



Your social security rights

in Finland

The information provided in this guide has been drafted and updated in close collaboration with the national correspondents of the Mutual Information System on Social Protection (MISSOC). More information on the MISSOC network is available at: <http://ec.europa.eu/social/main.jsp?langId=en&catId=815>

This guide provides a general description of the social security arrangements in the respective countries. Further information can be obtained through other MISSOC publications, all available at the abovementioned link. You may also contact the competent authorities and institutions listed in annex to this guide.

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Chapter I: Introduction, organisation and financing

Introduction

In Finland all residents are covered by social security schemes which govern basic pensions (national pensions and guarantee pension), sickness and maternity benefits and family benefits. In addition, all employed persons are entitled to benefits based on employment, such as statutory earnings-related pensions and benefits for employment injuries and occupational diseases as well as on unemployment. All residents of municipalities have access to healthcare and social services.

The Finnish statutory pension system comprises an earnings-related and a national pension. The benefits provided under these schemes include disability, survivors' and old-age pensions.

Earnings-related pensions are intended to ensure that workers can maintain during their retirement the standard of living they enjoyed while they were working. The earnings-related pension system is based on a number of different laws, the main one being the Employees' Pensions Act (TyEL), which covers all those in paid employment in the private sector, that is to say 60% of all workers. Self-employed persons, seamen, farmers and civil servants have their own pension schemes.

National pensions and guarantee pensions offer a minimum subsistence income to pensioners who have no other pension or whose other pension coverage is inadequate. The national pension rate decreases as earnings-related pension income rises, and the pension stops altogether if the earnings-related pension exceeds a certain amount. Also the amount of the guarantee pension is affected by any other pension income.

There are relatively few voluntary supplementary pension plans in Finland, since all wage/salary earners and self-employed persons fall within the scope of the earnings-related pensions system. There is no upper limit for pensionable income under this system, and no upper limit for the amount of the pension.

Decisions relating to social security matters can be appealed. The appeal procedure and appeal authorities for the various benefits are set out below.

Organisation of social protection

The Ministry of Social Affairs and Health (*Sosiaali-ja terveystieteiden ministeriö*) is responsible for social security in Finland.

The system is run by a variety of organisations. One particular feature of the Finnish social insurance system is that some aspects of it are handled by (authorised) private insurance companies.

Residence-based social security benefits are administered by the Social Insurance Institution (*Kansaneläkelaitos*, or Kela), an autonomous public body under the direct supervision of the Finnish Parliament. Healthcare services are the responsibility of the local authorities.

The earnings-related pension insurance for private sector employees is handled by specially authorised pension insurance companies, pension funds and pension foundations. Finnish Centre for Pensions (*Eläketurvakeskus*, or ETK) is the coordinating agency for the earnings-related pension insurance scheme; its remit also includes international insurance and pension matters. Insurance and pension institutions are supervised by the Financial Supervisory Authority.

The pension schemes of State employees and local authority employees are administered by *Keva*.

The accident insurance institutions are responsible for the accident-at-work and occupational disease insurance of those employed in the private sector, whereas the Public Treasury handles accident insurance for public employees. The Federation of Accident Insurance Institutions is the umbrella organisation. Its functions include acting as the institution of the place of residence or place of stay, in accordance with Finland's international obligations.

The Social Insurance Institution is responsible for basic unemployment provision. Unemployment funds, working mainly in conjunction with trade unions, are responsible for the administration of earnings-related unemployment benefits. Membership of such funds is voluntary.

Financing

Family benefits are financed by the State. Labour market support is financed half and half by the State and the local authorities. Unemployment benefits are financed partly out of public funds and partly by the unemployment insurance contributions paid by workers, employers and subscribers to unemployment insurance funds; the State finances the basic part. Public health services are financed by the municipalities out of local taxation and user fees; the State also makes transfer payments to local authorities to help pay for social and health services. Earnings-related pensions are financed from the contributions paid by employers and workers. The State subsidises the schemes for farmers, seamen and self-employed persons. National pensions and guarantee pensions are financed by the State. The health insurance system is supported by the work force (employed and self-employed), the employers, the insured and the State. Accident insurance is based on employers' contributions.

Chapter II: Healthcare

When are you entitled to healthcare?

The basic responsibility for providing health services lies with the local authorities. All residents of municipalities are eligible for healthcare. Public healthcare services are supplemented by private healthcare.

Self-employed persons and salary/wage earners who are not permanent residents are also covered under certain conditions.

What is covered?

Public health services

Health services are organised by the local authorities, which may arrange to supply the statutory services independently, in association with other local authorities or by purchasing them from another local authority or public or private provider. These services include health education and consultations, medical care, re-education services (if these are not covered by another system), mental health, patient transport, dental care, orientation services, school, student and industrial healthcare, and regular check-ups and screening tests.

