

Social security benefits available from Kela in 2010

Kela, the Social Insurance Institution of Finland, looks after basic security for all persons resident in Finland through the different stages of their lives. For details about the benefits, see Kela's website at www.kela.fi or the Guide to Benefits, or contact a Kela office.

Moving to or from Finland

Benefit guides: Moving to Finland, Moving from Finland

If you intend to move to Finland permanently, 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: return migration, employment lasting at least 2 years, or marriage to a person permanently residing in Finland.

Persons moving to Finland on a permanent basis must apply for coverage under the Finnish social security system by filing the Kela form Y77.

If you move to Finland temporarily, you will normally not be entitled to social security benefits from Kela.

If you intend to move abroad for less than a year, you will 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 social security coverage in Finland will usually end with effect from the date of your move.

If you move to another EU/EEA country or Switzerland for the purpose of working there, you will normally be covered by the social security system of your country of employment.

You must notify Kela if you move abroad or if you move back to Finland. Certain Kela benefits are not payable abroad.

There are special rules for

certain groups such as posted workers, civil servants, students and family members as well as persons moving between the Nordic countries or countries that have a social security agreement with Finland.

Health

Kela card

Everyone who lives permanently in Finland or is otherwise covered by the Finnish health insurance system gets a personal Kela card. You can use it to prove your entitlement to health insurance benefits. It is typically used in pharmacies and medical clinics to obtain an on-the-spot reimbursement for prescription drugs or a medical bill.

When you move to Finland, register at a Kela office and complete an application for coverage under the Finnish social security system. If you are accepted, you will receive your personal Kela card.

European Health Insurance Card

Anyone covered under the Finnish health insurance system can request a European Health Insurance Card (EHIC) from Kela. EHIC holders are entitled to medically necessary care during a visit to another EU/EEA country or to Switzerland. The EHIC is valid for two years at a time and is available free of charge.

Please note that the European Health Insurance Card is not a replacement for your Kela card.

Reimbursements for medical expenses

Kela provides a partial reimbursement for the fees charged by private doctors and for the cost of any examinations and treatments prescribed by a private doctor.

Usually, you will be reimbursed at the treatment site when you present your Kela card. The reimbursement is deducted from

the bill. If this is not the case, you can claim reimbursement from Kela afterwards.

Reimbursements for dental expenses

Kela pays a partial reimbursement for the cost of oral and dental examinations and treatments provided by a private dentist or dental hygienist.

Reimbursements for medicines

Kela provides reimbursements for prescription drugs at three rates: 42%, 72% and 100%.

The reimbursement is normally deducted from the price of the drugs right at the pharmacy, provided you present your Kela card.

Compensations for travel expenses

Kela pays part of the cost of your treatment or rehabilitation related trips.

The compensation may be deducted directly from the fare, provided you give an authorization to the taxi operator.

Sickness Allowance

Anyone who is between 16 and 67 years of age and incapacitated for work by reason of illness is eligible for a Sickness Allowance from Kela. It is taxable income. If an incapacitated employee is entitled to sick pay from his or her employer, the Sickness Allowance is paid to the employer.

The amount of the Sickness Allowance is typically calculated by reference to taxed earnings or to earnings over the last 6 months. On average, it is equal to about 60% of

earnings.

Persons with no or low income can get a minimum sickness allowance from Kela.

Partial Sickness Allowance is available to persons who are incapacitated for work and entitled to a Sickness Allowance. Recipients must switch temporarily from full-time to part-time work status.

Rehabilitation

Kela has a responsibility to provide access to rehabilitation services for persons with disabilities to support their vocational integration, and to offer medical rehabilitation for severely disabled persons under 65 years.

In addition, Kela offers access on a discretionary basis to vocational and medical rehabilitation under an annual appropriation by Parliament, for example in the form of family-based rehabilitation of children and psychotherapy services for adults.

Access to education for young persons

Young persons between 16 and 19 years who have functional impairments may be referred to vocational rehabilitation and to education in order to ward off a transition to disability pension. They can be paid a Rehabilitation Allowance.

