

Pensions and retirement

Kela[®]

Pension security, housing allowance
and care allowance



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Pensions and retirement

This brochure tells you about the types of pensions Kela pays and other support for pensioners and the retired.

Kela does not pay all types of pensions. For example, earnings-related pension accrued by working is paid by the authorised pension providers.

If your earnings-related pension remains small or you don't get one at all, Kela pays you a national pension and also a guarantee pension. You can get these when you are 65 years old or before that if you are unable to work for a long time. Being unable to work means that you cannot work or study because of an illness or injury.

Another form of pension security that is available from Kela is the survivor's pension, which is paid when a wife/husband or a parent dies.

Kela can provide other financial support to a pensioner, according to his/her life situation. Such support includes the care allowance and the housing allowance.

The requirements you must meet to qualify for benefits from Kela have been specified in various legislative acts. The circumstances of applicants

and their need for support can vary a great deal. Therefore, the amount of support given varies too.

This brochure tells you the main points about the pensions and other support available for pensioners in 2015. It does not include all the details of the different types of benefits.

All amounts of pensions and support as well as income limits are gross amounts (before taxes are taken out). They are rounded up or down.

If you want to find out the exact amounts of Kela pensions and the various income limits applicable to them, please go to www.kela.fi/pension or ask Kela for the supplement to this brochure.

You can get pensions and other benefits from Kela if you belong to the Finnish social security system. In most cases, everyone who lives permanently in Finland is covered by the social security system. Also those who have lived or worked in Finland can receive pension payments.



Telephone our customer service 020 692 222 Monday to Friday, 8am to 6pm

What kind of pension can I get?

Before you apply for a pension, find out what types of pension you are entitled to.

Normally you can apply for both earnings-related pension and national pension payments using the same application form or in the internet. To apply for an old-age pension or guarantee pension from Kela, you can also just call or visit a Kela office.

What type of pension and at what age?

- **Old-age pensions** are generally claimed when people reach 63–65 years of age.
- **Disability pensions** are claimed before old-age pensions if you are not able to work or study. They are usually only available after a long period of illness.

These pensions are available as both an earnings-related pension and a national (Kela) pension.

There are also two types of pensions that Kela does not pay. They are the partial disability pension and the part-time pension. You can ask authorised pension providers or Kela about these.

Discounts for pensioners

When you have retired, you can get pensioner discounts.

Pensioners can get discounts on trains, buses and air travel in Finland. In some cities, pensioners can get local transit tickets at a lower price as well. Pensioners can also get a discount on entrance to, for example, local sports and exercise centres and many different kinds of events.

Persons who are 65 or older can get pension discounts by showing their ID cards. Younger pensioners can get discounts by showing their ID cards and either an earnings-related pension card or a national pensioner's card. If you do not receive an earnings-related pension and you are under 65 years of age, Kela will provide you with a pensioner card.

Earnings-related pension

Most pensions are earnings-related pensions. You earn your pension with your own paid work. For business owners, earnings-related pensions come in the form of the self-employed person's pension.

Earnings-related pensions are handled by authorised pension providers. There are several of these. You and your employer pay pension contributions over the years. The amount of your pension depends on how long you have been working and how much you have earned.

Private business owners pay pension contributions to the pension company of their choice. Farmers pay pension contributions to their own social insurance institution, Mela.

You can get information about earnings-related pensions online (www.tyoelake.fi), from your own authorised pension provider, or from the Finnish Centre for Pensions.

Pensions from Kela

If you do not receive an earnings-related pension or it is small, Kela will pay a **national pension**.

Kela will also pay a **guarantee pension** if your other pensions are really small or you do not receive any other pension at all.

See page 15 for examples on pensioner incomes.

National pension

You can get a full national pension only if you do not have any earnings-related pension payments coming to you or you get at maximum about 56 euros / month. If you get more earnings-related pension money than this, the national pension is smaller or you do not get it at all.

The total amount of national pension is about 637 euros / month.

If you live with a partner, the total is about 565 euros / month.

The national pension may be smaller if you have lived abroad or if you chose to receive old-age pension before you had reached age 65. If that's the case, you should check your national pension entitlement.