Health insurance

The health insurance system refunds medicines prescribed to out-patients and the cost of transport made necessary by illness; it also pays cash sickness, maternity and paternity benefits.

The health insurance system also refunds private sector healthcare services, specifically part of the fees charged by non-affiliated doctors, the cost of private hospital and medical care, including dental care, treatment and physiotherapy, psychological examinations and laboratory tests.

Special dietary preparations prescribed for serious complaints and ointments prescribed for skin diseases are also refunded.

Transport costs in excess of the flat-rate user fee are refunded per journey. This can include visits for treatment and visits paid by specialists to the patient. Above a certain annual amount transport costs are refunded in full.

How is healthcare accessed?

Public health services

Medical care is dispensed mainly in public health centres and hospitals. These basic health services are geared primarily to local residents. The health centres are staffed mainly by general practitioners. If it is necessary for a patient to see a specialist, they

will be referred by the GP (practising independently or in a health centre) to a hospital doctor. In emergencies, the patient can go directly to the hospital, without being referred by a GP.

Patients can access health centre services even outside their municipality of residence if they stay in another municipality on a regular or long-term basis, for example, because of work, leisure, a close relative or another comparable reason. The patient must notify the health centre in the other municipality of his or her service needs at least three weeks prior to the first visit. Moreover, he or she must have a care plan, which is drawn up by the health centre of the home municipality: the plan defines the services the patient is entitled to at another health centre. The care plan is required for non-emergency services. In urgent cases it is still possible to use services in any municipality.

In addition, the patient can change his or her health station within the home municipality or the cooperation area once a year. The patient must notify both, the new health station and the old health station, of the change three weeks prior to the first visit. It is also possible to choose the specialised health care unit within a so-called area of responsibility, which is formed by neighbouring hospital districts. The patient chooses the unit for specialised health care in cooperation with the doctor issuing the referral to care.

Emergency treatment is given immediately. For non-emergency treatment, there are prescribed maximum waiting times. Patients must be able to contact the health centres directly during their opening hours. The treatment needed can often be assessed over the telephone by a health professional other than a doctor. If it seems that a visit to the health centre is necessary, one must be organised within three days of the telephone consultation. The treatment provided by the health centre generally begins at the patient's first visit. If this is not possible, it must be offered within three months. Patients who are referred to the hospital must be seen within three weeks of referral. If their examination shows that they need to be admitted for treatment, they must be admitted within six months. Children and young people needing psychiatric treatment must receive it within three months. Any dental treatment judged necessary must be given without undue delay, and in any case within six months.

The patient will generally be charged a flat-rate fee for treatment at a health centre. Hospital out-patients pay a flat-rate fee per consultation; in-patients pay a flat-rate fee per day. The fee for out-patient surgery is also a flat-rate fee. For long-term illnesses, the charges are based largely on income.

Services for which the patient has already paid a certain sum within a period of 12 months are free after that. For short-term (less than three months) in-patient care, the institution may charge a flat-rate fee.

Bills for medical treatment can be reviewed if the patient applies, in writing, to the local authority health commission or corresponding agency or the body that prescribed the treatment, within 14 days of being billed.

The patient can address a complaint about any other aspect of their medical or hospital care or related treatment to the director of the health centre or hospital concerned, as well as to the competent supervisory authorities.

Health insurance

Reimbursement is made on the basis of a schedule of fixed charges by the Social Insurance Institution. Doctors' and dentists' fees as well as the costs of examinations and treatments are reimbursed. The travel costs are usually reimbursed on the basis of the least expensive way of reaching the nearest private or public doctor or treatment provider. In practice, however, the reimbursement is a smaller share of the actual costs.

Health insurance covers part or all of the cost of listed drugs prescribed by the doctor in the context of the treatment. There are three reimbursement categories. The refund is calculated per item as a percentage of pharmaceutical costs. The patient pays the prescribed portion of the price of drugs in the special top category; there is no user fee for drugs in the basic category or the special lower category.

The basic refund for prescribed drugs is 35% of the price. For certain serious and long-term illnesses, the rate of reimbursement is 65 or 100%, after deduction of the user fee. There is an annual ceiling for pharmaceutical costs payable by the user. Beyond this, the person pays only a user fee per item.

Applications for reimbursement of health costs must be submitted within six months of settlement of the bill or treatment.

In the event of disputes arising out of any health insurance matter, the applicant can lodge an appeal with the Social Insurance Institution or competent occupational insurance fund, which will see if a correction can be made. If this is not possible at this level, the complaint is referred to the social insurance appeal board; its decisions can also be appealed, to the social insurance court.

Chapter III: Sickness cash benefits

When are you entitled to sickness cash benefits?