Rehabilitation Allowance

Rehabilitation Allowance can be paid to 16 to 67-year-olds who participate on a full-time basis in rehabilitation offered by Kela, health authorities or occupational health providers. The purpose of the rehabilitation must be to help them remain active in working life or to enter or return to the labour market.

The Rehabilitation Allowance is normally paid at a rate equal to that of the Sickness Allowance.

Persons participating in rehabilitation may also be eligible for a means-tested, tax-free maintenance allowance. Finally, means-tested rehabilitation assistance may be paid during job training or low-wage employment.



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Guarantee pensions to replace special assistance for immigrants

Around 5,200 immigrants will next March be granted a guarantee pension without application. The benefit they currently receive from Kela, special assistance for immigrants, will be discontinued. Minimum pensions will increase to nearly EUR 700 from their current rate of a little over EUR 500 per month.

In addition to immigrants, guarantee pensions are payable to pensioners whose total pension (earnings-related and national pension combined) is less than the guarantee pension. This is the case with about 120,000 pensioners, which corresponds to a little less than 10% of all pension recipients in Finland.

Kela will award a guarantee pension without application to everyone currently drawing special assistance for immigrants. Applications from other potential recipients are accepted starting in February 2011.

In the switchover to the guarantee pension, the eligibility criteria remain unchanged – with the exception of the minimum residence period in Finland, which is being shortened to three years.

Disability and care allowances

Children under 16 can be paid 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 from their family than the care of non-disabled children of the same age.

Persons aged 16 years or older can be paid Disability Allowance if their functional status is diminished for a period of at least 12 months and they are not drawing a pension on account of disability or old age. These allowances are exempt from tax.

Pensioners' Care Allowance is available to persons whose functional status is estimated to be diminished for at least 12 months because of illness or injury.

Dietary Grant

Kela pays a tax-free Dietary Grant to persons aged 16 years or over who have coeliac disease.

Subsidization of occupational health services

Kela compensates employers and self-employed persons for part of the cost of occupational health care complying with good occupational health practice and for part of the cost of preventive occupational health services. Employers may also choose to provide employees with free-of-charge access to medical services.

Home and Family

Maternity Grant

Expecting mothers are entitled to a Maternity Grant. Mothers may choose between a tax-free EUR 140 cash benefit and a maternity package containing baby clothing and child care items.

Adoptive parents are also eligible.

Financial assistance with international adoption

Parents adopting a child under 18 years from abroad are entitled to an Adoption Grant, a lump-sum benefit that is free from tax. Its amount depends on the country of adoption.

Maternity, Paternity and Parental Allowances

Mothers and fathers can take a leave from their job on account of child birth or child care. They are guaranteed the right to return to work after the leave is over. While on leave, they are entitled to a Maternity, Paternity or Parental Allowance from Kela.

Paternity and Parental Allowance can also be paid to the parents of a child adopted before age 7.

Maternity, Paternity and Parental Allowances are usually calculated by reference to taxed income from employment or self-employment, in the same way as Sickness Allowances. They are subject to tax.

Persons with no or low income can get a minimum allowance from Kela.

Child Benefit

Kela pays parents a tax-free Child Benefit until their child is 17 years old.

Child day care subsidies

Children are entitled to day care starting from when the payment of Maternity, Paternity and Parental Allowances ends to when they start school. The parents may choose between a place with a municipal day care provider and assistance from Kela in the form of a Child Home Care Allowance or a Private Day-Care Allowance.

Special Care Allowance

Special Care Allowance can be paid to the mother or father of a severely ill under 16-year-old child if he or she participates in the treatment or rehabilitation of their child either in a hospital or outpatient clinic, at home as part of a hospital or outpatient

intervention, or at a rehabilitation or adaptation training course.

Like the Sickness Allowance, the amount of the Special Care Allowance is linked to the recipient's earnings. Persons with no or low income are eligible for a minimum allowance.

Assistance with housing costs

Persons on a low income can be paid General Housing Allowance, Pensioners' Housing Allowance, Housing Assistance for Conscripts or a Housing Supplement for Students to offset some of their housing costs.

