

STUDENT FINANCIAL AID 2019–2020

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

STUDENT FINANCIAL AID – WHAT IT IS

In order to qualify for student financial aid, you must be a full-time student, make satisfactory study progress, and be in need of financial assistance. Financial aid is available in the form of study grant, government loan guarantee and some students can also be granted housing supplement. Study grant and housing supplement are government-financed monthly benefits. The study grant is taxable income. If you have been awarded 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 2 months at an upper secondary school, folk high school, vocational school or institution of higher education. Financial aid is also available for studies abroad and for adult basic education.

Studies are considered to be full-time if you are completing a higher education degree, a basic vocational qualification or part of such qualification, or training preparing you for vocational education. Non-degree academic studies yielding at least 5 credits per month are also considered full-time. Other vocational studies qualify if the studies comprise an average of at least 25 hours a week or 4.5 ECVET points or 3 study weeks per month. Studies to complete the upper secondary school curriculum constitute full-time study provided that they comprise at least 75 courses. Financial aid may also be granted to mature students studying at an upper secondary school, if 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. As regards adult basic education, you are considered to study on a full-time basis if the studies include at least 22 courses per school year.

ELIGIBILITY CRITERIA

The amount of financial aid depends on your age and marital status, and your mode of accommodation. You are not 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, student financial aid from abroad. When the need for financial aid is evaluated, your own income as well as, under certain circumstances, your parents' income is taken into account.

BENEFITS AVAILABLE UNDER THE FINANCIAL AID PROGRAMME

You are eligible for **study grant** when you have turned 17. You can be granted study grant from the beginning of the month following your 17th birthday, at the earliest. However, even before you are 17, you can get a supplementary allowance for the purchase of study materials.

Government guarantees for student loans are with some exceptions available to students who are getting study grant. A loan guarantee can, however, also be granted to students who are not getting study grant, if they live with their parent and they are 18–19 years of age and attend a secondary-level educational institution, or if they are under 17 and live alone (in the latter case, a parental income test is applied as regards the loan guarantee). If you are under 17 and live with a parent, you cannot get a government guarantee for a student loan. Kela will not provide loan guarantees to students who have previously defaulted on a student loan requiring Kela, as a guarantor for the loan, to pay the loan back, unless there is a special reason for granting a loan guarantee.

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 (added to the loan capital) during terms in which the student is paid financial aid, and further for one more term after the final term in which the student received financial aid.

Students living in rental accommodation in Finland can get **general housing allowance**. It must be claimed separately. For more information: www.kela.fi. A student housing supplement may be available to those who are studying abroad or in the Åland Islands or who are living in a school dormitory. See next page for details.

Student loan compensation for higher education students. If you complete a higher education degree within the target time, Kela can pay a portion of your student loan. The student loan compensation is a repayment on your student loan and it can amount to as much as one third of your loan amount. It only applies to students in higher education who have started their first higher education studies on 1 August 2014 or later.

If you started your first higher education studies before 1 August 2014, you can get a **student loan tax deduction**. When you have completed your higher education degree within the set time and you make repayments on your student loan, the tax that you have to pay is reduced by an amount equalling the amount of the student loan tax deduction.

The student loan compensation is 40% and the student loan tax deduction is 30% of the loan amount exceeding EUR 2,500 – but no more than a specified amount. As a rule, loan compensation and tax deduction are granted without application. There are, however, some exceptions to this.

Students pursuing higher education studies are entitled to a **meal subsidy**. The subsidy is paid directly to the operator of the student cafeteria and it amounts to EUR 1.94 per meal.

Basic rates of the study grant (EUR per month, gross amount):

	Secondary level	Higher education
1. guardian of a minor child	325.28	325.28
2. married	250.28	250.28
3. lives alone, aged 18 or over	250.28	250.28
4. lives alone, aged 17	101.74 ↑	101.74 ↑
5. lives with his/her parent, aged 20 or over	81.39 ↑	81.39 ↑
6. lives with his/her parent, aged 17–19	38.66 ⇅	38.66 ↑

Subject to parental income test, the study grant ↑ = may be increased ⇅ = may be increased or decreased

'Institute of higher education' refers to universities and polytechnics (universities of applied sciences). The secondary level includes all other educational institutes.

You will get an age-based increase to your study grant from the beginning of the month in which you reach a certain age.

The study grant is taxable income, but it is not subject to withholding tax. If you have taxable income from other sources, your study grant must be taken into account when tax is withheld on that income.