All residents aged between 16 and 67 and non-resident employed or self-employed persons working in Finland for at least four months are covered. The right to this benefit operates nine working days after the illness begins (not counting the day of onset). This *per diem* benefit is paid for a maximum of 300 working days.

What is covered?

Sick pay

The employer pays the full salary for the first nine days if the employment relationship has lasted at least one month. If the employment relationship is shorter than one month, 50% of the salary is paid. Under collective agreements most employers pay the full salary during the first one to two months.

Sickness cash benefit

The daily amount of sickness cash benefit depends on the person's declared and verified yearly income or on the basis of his/her half-yearly revenues. The per diem benefit increases according to the person's annual earnings.

Special sickness cash benefit is payable to a parent who is in charge of the care and rehabilitation of his/her child aged under 16 who is hospitalised.

Sickness benefit is taxable income. The means test takes into account the total joint resources of both spouses.

Rehabilitation allowance

A rehabilitation allowance is paid over the duration of the treatment period if the treatment is intended to allow patients to pursue or recommence their occupation or to enter the labour market. As a general rule, the amount of this allowance is fixed in the same way as that of the per diem sickness benefit.

How are sickness cash benefits accessed?

Applications for sickness benefit are addressed to the local Social Insurance Institution office or the occupational insurance fund.

Applications for rehabilitation and rehabilitation allowance are to be addressed to the local Social Insurance Institution office. Except for optional services, decisions relating to re-education and rehabilitation can be contested by application to the social insurance appeal board; appeals against its decisions may be made to the social insurance court.

Chapter IV: Maternity and paternity benefits

When are you entitled to maternity or paternity benefits?

All residents are eligible. In addition, non-resident employed or self-employed persons working in Finland for at least four months are immediately covered.

Both the mother (maternity allowance, *äitiysraha*, and parental allowance, *vanhempainraha*) and the father (paternity allowance, *isyysraha*, and parental allowance, *vanhempainraha*) must have been resident in Finland for at least 180 days immediately before the expected date of confinement.

For entitlement to benefits in kind, no qualifying period is required.

What is covered?

Maternity allowance is paid to the mother for the first 105 days. The right to maternity allowance operates from 30-50 working days before the estimated date of birth. Parental allowance is paid for the next 158 working days. It can be paid to either the mother or the father, if he chooses to remain at home to look after the child, but not to both at the same time. Adoptive parents are also entitled to parental allowance if the child adopted is under the age of seven.

Women are entitled to special compensation during pregnancy if a chemical substance or radiation or a contagious disease connected with their work or workplace is hazardous to the development of the foetus or for the pregnancy. This does not apply if it is possible to transfer the person to another position.

Paternity leave is 54 working days altogether. After the birth, the father can apply for paternity allowance and paternity leave for a maximum of 18 working days, to be taken in four lots during the period while maternity and parental allowance are paid. The rest of the paternity leave or the whole 54 days can be taken after the maternity and parental leave.

Maternity and parental allowances are paid at the same rate as *per diem* sickness benefit. The parents of a child under the age of 16 who is being treated or following a re-education programme in hospital or, in certain cases, at home, may be entitled to receive a special child care allowance. This allowance is generally paid for a total of 60 working days per child and per calendar year. The amount of this special child care allowance is the same as the *per diem* benefit.

Amounts of the benefits

The per diem benefit increases according to the person's annual earnings. A minimum cash benefit is set.

Benefits in kind

Medical checks at maternity and child healthcare centres during and after pregnancy are free of charge.

How are maternity and paternity benefits accessed?

Applications for these benefits are addressed to the local Social Insurance Institution or occupational insurance fund office. For maternity allowance the application must be made two months before the estimated birth date and for paternity allowance two months before the desired start date. Applications for parental allowance should be submitted one month before the desired start date.

In the event of disputes arising out of any matter relating to parental allowances, the applicant can lodge an appeal with the Social Insurance Institution or competent occupational insurance fund, which will see if a correction can be made. If this is not possible at this level, the complaint is referred to the social insurance appeal board; its decisions can also be appealed, to the social insurance court.

Chapter V: Invalidity benefits

When are you entitled to invalidity benefits?

Invalidity benefits are mainly a part of the pension scheme.

There is a dual system in Finland:

- an insurance system (statutory earnings-related pension, *Työeläke*) financed by contributions covering all economically active persons (employees, self-employed persons, farmers) aged 18 to 68;
- a tax-financed universal system (national pension, *Kansaneläke* and guarantee pension, *Takuueläke*) guaranteeing a minimum pension to all residents aged 16 to 65.

The pension schemes are integrated and when statutory earnings-related pension exceeds a given limit, no national pension or guarantee pension is paid.

