can get financial aid for studies in Finland if you live in Finland on a permanent basis for a purpose other than studying. This requires that you are registered as a permanent resident in the Finnish population register system. The purpose of residence in Finland is determined by reference to such matters as the residence permit, registration of rights of residency and acceptance to an educational institution. Applications for financial aid must be accompanied by the appendix form OT10e.

ASSISTANCE FOR STUDIES ABROAD

You can also get financial help with studies that take place outside Finland, provided that they correspond to Finnish studies that would be covered by the student financial aid provisions or form a part of a Finnish degree programme. Financial aid for a course of study which is conducted entirely outside Finland is only available for citizens of Finland, other EU/EEA countries or Switzerland and their family members. You must have had a municipality of residence in Finland for at least 2 years out of the 5 years preceding the commencement of your studies and your stay abroad must be temporary. In other words, you do not qualify if you have lived abroad for more than 3 years before starting your studies.

If you are not a Finnish citizen, you must either have a right to permanent residence in Finland (as defined in the Aliens Act), be working in Finland (the intended course of study is expected to be closely related to your job), or be unemployed for no cause of your own. If you are a family member of an employed person, you are entitled to financial aid on the same terms that apply to Finnish citizens.

For those studying outside Finland, the study grant is paid at the same rate as it would be in Finland, with the exception that the grant for studies at a foreign vocational training institute is equal to the grant provided to students attending a higher education institute in Finland if the duration of the studies abroad is at least 8 weeks. Housing supplement (usually EUR 210 per month) and the government guarantee for student loans (EUR 600 per month) are also available.

HELP WITH STUDENT LOAN INTEREST PAYMENTS

Interest assistance is available to all those who have a low income, provided that interest is not being capitalised (added to the loan capital). In order to qualify, your gross income may not exceed on average EUR 1,195 per month in the four months preceding the due month. Higher income limits apply to those with dependent children under 18. Interest assistance must be applied for on form OT7. Assistance with interest payments due while you are performing your national service is available under the conscript's allowance scheme.

HOW TO APPLY FOR FINANCIAL AID AND HOW IT IS PAID

Applications can be submitted online at www.kela.fi/asiointi (in Finnish and Swedish only). Alternatively, you can submit an application by completing form OT1e, OT2e or OT3e. When applying for summer aid and other additional aid, please use Kela's online service or complete form OT15e. If you wish to cancel or pay back financial aid, please use Kela's online service or complete form OT16. Application forms are available from Kela offices, Kela's website (www.kela.fi/lomakkeet) and educational institutions.

If you are submitting your application on paper, file the application and any enclosures with your school or with Kela. If you attend a university, you should file your application with the financial aid committee of your school (except if you attend the University of Helsinki or the University of the Arts Helsinki, in which case you should submit your application to Kela). Applications for interest allowance as well as for applications filed by students of upper secondary-level schools are mostly handled by Kela's local offices. Applications from students attending a Finnish polytechnic (with some exceptions) or a foreign educational institution are usually handled by the Kela Centre for Student Financial Aid. More information is available on Kela's website.

Student aid can be granted from the beginning of the month in which you applied for it, at the earliest. To university students, aid is usually granted right away for as many months as it is available, and to other students, for the extent of the studies. The formal decision on your application is sent to the address you specify in your application. You will automatically be sent a new decision, in July, for the following academic year if you have been granted loan guarantees and other financial aid benefits for your entire course of study and your credit information has not changed.

Your study grant and housing supplement are paid into your designated bank account on the 4th of each month, or on the next banking day. Retroactive payments can be made daily.

HOW TO APPEAL A DECISION

If you are dissatisfied with a decision, you can appeal to the Student Financial Aid Appeal Board by lodging a written appeal with the issuer of the decision, Kela or the financial aid committee at your school within 30 days of receiving the decision. There is a right of further appeal to the Insurance Court.

PLEASE REMEMBER TO NOTIFY CHANGES

If your circumstances change after you have applied for aid, you must immediately report such changes via Kela's online service at (www.kela.fi/asiointi) or on form OT15e (Notification of student's change of circumstances). It is your duty and obligation to inform us of any changes. If you have been paid too much financial aid or been paid financial aid without being entitled to it, you will have to pay the money back. The months of aid for which you were overpaid will not be returned to you if you are a student in higher education. The information you have provided is checked even after funds have been released to you, and decisions are automatically revised for example when new data about your parents' income is obtained from the tax authorities.

FINANCIAL ASSISTANCE FOR DAILY TRIPS BETWEEN HOME AND SCHOOL

If you are a full-time student at an upper secondary school or if you are studying for a basic vocational degree or attending some other programme of basic vocational education, Kela will compensate you for the cost of your daily travel to and from school, provided that the one-way trip from home to school is at least 10 kilometres and the travel costs exceed EUR 54 per month. You will be required to pay at least EUR 43 of the total monthly cost yourself. A separate application for school transport subsidy must be submitted for each academic year on form KM1. File the application with your school, which will forward it to Kela.

For more information:

- Visit Kela's website www.kela.fi where you can find instructions, calculator applications, application forms and a discussion forum, as well as look up your application's status, view your personal information, file an application online, or submit a notification of changes.
- **Kela's financial aid helpline for students tel. 020 692 229 (Monday to Friday, 8am to 6pm)**
- **Kela's local offices and other customer service points**
- **Educational institutions and financial aid committees**
- **www.facebook.com/opintotuki**



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