In addition to your earnings-related pension, other pension payments, survivor's pension payments and compensations are also calculated as income and will decrease the amount of national pension you are due. The income of a husband or wife is not taken into account.

There is no use in applying for a national pension if your other pension payments and compensations are higher than the income limits below. Income limits mean gross income before taxes are taken out.

The income limits are as follows:

- if you live with a partner: about 1,172 euros / month
- if you live alone: about 1,316 euros / month

Kela's pensions are revised each year in line with the national pensions index, i.e. they rise at the same rate as the prices of certain consumer goods.

If you want to find out beforehand what your rights to a national pension are, you can ask for an estimate of your earnings-related pension from your own pension provider, the Finnish Centre for Pensions, or the pension service website www.tyoelake.fi.

Then, ask Kela for a national pension estimate and also find out whether you are entitled to a guarantee pension.

If you want to find out the exact amounts of Kela pensions and the various income limits applicable to them, ask Kela for the supplement to this brochure. You can also print it off Kela's website.

Guarantee pension

The guarantee pension is only available to pensioners who are living in Finland. It can be paid when a pensioner has lived in Finland for at least 3 years. In addition, it can be paid to immigrants who have reached the age of 65 years or who are unfit for work, and who have lived in Finland for at least 3 years.

The guarantee pension guarantees a minimum pension of around 747 euros per month to those living in Finland. If all your other pensions fall below this amount, the guarantee pension fills in the deficit (i.e. the missing part). This minimum pension is the same for all people regardless of your family situation.

However, the guarantee pension is smaller if you have applied for an early old-age pension before reaching the normal retirement age. In that case you may not receive any guarantee pension at all.

If you do not have any other pension income, you are entitled to a full guarantee pension. Its amount in 2015 is about **747 euros per month**.

The guarantee pension is reduced by national pension, earnings-related pensions, spouses' pensions and other pensions. They are deducted in full from the maximum guarantee pension amount. On the other hand, care allowance, housing allowance, income from work, property or your partner's income are not deducted.

Old-age pension

Normally a person retires at the age of 63 to 68 years. Income in retirement can consist of pension payments and other benefits for pensioners paid by Kela. The old-age pension can be earnings-related pension, national pension or both.

The old-age pension payable under the national pensions system begins at age 65.

Example

Kalle and Kaisa are married. Kalle receives an earnings-related pension of EUR 1,200 per month. He does not qualify for a national pension. Kaisa has spent many years looking after their children at home. Her earnings-related pension comes to EUR 400 per month and her national pension to about EUR 393 per month. In total, Kaisa receives EUR 793 per month in pensions. She does not qualify for a guarantee pension.

The combined pension income of Kalle and Kaisa comes to EUR 1,993 per month.

Getting an early or late pension

If you have the right to a national pension, you can decide whether or not you will take it before you are 65 years old. You can get an early national pension when you are 63 years old.

Early retirement payments are permanently smaller than for those starting a national pension at the age of 65. Pension payments are reduced by 0.4% for each month they are brought forward. It's a good idea to find out how much your old-age pension payments will be if you retire early.

Example

Maija retires on an earning-related pension at age 63. Her earnings-related pension comes to EUR 700 per month. She applies early for a national pension, bringing forward the start of her pension by two years. Her national pension will be 9.6% (EUR 30 per month) smaller than it would be had she taken it out at age 65. Maija lives alone and receives a national pension of about EUR 285 per month.

You can postpone the start of your pension, and by doing so, increase your pension. In other words, you do not have to apply for a pension when you reach the age of 65. For each month you postpone your pension, it is increased by 0.6%.

If you are unemployed for a long time and were born after 1949, you may have the right to claim old-age pension at age 62, in which case your pension will not be reduced. Otherwise you will continue to receive unemployment allowance or labour market subsidy until you are 65

Disability pension

If you are ill for a long time, you normally get sickness allowance first.

When you have received sickness allowance for 150 working days, Kela sends a letter to your home that tells about rehabilitation and pension. You may be invited to visit Kela to discuss the possibility of improving your ability to work.

You can normally get a disability pension only after you have received sickness allowance for about a year.