In order to be eligible for the national pension or guarantee pension, three years of residence after reaching the age of 16 is required. If a person has not resided in Finland for three years, the residence periods in other EU member states, Iceland, Liechtenstein, Norway and Switzerland are also taken into account. However, one year of residence in Finland is always required.

For employees, entitlement to the statutory earnings-related pension is not subject to a qualifying period. Self-employed persons must have completed a period of self-employment of at least four months.

Under both the national and the earnings-related system, benefits can take different forms:

- Disability pension is granted to an insured person who has lost his/her work capacity either through illness from which incapacity is estimated to last for at least one year, or due to permanent defect or injury. To receive a disability pension under the earnings-related system, you must have lost at least 3/5 of your working capacity (2/5 for partial disability pension). Under the national pension scheme the requirement is loss of working capacity with at least 3/5 (no partial pension is paid). From the age of 60, more lenient criteria are applied to disability pension. Persons under 20 years of age cannot receive a pension until their rehabilitation prospects have been assessed. The disability pension is in general paid after the person has received sickness benefit for a period of about 300 days;
- Rehabilitation allowance is paid when it seems likely that the worker's condition, due to deficiency or disease, will improve with care or re-education. This benefit is contingent on the beneficiary following a treatment and re-education programme.

What is covered?

Disability pension

The disability pension is payable from the end of the maximum period of payment of sickness benefit (300 days) for as long as the conditions are fulfilled until old-age pension can be received (age 63 for earnings-related pensions scheme and 65 for the national pension scheme).

In the earnings-related scheme, the disability pension is calculated to take into account, under certain conditions, the period between the occurrence of the risk and the age of retirement. The compensation paid for this future period is generally determined on the basis of wages and salaries in the five years preceding the occurrence of the risk (reference period). This reference period takes into account only the statutory income base applied under Finnish pension laws. The partial disability pension is 50% of the full disability pension.

In the national pension scheme, the amount of benefits depends on the duration of residence in Finland, marital status and the amount of other pensions generated through employment. The full amount is paid if the person has resided in Finland for 80% of the time after reaching the age of 16 and before the pension starts. Otherwise, the pension is adjusted to the length of residence. Above a certain ceiling, the pension amount is reduced by 50% of the amount of the statutory earnings-related pension and other Finnish and foreign pensions.

Guarantee pension

A resident, who receives a full disability pension, is eligible for a guarantee pension if his/her total gross pension income is less than the full amount of the guarantee pension. Also immigrants (i.e. residents not entitled to national pension) who do not receive a national pension can receive a guarantee pension if they are 16 years of age or over and are disabled within the meaning of National Pensions Act.

The amount of the guarantee pension is affected by any other pension income one may have from Finland or abroad. Other pension income is deducted from the full amount of the guarantee pension. The guarantee pension is not reduced by earnings, capital income or assets. Its amount is also not affected by the care allowance for pensioners, the housing allowance for pensioners or the informal care allowance.

Rehabilitation allowance

Before granting the disability pension, the pension provider has to make sure that the applicant's prospects of rehabilitation have been investigated.

The pension provider pays a rehabilitation allowance for the months during which insured persons cannot be gainfully employed because they are undergoing occupational rehabilitation. Those already receiving a pension receive an increased amount of pension during the rehabilitation period.

The rehabilitation allowance is paid for a defined period.

In the earnings-related scheme, the rehabilitation allowance amounts to the full disability pension plus a rehabilitation increment of 33% for periods of active rehabilitation.

In the national pension scheme, the rehabilitation allowance corresponds to 75% of the earnings and is payable after a waiting period of 1 or 1+9 days. It is payable when the period of rehabilitation lasts more than 30 days. The rehabilitation allowance is 10% on top of the amount of the pensioner's national pension, and the costs of rehabilitation services are fully covered.

Other Invalidation Benefits

These include:

- Care allowance (*Eläkettä saavan hoitotuki*), which is a benefit paid to pensioners at three different rates, depending on the need of assistance or to compensate for costs arising from home care or other special expenses caused by illness or injury;
- Disability allowance (*16 vuotta täyttäneen vammaistuki*), which is paid to 16-64 year old persons who are not in receipt of a pension and whose health is weakened through illness or injury, and is to compensate for hardship, necessary services etc. The amount depends on the degree of disability, the need of assistance and additional expenses,
- Pensioners' housing allowance (*Eläkkeensaajan asumistuki*), which may be awarded to pensioners residing in Finland. The amount is proportional to the pensioner's income and housing costs, as well as some other factors.

How are invalidity benefits accessed?

Application should be made to the relevant pension provider.

The degree of invalidity is established in relation to your state of health. The assessment takes into account not only the medical reports but amongst other things also your level of education, professional experience, age and likelihood of finding work.

A rehabilitation allowance can be stopped if there is a change in your working capacity or if you refuse rehabilitation treatment without good reason.