Child Maintenance Allowance

You can get Child Maintenance Allowance from Kela if a parent with maintenance responsibilities has not paid child support or child support has been set at an amount lower than the Child Maintenance Allowance due to financial difficulties or you have adopted the child as a single parent or the paternity of a child has not been confirmed.

Work and Study

Financial aid for students

Financial aid for students is available in the form of a Study Grant for persons aged 17 years or over, Housing Supplement for students without dependants who live in rented accommodation, government guarantees for student loans, and student loan interest assistance.

Non-citizens of Finland can get financial aid for studies in Finland if they live in Finland on a permanent basis for a purpose other than studying. If you move to Finland solely for study purposes, you cannot get Finnish student financial aid.

School Transport Subsidy

Full-time students of upper secondary schools and institutes of vocational education with a long commute to school are eligible for compensation for the cost of travel between home and school.

Conscript's Allowance

The purpose of the Conscript's Allowance is to provide economic security to the spouse and children of persons performing conscript service. Conscripts themselves are eligible for financial assistance with housing costs, interest payments on student loans and child maintenance payments due during the service.

Job Alternation Compensation

Employees with an employment history of at least 10 years can make arrangements with their employer to go on a job alternation leave. The employer agrees to hire a replacement who is registered as unemployed with the employment office. The employee is entitled to a job alternation compensation.

Basic unemployment security

Unemployed job seekers between 17 and 64 years are eligible for Basic Unemployment Allowance and Labour Market Subsidy. The benefits paid in respect of unemployment can also be adjusted to part-time or incidental work.

Unemployment benefits are also available during participation in employment promotion measures such as job training or preparatory training for working life.

Participants in employment promotion measures are eligible for a Maintenance Allowance.

Unemployment benefits may be increased by an additional amount or transition assistance supplement, each with different eligibility criteria. If you are dismissed for

business or production related reasons, you can be paid Basic Unemployment Allowance at a higher rate.

Benefits paid in respect of unemployment can be claimed simultaneously with registration at the employment office.

Basic Unemployment Allowance can be paid for 3 months while the recipient looks for work in another EU/EEA country.

Travel assistance with out-of-area employment

Unemployed persons who find a job outside their principal geographical area of employment can be paid Labour Market Subsidy towards travel costs for a few months. This is on top of their regular wage. The employment office may also grant a Mobility Allowance.

Integration assistance for immigrants

Kela pays immigrants and refugees integration assistance at a rate equal to that of the Labour Market Subsidy. The integration assistance can be supplemented by municipal income support.

Integration assistance can be claimed from the employment office, which draws up a personal integration plan with the claimant.

Retirement

Basic retirement security

National pensions are paid to persons with no or low income from statutory earnings-related pension insurance.

They are available as Disability Pensions, Unemployment Pensions and Old-Age Pensions. An Early Old-Age Pension paid at an actuarially reduced rate is also available. Kela pays an increase for children under 16 years to recipients of both national and earnings-related pensions.

National pensions are available as Old-Age Pension to recipients aged 65 years and over.

Rehabilitation Subsidy – a fixed-term benefit – is a disability pension aimed at promoting return to work. It is paid at the same rate as the regular Disability Pension.

Special assistance for immigrants

Elderly or disabled immigrants are eligible for special assistance if they have not lived in Finland long enough to qualify for a full national pension.

The full special assistance is equal to a full national pension. However, it is offset by the disposable income of the applicant and by part of his or her spouse's income.

Front-veterans' supplements

Kela pays the men and women who served in Finnish wars a tax-free front-veterans' supplement and – if they receive a national pension – an additional front-veterans' supplement.

Survivors' pensions for surviving spouses and children

Kela pays survivors' pensions under the National Pensions Act to surviving spouses and children living in Finland. They are available as Spouse's Pension for surviving spouses under 65 years and as Orphan's Pension for children under 18. Children who attend school can be paid Orphan's Pension between ages 18 and 20.

The Spouse's Pension available from Kela is in most respects the same as the national pension, but its amount depends not only on the surviving spouse's other pensions but also on other income and assets.