A disability pension can be both an earnings-related pension and a national pension. You need only submit one application and one doctor's statement to apply for both.

Along with pension payments, you can get the following from Kela:

- child increase
- care allowance for pensioners and
- housing allowance for pensioners.

Who can get a disability pension from Kela?

You can get a disability pension if you are 16–64 years old and you have an illness or physical problem that stops you from working.

Persons who are 60 years old or older can get this pension more easily.

Persons who are blind or physically disabled always get a disability pension, even if they work.

When you are 65 years old, Kela changes your disability pension to a an old-age pension.

The disability pension is paid out at the same amount as any other national pension.

See page 15 for examples on pensioner incomes.

A young person gets rehabilitation allowance

If you have become disabled before you are 15 years old, you can get a disability pension immediately when you are 16 years old. Normally this is not granted to those under the age of 20, however. First we check to see if you can get vocational rehabilitation.

A personal study and rehabilitation plan is made in your home town or locality. This is made together with your guardian and specialists. The objective of rehabilitation is to help a person get into working life.

Instead of a pension, you get a rehabilitation allowance, which is about 24 euros a day. Along with this, you can get a disability allowance.

Rehabilitation subsidy

You can get disability pension payments on a fixed-term basis. This is known as a rehabilitation subsidy. It is paid during the period of care or rehabilitation.

The requirement is that a rehabilitation or treatment plan has been prepared for you. The rehabilitation subsidy is exactly as much as the disability pension, and it is paid on the same criteria.

Working when you are on a disability pension

Even if you are on a disability pension, you can also do some paid work. If you work, report it to Kela and your authorised pension provider.

Kela continues to pay your pension if your income is at maximum about 747 euros / month.

If you earn over 747 euros / month on average, you can put your pension on hold for a maximum of two years. This means that you will not be paid a pension, but you do not have to apply for it again if your work finishes.

If you received a care allowance as well as the pension, you will get the highest disability allowance along with your salary, to the amount of about 422 euros / month. Tax is not taken out of your payments.

If you stop working, inform Kela immediately. Kela will start paying your pension again.

Other benefits for pensioners

Kela pays pensioners the following benefits:

- child increase
- housing allowance for pensioners
- care allowance for pensioners
- front-veteran's supplement and additional front-veteran's supplement

Child increase

If you are on a pension and you've got a 16-year-old child at home, you can apply for a child increase from Kela. You can get a child increase for your own children and those of your husband/wife.

You also get a child increase for a child of your own who lives somewhere else if you look after his/her needs by paying at least an amount equal to that of the child maintenance allowance, about 155 euros / month. Child increase is about 22 euros / month per child. The payments are tax-free.

You can get a child increase even if you do not get a national pension, but do receive some other pension.

Housing allowance for pensioners

You can get a pensioner's housing allowance from Kela if you are retired and you have only a small income.

Kela can pay housing allowance for pensioners directly to the landlord.

You do not have the right to a pensioner's housing allowance, however, if you get one of the following:

- partial disability pension
- part-time pension.

You can get a general housing allowance instead.

You should also apply for general housing allowance in the case that you are living with a child or someone entitled to general housing allowance.

Husbands/wives on a pension apply for a housing allowance together, and support is paid to them half-and-half.

See page 15 for examples.

Care allowance for pensioners

If your physical capacity has gone down because of illness or a disability, you can get a care allowance from Kela. Costs caused by illness or disability are also compensated through the care allowance.

The condition for getting the care allowance is that your ability to look after yourself remains impaired for a year. This means that you need help or care in your daily functions or your illness results in special costs.

You cannot get a care allowance if you receive a partial disability pension, part-time pension or unemployment pension. In that case, you can apply to Kela for disability allowance.

Care allowances are paid in various amounts depending on how difficult the illness or disability is:

- basic care allowance about 62 euros / month
- increased care allowance about 156 euros / month
- highest care allowance about 329 euros / month.

Kela will pay a supplementary allowance of around 105 euros/month to those veterans who have a front veteran's additional supplement and an increased or maximum care allowance for pensioners.