In the earnings-related scheme, the full disability pension and full re-education allowance can be converted into a partial disability pension and a partial re-education allowance if there is a change in your working capacity and income.

In the event of disputes arising out of any matter relating to invalidity benefits, the applicant can lodge an appeal with the pension provider, who will consider a possible correction. If this is not possible at this level, the complaint is referred to the Social Insurance Appeal Board or the Earnings-related Pension Appeal Board. The decisions of the appeal boards can further be appealed to the Social Insurance Court.

Chapter VI: Old-age pensions and benefits

When are you entitled to old-age benefits?

Finland has two pension systems: the statutory earnings-related pension scheme and the national pension scheme (including guarantee pension, *Takuueläke*). The earnings-related pension scheme provides earnings-related and insurance-based pensions, whereas the national pension scheme grants minimum pensions on the basis of residence.

Together, these two pensions form the total statutory pension. They are integrated and when statutory earnings-related pension exceeds a given limit, no national pension or guarantee pension is paid.

Under **earnings-related pension** schemes, it is possible to retire between the ages of 63 and 68.

The earnings-related pensions in the private sector are managed by about 30 pension providers. If the person has been covered by several different pension acts (i.e. has had different pension providers), the last pension provider awards and pays the whole pension.

Persons over 65 years of age who are resident in Finland or another EU country are entitled to the **national old-age pension** and **guarantee pension**. Finnish nationals and citizens of other EU countries must have lived in Finland for at least three years after the age of 16. If a person has not resided in Finland for three years, residence periods in other EU member states, Iceland, Liechtenstein, Norway and Switzerland are also taken into account. However, one year of residence in Finland is always required.

Under both the earnings-related and the national schemes, beneficiaries can apply for early settlement any time after reaching the age of 62, in which case the amount of the pension is reduced by 0.6% or 0.4% respectively for each month between their effective retirement and the statutory retirement age. Settlement of the old-age pension can also be delayed beyond the normal age, in which case the pension eventually paid is increased proportionally.

What is covered?

Statutory earnings-related pension

In the earnings-related pension system, the periods that count towards the old-age pension are the years of service between the age of 18 and 68.

Pensions are calculated on the basis of annual pay or, for the self-employed, consolidated annual earnings. The entitlement increases with age by the following factors:

- 1.5% from 18 to 52 years;
- 1.9% from 53 to 62 years;
- 4.5% from 63 to 68 years.

If you continue working after taking out your pension, or take up new work after retiring, the annual entitlement for pension from this work is 1.5% per year. The pension entitlement also increases as a result of compensation paid as contributory social insurance benefits (e.g. sickness benefit).

Studies leading to a diploma and periods of child care for children under the age of 3 generate an increase in the earnings-related pension, which is financed by the State.

National pension

The national old-age pension is pension-related: above a certain level of pension income it is not paid. This refers to pensions paid by Finland or any other country and forms of permanent compensation which are assimilated to a pension. Pensions paid under EC Regulation 883/2004 that are based on the insurance of the same person and paid by another Member State are not considered as income.

The amount of the national pension also depends on the length of residence in Finland between the ages of 16 and 65. For a full pension, a minimum of 40 years' residence is necessary. If years of residence are less than 80% of the time between the age of 16 and 65, the pension is adjusted in proportion to the length of residence.

The pension can include a dependent child supplement.

In addition, there are a number of other special supplements for old-age pensioners:

- Care allowance (*Eläkettä saavan hoitotuki*), which is a benefit paid to pensioners at three different rates, depending on the need of assistance or to compensate for costs arising from home care or other special expenses caused by illness or injury;
- Pensioners' housing allowance (*Eläkkeensaajan asumistuki*), which may be awarded to pensioners residing in Finland and whose amount is proportional to the pensioner's income and housing costs, as well as some other factors.

Guarantee pension

A resident, who receives an old-age pension, is eligible for a guarantee pension if his/her total gross pension income is less than the full amount of the guarantee pension. Also immigrants (i.e. residents not entitled to national pension) who do not receive a national pension are eligible from the age of 65.

The amount of the guarantee pension is affected by any other pension income one may have from Finland or abroad. Other pension income is deducted from the full amount of the guarantee pension. The guarantee pension is not reduced by earnings, capital income or assets. Its amount is also not affected by the care allowance for pensioners, the housing allowance for pensioners or the informal care allowance.

How are old-age benefits accessed?

Application should be made to the relevant pension provider. The Finnish Centre for Pensions (*Eläketurvakeskus*, ETK) is the central body of the earnings-related scheme. The public sector has its own pension providers, Keva. National pensions and guarantee pensions are administered by the Social Insurance Institution (*Kansaneläkelaitos*, Kela).

