

Social security benefits available from Kela in 2009

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 and the qualifying conditions, 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.

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 return to work on a part-time basis after having been entitled to Sickness Allowance for a period of at least 60 working days.

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 or 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.

Disability and care allowances

Children under 16 can be paid

Housing Assistance for: Conscripts
Students to offset some of their housing costs.

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 come 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.

Conscripts 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.

Unemployed persons are eligible for Training Subsidy for the duration of training commissioned by the employment office.

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.

Transition assistance for dismissed employees

If you are dismissed for business or production related reasons, you can be paid Basic Unemployment Allowance, Training Allowance or Training Subsidy at a higher rate.

An employment programme supplement can be paid on top of the Basic Unemployment Allowance or Training Subsidy.

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.

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 the 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,

Training Allowance for unemployed persons

Unemployed persons with an extensive work history are eligible for a Training Allowance for self-motivated full-time education. It is normally paid at a rate equal to that of the unemployment benefit to which the recipient would be entitled.

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.

Persons having engaged in minefield clearance are entitled to a supplement equal to the front-veterans' supplement.

Pension assistance for the long-term unemployed

Long-term unemployed persons born before 1947 may be eligible for pension assistance before reaching the standard retirement age.

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.

The Orphan's Pension available from Kela can consist of a basic amount (not offset by other income) and an additional amount (offset by any other survivor pensions or annuities that the recipient is paid).

ANNIKA SÖDERBLOM



Sharing the parental leave is most popular in Iceland

Senior researcher Anita Haataja from The Social Insurance Institution of Finland (Kela) has researched fathers' use of paternity and parental leaves in the Nordic countries.

The results show that Finnish fathers use paternity leaves the most but share parental leave periods the least. Sharing the parental leave is most popular in Iceland, followed by Sweden. The results are, however, not quite straightforward, because the flexibility of the leave schemes has increased.

The first paternity and parental leave schemes were introduced in most Nordic countries in the 1970s. The aim of the paternity leave was not only to give fathers the possibility to build an early connection to the newborn child, but also to allow them to be present and available for assistance when the mother returns from the hospital. The aim of the parental leave was not only to support father-child relations but also to promote gender equality in sharing child care duties and to bolster women's situation in the labour market.

Disability Allowance if they have an illness or injury that creates a need for care and rehabilitation that

Mothers and fathers can take a

leave from work on account of child birth or child care. They are guaranteed the right to return to their job 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.

Home and Family

Maternity Grant

Expecting mothers are entitled to a Maternity Grant. Mothers may choose between a tax-free EUR 40 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.