Kela – The Social Insurance Institution of Finland
Kela – A service for everyone

Kela, the Social Insurance Institution of Finland, looks after basic security for all persons resident in Finland through the different stages of their lives.

Everyone living in Finland is a client of Kela, at least at some point in their lives. Persons living outside Finland may also come within the scope of the Finnish social security system and receive benefits from Kela.

The schemes administered by Kela cover such areas of social security as family benefits, housing benefits, financial aid for students, conscripts’ allowances, health insurance, rehabilitation, disability benefits, basic unemployment security and basic pensions. The volume of Kela’s benefit expenditure accounts for about 22% of the total social expenditure of Finland.

Kela handles more than 4 million applications for benefit every year. It has a nationwide network of more than 300 local offices and joint service points. Over 12 million customer contacts are made each year – by phone, online or face-to-face at customer service locations.
From a pension institution to today’s Kela

Founded in 1937, Kela was initially a pension institution, its sole responsibility to provide basic state pensions (“national pensions”). Gradually, its scope of operations broadened. Implementation of the 1964 Sickness Insurance Act was entrusted to Kela. In the 1980s, Kela was assigned responsibility for implementing basic unemployment security and in the 1990s, it took over the administration of a number of additional schemes (including child benefits, financial aid for students and housing benefits). In the 2000s, Kela has assumed responsibility for the child maintenance allowances scheme and for the provision of interpreter services for the disabled.

Kela is an independent institution under public law, the administration and operations of which are supervised by 12 Trustees appointed by Parliament. Its legal status is confirmed in the Finnish constitution and in a separate Act of Parliament. Kela is managed by a Board appointed by the Trustees for a period of three years.

More than 60% of Kela’s expenditures are financed by the State. The balance is covered by contributions from insured persons, employers and municipalities. Kela’s total annual expenditure comes to EUR 12.2 billion. Expenditure on benefits amounts to EUR 11.8 billion, or over EUR 2,200 per capita. Administration costs account for 3.5% of the total expenditure.
In accordance with its mission statement (With you throughout life – supporting you through the times of change), Kela secures the income and promotes the health of entire nation and supports the capacity of individual citizens to care for themselves.

Kela takes an active role in developing social security and its implementation. The goal is to ensure that the social security provided by Kela is clearly understandable, reasonable in amount and delivered with a good standard of quality.

The responsibilities of Kela in the administration of social security and the substance of the security are defined in several Acts of Parliament pertaining to different benefits.

Kela is also responsible for

- informing the public about benefits and services
- carrying out research contributing to the development of social security
- issuing statistics, projections and estimates necessary to advance planning and continuous monitoring of benefit schemes and other operations
- proposing improvements to the legislation governing social security

### A comprehensive social security provider

<table>
<thead>
<tr>
<th>KELA’S ANNUAL EXPENDITURE</th>
<th>IN 2009, € million</th>
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<tbody>
<tr>
<td>National Pension Insurance</td>
<td>3,355</td>
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<tr>
<td>National Health Insurance (earned income insurance)</td>
<td>2,106</td>
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<tr>
<td>National Health Insurance (medical care insurance)</td>
<td>2,042</td>
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<tr>
<td>Unemployment-related benefits</td>
<td>975</td>
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<tr>
<td>Benefits for families with children</td>
<td>1,945</td>
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<tr>
<td>Financial aid for students</td>
<td>833</td>
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<tr>
<td>General housing allowance</td>
<td>482</td>
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<tr>
<td>Other benefits</td>
<td>48</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>428</td>
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Total expenditure: € 12,214 million