In the event of disputes arising out of any matter relating to old-age benefits, the applicant can lodge an appeal with the pension provider, who will consider a possible correction. If this is not possible at this level, the complaint is referred to the Social Insurance Appeal Board or the Earnings-related Pension Appeal Board. Decisions of the appeal boards can further be appealed to the Social Insurance Court.

Chapter VII: Survivors' benefits

When are you entitled to survivors' benefits?

As for other types of benefits (old age and invalidity), there is a dual system in Finland: an insurance-based earnings-related pension on the one hand, and a tax-financed and contribution-based universal system providing a minimum pension on the other.

The surviving spouse (including the surviving partner in a registered partnership), a divorced spouse if he/she was entitled to alimony before death (this concerns only statutory earnings-related pension) and children (own child; foster child of the deceased or of the surviving spouse; child for whom the deceased paid alimony; child who lived in the same household as the deceased if he/she was married to the child's parent) are all entitled to benefit.

Under both schemes, the widow's/widower's pension is stopped if the surviving spouse remarries before the age of 50. In this case, the person receives a flat-rate compensation equal to three years' pension.

Earnings-related pension

The surviving spouse is in any case entitled to widow's/widower's pension if a child has been born from the marriage. If the couple is childless:

- the surviving spouse must be at least 50 years of age at the time of the death, or
- the surviving spouse must have been receiving a disability pension for at least three years.

The marriage must also have taken place before the surviving spouse reached the age of 50 and have lasted at least five years. The conditions are less strict for a surviving spouse who is childless and was born before 1 July 1950.

National pension

A widow's/widower's pension is payable if:

- the marriage took place before the deceased reached the age of 65;
- the surviving spouse is under the age of 65 and is not receiving a national pension;
- the deceased had been resident in Finland for three years after the age of 16;
- the surviving spouse is resident in Finland or another EU country;
- the surviving spouse had a child with the deceased. If there was no child from the marriage, the pension can be paid only if the survivor was more than 50 at the time of the death and less than 50 at the time of the marriage and the marriage lasted at least five years.

The beneficiary must meet all these qualifying conditions.

What is covered?

Statutory earnings-related pension

The **widow's/widower's pension** is 17-50% of the pension of the deceased, depending on how many children are entitled to a child pension. The pension equals the pension of the deceased when the beneficiaries are a widow/widower and two children. If the deceased person was not retired at the time of death, the survivors' pension is calculated on to the basis of the disability pension the deceased would have been entitled to at the time of death. The widow's/er's pension is integrated with her/his own (or anticipated) pension. If this is higher than a given amount, the widow's/er's pension is reduced accordingly. The survivor's pension to be paid is then calculated according to the following formula: 50% deceased person's pension - 50% (widow's/er's own pension - base amount).

In the case of a divorced former spouse, the spouse's pension is divided. The part to be paid to the former spouse depends on the amount of the alimony he/she receives as part of the divorce settlement.

Orphan's pension can be paid to children under 18 years of age. The pension is 33-83% of the pension of the deceased, depending on how many children are entitled to a child pension.

National pension

For the first six months the spouse receives an initial pension, which is a flat-rate monthly sum (adjusted to the length of residence in Finland of the deceased). After these six months **the widow's/widower's pension** is continued if the surviving spouse is supporting a child under the age of 18, with a basic amount and a means tested supplement. If there is no child, the basic amount cannot be paid.

Orphan's pension is paid to a child who has lost one or both parents, is under 18 years of age and is resident in Finland or in another EU country. Orphan's pension can be paid up to the age of 21 if the beneficiary is in full-time education. Children who have lost both parents receive two separate pensions.

The orphan's pension always includes a basic sum, and can include a supplement. The amount of this supplement depends on the other survivor pensions paid to the children. Children aged between 18 and 20 receive only the basic sum.

How are survivors' benefits accessed?

Application should be made to the relevant pension provider. The Finnish Centre for Pensions (*Eläketurvakeskus*, ETK) is the central body of the earnings-related scheme. The public sector has its own pension providers, Keva. National pensions are administered by the Social Insurance Institution (*Kansaneläkelaitos*, Kela).

In the event of disputes arising out of any matter relating to survivors' benefits, the applicant can lodge an appeal with the pension provider, who will consider a possible correction. If this is not possible at this level, the complaint is referred to the Social Insurance Appeal Board or the Earnings-related Pension Appeal Board. Decisions of the appeal boards can further be appealed to the Social Insurance Court.

Chapter VIII: Benefits in respect of accidents at work and occupational diseases

When are you entitled to benefits in respect of accidents at work and occupational diseases?