Income or property does not affect getting the care allowance. The care allowance is granted either for the present time (no time limit set) or with a time limit. Care allowance payments are tax-free.

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

Kela pays a front-veteran's supplement to men or women who have one of the following marks (badges):

- front-soldier badge
- front-line service badge
- front-line badge
- veteran badge.

These marks (badges) can no longer be applied for.

Front-veteran's supplements can also be received by persons who have a certificate of taking part in mine-clearing tasks from 1945 to 1952.

The front-veteran's supplement is about 50 euros / month and is tax-free.

Income or property does not affect getting a front-veteran's supplement.

Kela pays additional front-veteran's supplements to those who get front-veteran's supplements and national pensions. The largest additional front-veteran's supplement is about 240 euros / month.

Survivor's pension

The death of a near relative brings changes to a family's life and finances. The survivor's pension provides economic security to widow(er)s and children when a spouse or parent dies. It is paid either as a spouse's pension or an orphan's pension.

Spouses under the age of 65 get a survivor's pension from Kela, as do children under the age of 18 whose parent or guardian is dead. Children who are studying can get a survivor's pension until they are 21 years old.

Alongside Kela's survivor's pension, you can get survivor's pension payments from an authorised pension provider on the basis of the deceased relative's earnings-related pension. You can get information from the authorised pension provider concerned or from the Finnish Centre for Pensions. Farmers and business owners have their own pension insurance schemes.

If death was caused by a traffic or other type of accident, the spouse and child can also get survivor's pensions from car or accident insurance. These kinds of pensions are handled by insurance companies which can also give you more information about them.

If the deceased relative was in gainful employment, his/her spouse and child can receive a lump-sum compensation payment from group life insurance. You can get more information from the deceased relative's workplace.

Other survivor's pensions and compensations can affect the survivor's pensions and housing allowances paid by Kela. Survivor's pension payments are not tax-free.

Spouse's pension

Kela pays survivor's pension only to surviving spouses under the age of 65. A starting pension and a possible continuing pension are part of a spouse's pension. If your income is small, you can also apply for a housing allowance. If you get other pension payments from Kela, this affects the amount of spouse's pension you get.

To get a spouse's pension, you must have been married to the partner who has died. The widow(er) of an unmarried life partner (a cohabitant) cannot get a spouse's pension, but the children can get orphans' pensions.

If you haven't got any children together, you can get a spouse's pension only if

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

After the death of a spouse, Kela pays about 327 euros / month as a starting pension. This starting pension is paid for 6 months.

After the starting pension is over, you can get a continuing pension. It is made up of a basic amount and an additional amount. The basic amount is about 102 euros / month. You get this only if you have a dependent child who is under 18 years old. Almost all your income affects your ability to get the additional amount. The full supplementary amount is about 531 euros / month.

If you re-marry

If you get married again before you are 50 years old, Kela stops payment of your spouse's pension. However, you will get a lump sum equal to 3 years of pension payments. This requires that you have been paid spouse's pension for at least a year.

Orphan's pension

If a child's mother or father dies, Kela pays orphan's pension to the child until s/he is 18 years old. If the child is studying, the pension will continue until the age of 21. In addition, the authorised pension provider of the dead parent pays an orphan's pension. The basic amount of Kela's orphan's pension is about 60 euros / month. If both parents are dead, the child receives two basic amounts.

The child can also get an additional amount which is affected by the other survivor's pension payments s/he may get. The supplementary amount can be up to about 91 euros / month.

Application and payment

Don't take too long to apply for a pension because Kela pension can be granted retroactively for up to 6 months only. The same is true also of the housing allowance for pensioners and of the child increase.

You can apply for an old-age pension from Kela and earnings-related pensions both at the same time or just one of them.

Applications for old-age pension, guarantee pension or housing allowance for pensioners can be made to Kela on the internet or on a paper form.

In the case of the old-age pension and guarantee pension available from Kela, you can also apply orally. This means that you can either call Kela by telephone or visit a Kela office.

Applications for disability pension, rehabilitation subsidy, child increase, spouse's pension or orphan's pension from Kela can only be made on application form.