#### KELA IN BRIEF

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<tbody>
<tr>
<td>Overall expenditures EUR billion €</td>
<td>12.2</td>
<td>11.5</td>
<td>10.9</td>
<td>10.8</td>
<td>10.7</td>
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<tr>
<td>Benefit expenditures EUR billion €</td>
<td>11.8</td>
<td>11.1</td>
<td>10.5</td>
<td>10.5</td>
<td>10.4</td>
</tr>
<tr>
<td>Administrative expenses % of overall expenditures %</td>
<td>3.5</td>
<td>3.2</td>
<td>3.2</td>
<td>3.3</td>
<td>3.1</td>
</tr>
<tr>
<td>Benefit expenditures (% of GDP)</td>
<td>6.9*</td>
<td>6.0*</td>
<td>5.9*</td>
<td>6.3</td>
<td>6.6</td>
</tr>
<tr>
<td>Benefit expenditures (% of social expenditures)</td>
<td>23.3*</td>
<td>22.9</td>
<td>23.1</td>
<td>23.9</td>
<td>24.7</td>
</tr>
<tr>
<td>Benefit expenditures per insured person (EUR/annum)</td>
<td>2,202</td>
<td>2,087</td>
<td>1,984</td>
<td>1,984</td>
<td>1,977</td>
</tr>
<tr>
<td>Personnel on 31 Dec.</td>
<td>6,042</td>
<td>5,864</td>
<td>5,756</td>
<td>5,973</td>
<td>6,095</td>
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*Estimate
A personal Kela card is issued to all persons covered by the Finnish health insurance system.
Typical situations in which customers contact Kela are childbirth, the beginning of study, illness, unemployment and retirement.

Families with children
Parents are entitled to a Maternity Grant and to Maternity, Paternity and Parental Allowances. Financial assistance is also available towards the cost of adopting a child from abroad. Kela provides a monthly Child Benefit for each child under 17 years of age. Higher rates of Child Benefit apply for single parents. To support the care of small children, Kela provides Home Care and Private Day Care Allowances. Kela pays a Child Maintenance Allowance for example in situations where a parent liable for child support fails to make the required payments or where the paternity of a child born out of wedlock has not been confirmed.

Expecting mothers can choose between a cash maternity grant and a maternity package, a Finnish specialty. Adoptive parents are entitled as well.

Housing benefits
Persons on a low income are eligible for a Housing Allowance that covers part of their housing costs. It is available for both rented and owner-occupied housing. A certain share of the housing costs is payable by the recipient.

Students
Kela provides students with a Study Grant and a Housing Supplement (both monthly). Study Grant is payable for a wide range of studies, from the upper secondary school to vocational education, right up to higher education. The amount of the Study Grant depends on the student’s own income and - in the case of younger students - their parents’ income. The student financial aid system also includes student loans guaranteed by the state.

Conscripts
Kela provides Conscript’s Allowances for persons performing their compulsory military or alternative service and for their spouse and children. Conscript’s Allowance is also payable in respect of reasonable housing costs for a permanent dwelling and the interest due on student loans.

Sickness and incapacity
National Health Insurance provides coverage for sickness-related expenses. Patients are free to choose between public and private health services. Kela provides reimbursement to patients out of the National Health Insurance for part of the fees charged by doctors in private practice and for part of the diagnostic and treatment charges of private-sector health care providers. Reimbursements are also available for the cost of dental services obtained from the private sector. Further, Kela provides reimbursement for travel expenses exceeding a fixed deductible and for the cost of prescribed medicines.

While unfit for work, insured persons are entitled to a Sickness Allowance that covers part of their loss of income. If an incapacitated employee is entitled to sick pay from his or her employer, the Sickness Allowance is paid to the employer.
Persons insured under the Finnish health insurance system are entitled to medical care during a temporary residence in another EU/EEA country or in Switzerland. As proof of entitlement, a European Health Insurance Card – available free of charge from Kela - must be presented.

**Rehabilitation**

The purpose of rehabilitation is to preserve and improve the functional status and working capacity of incapacitated or disabled persons and to enhance their quality of life. Kela covers some of the cost of vocational and medical rehabilitation, and provides financial assistance towards other rehabilitation services financed with an annual grant from Parliament.

Rehabilitation Allowances are available to provide financial security during participation in rehabilitation.

**Disability benefits and interpreter services for the disabled**

Kela provides disabled and chronically ill persons with a Disability Allowance or Pensioners’ Care Allowance, the purpose of which is to help them to cope better with the challenges of everyday living. The allowances are provided on a graduated scale according to the degree of handicap experienced and the amount of expenses incurred. Kela is also responsible for providing interpreter services for the disabled.

**Unemployment**

Unemployed persons who do not belong to an unemployment fund or who have exhausted their entitlement to fund-provided benefits get basic unemployment benefits from Kela. These are the Basic Unemployment Allowance and the means-tested Labour Market Subsidy.