Students of upper secondary schools and those pursuing vocational qualifications who do not receive the highest rate of study grant (EUR 250.28 and EUR 325.28 per month, respectively), can get a **supplementary allowance** of EUR 46.80 per month **for the purchase of study materials**. You can get the supplementary allowance if your parents have a combined annual income of EUR 41,100 or less. If you live with a parent, you must be under 20 years of age. If you live independently while pursuing your studies, you must be under 18. The earliest that you can get the supplementary allowance for the purchase of study materials is when you are 15 or 16 years old.

If you get less than the maximum student grant available (categories 4–6 in the table), you are automatically granted a low-income supplement, provided that the annual income of your parents does not exceed EUR 41,100. The full increase is available up to an annual income of EUR 23,980. It is decreased on a sliding scale as income increases.

The study grant of EUR 325.28 for students providing for a minor child includes a **provider supplement** of EUR 75.00. It is granted automatically to students who receive study grant payments once information about their status as a provider has been recorded in the population data system.

Housing supplement is available to students who are enrolled in a fee-based programme at a Finnish folk high school, sports institute or the Sámi Education Institute and who live in a school dormitory. It is equal to EUR 88.87 per month. You can get housing supplement and a government guarantee for your student loan even if you do not qualify for study grant.

Housing supplement is also available to students studying abroad or in the Åland Islands, if they live in rented accommodation. The housing allowance is as a rule EUR 210 per month. To qualify, students must both live and study abroad or in the Åland Islands. If a student studying in the Åland Islands is sharing a home with a child of his or her own, or with a child of his or her spouse or partner, the student may qualify for general housing allowance instead of housing supplement.

Government guarantees for student loans (EUR per month):

Secondary education: Students aged under 18	300	Higher education	650
Secondary education: Students aged 18 or over	650	Recipients of adult education allowance	650

HOW OTHER INCOME AFFECTS FINANCIAL AID

All taxable earnings as well as investment income (student financial aid excepted) that you have received during the calendar year are **counted as income** when your eligibility for financial aid is means-tested. In addition, any income received from abroad and tax-free scholarships or grants are counted as income, but only if the scholarships or grants were paid out in 2018 or earlier. The annual income limit is individual and it depends on the number of months for which you have received financial aid. For each month for which you receive study grant or housing supplement, the exempt amount is on average EUR 667, and for each aid-free month EUR 1,990. Assuming that you received financial aid for 9 months, you would be allowed to have up to EUR 11,973 a year in other income. The income may be earned at any time during the calendar year.

Your income is not checked when the benefit is granted, so you must make sure yourself that you do not exceed the annual exempt amount. By cancelling financial aid before it is paid out to you, or by paying back, by the end of May the following year, aid that you have received, 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. In accordance with the Act on Student Financial Aid, the amount recovered is increased by 7.5%. Of the income that you received before the month in which you started your studies, or after the month in which you graduated, any amount exceeding on average EUR 1,990 per month is exempt from the income check.

These rules only apply to financial aid for students. For more information on how other income affects the housing allowance, see kela.fi.

If you are attending a secondary-level school, **your parents' income** can reduce the amount of student financial aid or hinder the award of student financial aid. The parental income test is normally based on the most recent income data available from the tax authorities. If you are married or the guardian of a minor child, your parents' income is not taken into account.

If you live with your parent and you are under 20, your parent's total annual income will reduce the amount of financial aid you are entitled to, if the income is at least EUR 44,070. If your parents' income is at least EUR 64,400, you will not be entitled to any financial aid at all. Students aged 18–19 who live with their parent are, however, entitled to student loan guarantee even though the parents' income prevents the awarding of a study grant.

Parental income is relevant when determining a student's eligibility for the low-income supplement to the study grant, the supplementary allowance for the purchase of study materials and, for students under 17 who live independently, the government guarantee for a student loan.

HOW LONG CAN YOU GET FINANCIAL AID?

In **higher education**, the 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 term of study, to 5 months of aid. The maximum period of entitlement is equal to the number of years studying for the degree is normally considered to take, plus an additional 3 months. If you started your first higher education studies 1 August 2014–31 July 2017, you are entitled to 5 additional months of financial aid, and if you started before 1 August 2014 you are entitled to an additional 10 months. For instance, the target 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 35 months (37 or 42 months for those who started their studies earlier).

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 financial aid is 48 months (50 or 55 months for those who started their studies earlier). Financial aid for university-level studies is granted in two steps; first for the Bachelor's degree and then for the Master's degree. You can use a maximum of 30 months of financial aid for the Bachelor's degree (32 or 37 months for those who started their studies earlier) and up to 21 months for the Master's degree (23 or 28 months for those who started their studies earlier). But no more than a total maximum of 48 months (50 or 55 months for those who started their studies earlier).