If you apply online, remember to attach supporting documents to your application. See the application form for a list of the documents you need to send with it. You must scan or

photograph the document in order to attach it to your online application. However, it is possible also to visit Kela's online customer service later on to attach the documents.

Application forms (which you can print out for yourself) are available on Kela's website at **[www.kela.fi /lomakkeet](http://www.kela.fi/lomakkeet)**, and at Kela's offices.

If you wish to file a paper application, submit the application to a Kela office.

- See the application form for a list of the documents you need to send with it. The list may be different for different types of application.
- Check to see if a doctor's certificate is required with your application and what kind it should be.

Applications for old-age pension or earnings-related pension may be submitted to Kela or to any pension provider.



Telephone our customer service

**Monday to Friday, 8am to 6pm
Pensions and retirement**

020 692 222

Death of a family member

020 692 228

Living and working in another country can affect survivor's pensions. Someone who has worked outside Finland may be able to get a pension from their country of employment. A spouse can get a survivor's pension from the country where his/her dead husband/wife used to work. A pension from another country can be applied for by using the same form as for Finnish pensions.

Kela does not make a decision about a national pension before it is clear how much the earnings-related pension due to you will be.

The other pension providers inform Kela of their pension decisions. After this, Kela gives its decision about the national and guarantee pension.

Taxable income
National pensions and earnings-related pensions are taxable income – in other words, you pay tax on them. When you get a 'yes' pension decision, contact the Finnish Tax Administration and get your withholding tax rate for the purpose of your pension payments.

The Tax Administration informs Kela and the payers of your earnings-related pension payments what your withholding tax rate is. Tax is deducted at that percentage rate.

Other Kela assistance to pensioners is tax-free. In other words, no tax is withheld from care allowance, child increase or front-veteran supplements.

Report all changes

If you receive a Kela benefit, do remember to inform us quickly if there are changes in your circumstances. These can be, for example, changes in your housing or family situation or changes in income.

If you receive an old-age, disability or guarantee pension, you can report changes either orally or on the internet.



www.kela.fi/asiointi
(in Finnish) or

www.fpa.fi/etjanst (in Swedish)



Telephone

our customer service

Monday to Friday, 8am to 6pm

Pensions and retirement

020 692 222

Decisions and appeals

As soon as Kela has finished handling your application, you will receive a notice of decision concerning the pension or other benefit. The amount of the pension or other benefit and the grounds on which it has been granted to you are stated on the decision. You get a decision even if it is negative.

If you think that there is an error in the decision, please first contact Kela. You can also appeal decisions concerning a pension or other benefit to the Social Security Appeal Board.

There are instructions on how to appeal in the attachment you get from Kela with your decision.

Payment dates

If banks are closed when a pension or other benefit is scheduled to be paid to you, the money will be deposited to your account earlier. This means that there are some exceptions to the payment dates.

Kela deposits payments of old-age pension, disability pension, care allowance for pensioners and front-veterans' supplement to the recipient's account on the 7th day of the month.

The following exceptions apply in 2015:

6 February, 6 March, 5 June and 6 November.

Guarantee pension is paid on the 22nd of each month.

The following exceptions apply in 2015:

20 February, 20 March, 21 August and 20 November.

Housing allowance for pensioners is deposited to the recipient's account on the 4th of the month.

The following exceptions apply in 2015:

2 January, 2 April, 3 July and 2 October.

Child increases and survivors' pensions are paid into your bank account every month according to the first letter of your surname as shown below:

A–K 4th of the month

The following exceptions apply in 2015:

2 January, 2 April, 3 July and 2 October.

L–R 14th of the month

The following exceptions apply in 2015:

13 February, 13 March, 13 May, 12 June and 13 November.

S–Ö 22nd of the month

The following exceptions apply in 2015:

20 February, 20 March, 21 August and 20 November.

Examples of a pensioner's income (in 2015)

Examples of a single-resident pensioner's income and taxes in the Helsinki area. In all examples, the rent for the residence is 650 euros / month. The pensioner has no other income than a national pension or an earnings-related pension. The sums of money are rounded off and are not exact.