**Pensioners**

Kela provides national pensions for persons whose retirement pension based on employment or self-employment is small or non-existent. A guarantee pension will be introduced on 1 March 2011. Its purpose is to secure a minimum level of retirement income.

Besides national pensions and guarantee pensions, Kela provides the following benefits for pensioners: Housing Allowance for Pensioners, Child Increase and Front-Veterans’ Supplements. They are payable also to persons whom Kela does not pay an actual pension.

**Benefits for survivors**

In the event of the death of a spouse or the father, mother or other provider of a child, statutory survivors’ pensions offer financial security for the surviving spouse and children. Survivors’ pensions are paid both by Kela and the earnings-related pension provider of the deceased. Survivors’ pension are provided also as part of workers’ compensation and motor insurance plans.

Surviving spouses on a low income can also get a Housing Allowance or a Housing Allowance for Pensioners from Kela.

**Moving to or from Finland**

Insurance under the social security system administered by Kela generally requires permanent residence in Finland. Persons moving to Finland are considered to be resident in Finland immediately upon arrival provided that their purpose is to make a permanent home in Finland. Persons who move from Finland are not covered by the Finnish social security system.

Persons living abroad on a temporary basis (for up to a year) are considered to be resident in Finland and are covered by the Finnish social security system.
Easy access to services

Kela makes its services available over the Internet, through a network of local offices, by phone and by mail. Customers are free to choose the method of access that suits them best.

The basic principle is that the claims filed by customers should be determined speedily, consistently and correctly. To offer a good quality of service, Kela relies on its capable computer system and on close cooperation with other authorities, pension providers and financial institutions.

...online
Customers can access Kela’s online service whenever convenient. The online service is at http://www.kela.fi.

Customers can check their benefit details and file applications for most benefits. Online banking codes are needed to log into the service. This is to ensure the security of the transaction.

The online service features a number of calculator applications allowing customers to see whether they are eligible for benefits given their current level of income and how much they could expect to get.

...in a local office
Kela’s customer service network consists of over 200 local offices and more than 110 joint service points operated with other government agencies.

Customers are free to choose the Kela office they prefer to contact. They can also make an appointment with a local office to allow a more detailed discussion of their situation.

Thanks to communication networks and electronic document management, a claim filed with a local office can be processed anywhere in Finland. This makes it possible to balance caseloads between local offices.

...by phone
Phone customer service is provided by the Customer Contact Centre. By calling a dedicated customer service number, customers can talk to personnel specialising in the benefits that best suit their circumstances.

...by mail
Customers can submit claims (or required documentation supplementing a claim) by mail using a prepaid return envelope available from Kela offices and joint service points.

...as a direct reimbursement
Many benefits can be paid to customers without their having to file a claim. This is the case with the reimbursements for medical expenses. The reimbursement can be deducted from the customer’s bill at the pharmacy or a health care provider or from travel costs incurred on account of an illness or participation in rehabilitation.

The direct reimbursement not only is the most convenient method for customers but also reduces the administrative effort.
# Contact information

## Main office
Nordenskiöldinkatu 12  
PO Box 450, 00101 Helsinki  
Telephone +358 (0) 20 634 11

## Central administration offices in Pitäjänmäki (Helsinki)
Höylämötie 1a B  
PO Box 78, 00381 Helsinki  
Telephone +358 (0) 20 634 11

## Jyväskylä office
PO Box 371, 40101 Jyväskylä  
Telephone +358 (0) 20 634 11

## www.kela.fi

## REGIONAL OFFICES

### Regional Office for Northern Finland
Sepänkatu 18  
PO Box 190, 90101 Oulu  
Telephone +358 (0) 20 635 4211

### Regional Office for Western Finland
Kalevankatu 17 A  
PO Box 361, 60101 Seinäjoki  
Telephone +358 (0) 20 635 5221

### Regional Office for Eastern Finland
Suokatu 40 A, 2nd floor  
PO Box 188, 70101 Kuopio  
Telephone +358 (0) 20 635 7211

### Regional Office for Southwestern Finland
Eerikinkatu 26  
PO Box 365, 20101 Turku  
Telephone +358 (0) 20 635 9611

### Regional Office for Southern Finland
Kirikkokatu 8  
PO Box 149, 15141 Lahti  
Telephone +358 (0) 20 635 1511
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