When you have completed a degree, you qualify for additional months of aid, which you can use for post-graduate or 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 when you have been admitted to complete both a Bachelor's and a Master's degree. For higher education studies, financial aid is available for up to 54 months.

If you drop out and then start new higher education studies, the months for which you have already received financial aid are deducted from your entitlement for the new degree. Financial aid that you may have received for secondary-level studies is not deducted from your aid entitlement for higher education studies.

For **vocational studies**, the period of financial aid depends on the extent of your study programme. If you are studying at an **upper secondary school**, financial aid is granted for the first 3 years, but if you are a mature student completing a dual degree, aid is only granted for one academic year at a time. After this period, you may apply for additional aid for one academic year at a time, if you are a full-time student. When you have completed the normal course of study, financial aid may be granted for a period 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 with the addition of 1 year. For other studies, the normal course of study is the time corresponding to the extent of the studies or the time laid down in the curriculum.

FINANCIAL AID 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 under the student financial aid provisions, or if the studies form a part of a Finnish degree programme. Financial aid for studies pursued and completed 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, or you must have close ties to Finland in some other way. If you are not a Finnish citizen, please go to our website at www.kela.fi for more detailed information on the eligibility requirements.

For those studying outside Finland, the study grant is paid at the same rate as in Finland. The housing supplement for students studying outside Finland is usually EUR 210 per month, and the government guarantee for

student loans EUR 800 per month. Housing supplement is available if you live in rented accommodation and have to pay rent and other bills. To qualify, you must both live and study abroad.

FINANCIAL AID FOR 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. For further details on rules and exceptions, see Kela's website. The purpose of your residence in Finland is determined by reference to your residence permit, the registration of your right of residence and your admission to an educational institution. Applications for financial aid must be accompanied by form OT 10e (Appendix to Application for student financial aid filed by foreign resident).

FINANCIAL AID FOR MATURE STUDENTS

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

If you have been granted 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. Applications for a loan guarantee can be made on form OT 12 (in Finnish or Swedish only) or by using Kela's online service.

HELP WITH STUDENT LOAN INTEREST PAYMENTS

Kela can pay the interest due on a government-guaranteed student loan. This is called interest assistance. If your income is low, you are eligible for interest assistance provided that the interest on your student loan is no longer capitalised (added to the loan capital). In order to qualify, your gross income must not exceed an average of EUR 1,350 per month in the 4 months preceding the due month. Higher income limits apply to those with dependent children under 18. You apply for interest assistance for student loans on form OT 7 (available in Finnish and Swedish only). 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 OT 1e, OT 2e or OT 3e. When applying for financial aid for summer study or other additional aid, please use Kela's online service or complete form OT 15e. If you wish to cancel or pay back financial aid, you can use Kela's online service or complete form OT 16e. If you are submitting your application on paper, file the application and any enclosures with your school or with Kela.

Student financial aid, and components of aid that you apply for separately, **can be granted from the beginning of the month in which we received your application**, at the earliest. Financial aid is usually granted for the entire course of study. In the case of university studies, it is granted for as many months of aid as are available and, in the case of other studies, for the full extent of the study programme in question.

The formal decision on your application is sent to the address you have specified in your application. If you are under 18, your legal guardian will also be notified of the decision taken on your application. If you have been granted a loan guarantee and other financial aid benefits for your entire course of study, you will automatically receive a new decision in July regarding the following academic year.

Your study grant and housing supplement are paid once a month into the bank account indicated by you. Financial aid is paid regularly on the 1st day of each month or on the nearest following banking day.

If your circumstances change after you have sent in your application for financial aid, you must report the changes immediately through our online service at www.kela.fi/asiointi, or on form OT 15e.

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 preparatory education for basic vocational education, or if you are in adult basic education, Kela will compensate you for the cost of your daily travel to and from school, provided that your one-way trip from home to school is at least 10 kilometres and the travel costs exceed EUR 54 per month (with some exceptions). 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 (available in Finnish and Swedish only). Submit the application to your school, from where it will be forwarded to us.

For more information:

- Visit our website www.kela.fi, where you will find instructions, calculators, application forms and a discussion forum (in Finnish and Swedish), 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. 020 634 2550**
- **Kela offices and other customer service points**
- **Educational institutions**
- **www.facebook.com/opintotuki**



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