Earnings-related pension € per month	National pension € per month	Guarantee pension € per month	Tax € per month	Housing allowance € per month	Net income € per month
0	0	747	-5	504	1 246
0	637	110	-5	504	1 246
150	590	7	-5	504	1 246
200	565	0	-5	498	1 258
300	515	0	-6	481	1 290
600	365	0	-22	430	1 373
800	265	0	-59	396	1 402
1 500	0	0	-220	248	1 528

By **net income** is meant a pensioner's disposable income after taxes have been taken away. Rent and other costs of living should be paid with this income.

Kela is at your service

On the Internet

Your contacts with Kela can be handled easily online. You can get information about Kela's benefits on Kela's website. You can use the calculation programs to calculate benefit amounts. (Please note that this service is available in Finnish and Swedish only.) Kela's website is at

 www.kela.fi

Kela's online customer service is a safe and secure channel for online contact. Log in to the online service with your own online banking codes or the mobile certificate on your phone.

Through the online customer service, you can

- apply for Kela benefits
- get information about the handling of your application
- report changes
- stop the payment of benefits.

The online customer service is at

 www.kela.fi/asiointi and
www.fpa.fi/etjanst

(Please note that this service is available in Finnish and Swedish only.)

By telephone



Pensions and retirement _____ 020 692 222
Death of a family member _____ 020 692 228
Disability benefits _____ 020 692 231
Sickness _____ 020 692 224
Rehabilitation _____ 020 692 225
Moving to or from Finland _____ 020 634 0200

At a Kela office or a citizen service centre

Kela's offices are at your service in all matters connected with Kela benefits.

Address information for the Kela office or citizen service centre nearest to you is available on the internet at www.kela.fi/offices.

Addresses and customer service numbers are also listed in the local telephone directory.

By booking an appointment

You can book an appointment for an office visit or for phone service. It's a good idea to schedule an appointment if there is a major change in your circumstances or you need to discuss a complicated matter.

Book an appointment at
 www.kela.fi/appointments

or call Kela's customer service number.

If you need interpreter assistance, contact Kela or see www.kela.fi/interpretation for more information.

Kela's employees must keep all personal matters secret. They are not allowed to speak of matters regarding their clients to outside persons.

Report all changes

If you receive a Kela benefit, do remember to inform us quickly if there are changes in your situation. These can be, for example, changes in your housing or family situation or changes in income.

Recovery of overpayments

If Kela pays too much in benefits because of incorrect information, it must ask you to pay back the overpayment.

 See www.kela.fi/takaisinperinta

or call the Overpayment Recovery Centre on **020 634 4940** (Monday to Friday from 9am to 4pm)

Appealing a decision

You can apply for a change to a Kela decision. Instructions on how to appeal are provided with each benefit decision. If you have questions, please call the telephone number below.

Pensions and retirement
020 692 202

Social Security Appeal Board
Telephone 0295 163 800
www.somla.fi

Interpreting services

Those with hearing, vision and speech problems may need interpreting help. Kela provides interpreting services. More information is available at www.kela.fi/interpretation.

You are welcome to contact us!

Monday to Friday, 8am to 6pm

Conscripts _____	020 692 220
Housing benefits _____	020 692 221
Pensions and retirement _____	020 692 222
Kela card and European	
Health Insurance Card _____	020 692 223
Rehabilitation _____	020 692 225
Families with children _____	020 692 226
Moving to or from	
Finland _____	020 634 0200
Death of a family member _____	020 692 228
Sickness _____	020 692 224
Support during	
unemployment _____	020 692 230
Disability benefits _____	020 692 231

Kela's brochures

Brochures in printed and online format www.kela.fi /muutkielet
suomeksi | på svenska | in English | Davvisamegiella
eesti keel | Русский

Home and Family

Benefits for families with children and housing allowances

Health and Rehabilitation

Compensation for illness and daily allowances,
rehabilitation and disability benefits

Studying

Financial support for students and allowances
for military conscripts

Unemployment

Financial support for the unemployed

Pensions and retirement

Pension security, housing allowance and care allowance

Moving to or away from Finland

How to get into the Finnish social security system and what happens when you move from Finland to another country
The brochures are available at the Kela offices and the citizen service centres.