Compensation for accidents at work and occupational diseases is provided chiefly through compulsory occupational injury insurance. Insured persons are entitled to compensation for economic loss due to an occupational injury or disease. Occupational injury insurance is handled by private insurance companies. Insurance companies cannot refuse to issue and maintain occupational injury insurance that is properly applied for.

Independent farm workers are covered for occupational injury insurance by the Farmers' Social Insurance Institution. Compensation for civil servants and government employees is paid from the State Treasury.

Employers are obliged to insure any workers they employ for more than 12 days in any calendar year. Workers who suffer an injury are still entitled to legal compensation for an occupational injury even if the employer has failed to comply with or is not bound by this obligation. The Federation of Accident Insurance Institutions (FAII) is responsible for screening applications and paying compensation.

According to the law on occupational injury insurance, entitlement to compensation is linked to the existence of a labour relation in the public or private sector. This insurance covers accidents at work and occupational diseases. An accident at work is any accident that befalls workers during the course of or in circumstances relating to their work, on their journey to or from work, or in the context of a task or mission assigned by the employer. An occupational disease means a disease which is probably primarily due to physical, chemical or biological factors associated with work done during a period of employment.

All workers with contracts of employment in the private or public sector are insured, except the members of the employer's family and the managers of a company who, individually or collectively with the members of their family, own more than half of the business. In general, students in work placement are also insured. As a general rule, occupational injury insurance also covers workers who have been sent abroad.

Although the compulsory occupational injury insurance does not cover employers and their families and the managers described above, they are legally entitled to take out voluntary accident insurance providing the same benefits as the compulsory scheme.

What is covered?

The compulsory occupational injury insurance covers compensation for essential medical care and loss of income. In the case of temporary incapacity to work, *per diem* benefits are paid for a maximum of one year. During the first four weeks after the accident, the amount is equal to sickness benefit; after that it is 1/360th of the

person's annual salary. The annual salary is determined in general on the basis of income at the time of the accident.

If the accident results in a loss of working capacity that persists for more than one year, the worker is paid an occupational injury pension. For total invalidity the amount of this pension is 85% of annual pay until the age of 65, and 70% of annual pay after that.

Reduced *per diem* allowances and a partial occupational injury pension may be paid in cases of partial incapacity. This compensation and this pension are taxable income. Refunds for medical care are not taxable.

If an injury due to a work accident or an occupational disease results in permanent general handicap, the insured is entitled to an inconvenience allowance. Various injuries and illnesses are grouped into 20 disability categories according to their seriousness, on the basis of a ruling by the Ministry of Social Affairs and Health. This is a non-taxable benefit. In the event of death, an allowance for funeral expenses is paid to the estate of the deceased person or those who have taken care of the funeral costs and a reversionary pension to the surviving spouse and to any children under the age of 18, or up to the age of 25 if they are full-time students. Survivor pensions are taxable income.

Occupational injury insurance also covers the costs of medical re-education and occupational rehabilitation. Re-education is principally intended to enable workers to perform appropriate paid work and foster their autonomy in the circumstances of daily life. Provision is made for the reimbursement of legitimate costs of re-education or rehabilitation and for loss of income, generally in the form of an occupational injury pension.

How are benefits in respect of accidents at work and occupational diseases accessed?

In the event of an accident, workers must immediately inform their employer, who will give them the insurance certificate required by the occupational insurance provider, which then assumes the cost of the medical treatment and drugs prescribed by the doctor. The employer must report the accident to the insurance provider so that the compensation procedure can begin.

In the event of disputes arising out of any matter relating to benefits in respect of accidents at work or occupational diseases, the applicant can lodge an appeal with the insurance provider, who will consider a possible correction. If this is not possible at this level, the complaint is referred to the Occupational Accidents Appeal Board; its decisions can further be appealed to the Social Insurance Court.

Chapter IX: Family benefits

When are you entitled to family benefits?

Child benefits are paid for all children resident in Finland, until the age of 17.

Any woman who is resident in Finland, is at least 154 days pregnant and has had a medical examination in the first four months of pregnancy is entitled to a maternity grant. Parents who adopt a child under the age of 18 are also entitled to this benefit.

As an alternative to the day-care centres provided by local authorities, a family with a child under the age of three can opt for a child care allowance. In this case, any other children of pre-school age in the family are also entitled to the benefit.

What is covered?

Child benefit

The rate of the child benefit is affected by the number of eligible children in the family. Child benefit is increased for each child in a single-parent family. Child benefits are not taxable.

Maternity grant

The maternity grant is provided, at the mother's discretion, as a cash payment or in kind, in the form of a "basket" of children's clothing and child care products. The maternity grant is non-taxable income.

Child care allowances

Child home care allowance is available for families who, instead of using day care provided by municipalities, care for their children under the age of three at home or by other arrangement. The allowance consists of a basic part, a sibling increase and a means-tested supplement.

Private child care allowance is paid when a family arranges the care of the child privately. In addition to the basic amount, a means-tested supplement can be paid. The allowance is paid to the care provider directly.

Partial child care allowance is paid to a parent who has a child under the age of three or during the child's first two school years and who reduces working hours to a maximum 30 hours a week.

How are family benefits accessed?

Applications for child benefit are addressed to the local Social Insurance Institution office. Appeals against decisions of the Social Insurance Institution can be addressed

to the social insurance appeal board; appeals against its decisions can be addressed to the social insurance court.

Applications for the maternity grant must be submitted to the local Social Insurance Institution office at least two months before the estimated date of birth. Adopting parents must make their application before the child is a year old.

Application for maternity grant can be made at the same time as the application for maternity, paternity, parental and child benefit.

Chapter X: Unemployment

When are you entitled to unemployment benefits?

Unemployment benefits consist of earnings-related allowance, basic allowance, and labour market support. Most employees are covered by their own sector's unemployment fund, in which case they are entitled to an earnings-related allowance. The allowance is paid by the unemployment fund. The basic allowance and labour market support is paid by the Social Insurance Institution (*Kansaneläkelaitos, Kela*).

To be entitled to unemployment benefits of whatever kind, you must be:

- involuntarily unemployed;
- not working;
- capable for work;
- register as a job seeker;
- be at the disposal of the employment office; and
- be resident in Finland.

Unemployment insurance

The basic allowances are paid to unemployed persons who are between 17 and 64 years of age, who are looking for work and who had been working for a total of 34 weeks in the 28 months before becoming unemployed. Self-employed persons must have been working for 18 out of the 48 months immediately preceding their unemployment and this activity must have had a certain scope.

The same age limits and qualifying periods apply for earnings-related allowances, but the latter have to be fulfilled while being a member of an unemployment insurance fund. Affiliation to an unemployment insurance fund is voluntary.

Labour market support

Persons between the ages of 17 and 64 who are resident in Finland, who are unemployed and who are either not entitled to unemployment benefit or have exhausted their entitlement are entitled to labour market support. Persons aged 17-24 are entitled to this benefit during participation in employment promotion measures (work tryout, apprenticeship, labour market training or rehabilitation).

Persons entering the job market for the first time are subject to a five-month training period. This does not apply to those who attended vocational schools.

What is covered?

Unemployment insurance

Basic and earnings-related unemployment allowances are paid to unemployed workers who have been registered with an employment agency for at least seven days during eight consecutive weeks.

The allowances are paid five days a week for a maximum of 500 working days.

Ageing unemployed persons who satisfy the condition regarding previous employment are eligible for an extended unemployment allowance.

Amounts of benefits

The basic unemployment allowance (*peruspäiväraha*) is a flat-rate benefit per week day.

The amount of earnings-related allowances corresponds to the sum of the basic allowance and 45% of the difference between the daily wage and the basic allowance. If the monthly wage is greater than 105 times the basic amount, the amount is 20% of the excess. Under certain conditions, the earnings-related component is increased.

Labour market support

Labour market support is paid to unemployed workers who have been registered with an employment agency for at least five days during eight consecutive weeks.

Labour market support is a means-tested allocation equal to the basic unemployment benefit. The means test takes into account the person's own total income and the part of the parents' income above a certain limit.

Labour market support is paid without means-testing for 180 days after unemployment benefit has been paid for the maximum period of 500 days, during participation in employment promotion measures and for certain older unemployed persons.

Labour market support can be paid indefinitely.

How are unemployment benefits accessed?

Applications for the basic allowance and for labour market support are addressed to the local Social Insurance Institution office, and applications for earnings-related allowance to the person's unemployment insurance fund. The employment agency notifies the Social Insurance Institution or unemployment insurance fund, by binding opinion, of the employment policy constraints governing the granting of the benefit.

In the event of disputes arising out of any unemployment insurance matter, the applicant can lodge an appeal with the Social Insurance Institution or competent occupational insurance fund, which will see if a correction can be made. If this is not possible at this level, the complaint is referred to the unemployment insurance board; appeals against its decisions can be addressed to the social insurance court.

Chapter XI : Minimum resources

When are you entitled to benefits regarding minimum resources?

General social assistance

Social assistance is a form of last resort assistance designed to ensure minimum subsistence for the person (family). The assistance is given when a person (family) is temporarily, for a shorter or longer period, without sufficient means to meet the necessary costs of living. The benefit is paid by the municipality in the area in which the person (family) resides.

The right to social assistance is available for all permanent residents. It is not subject to age or nationality conditions.

Specific minimum resources

Care allowance is a benefit paid to pensioners at three different rates, depending on the need of assistance or to compensate for costs arising from home care or other special expenses caused by illness or injury.

Disability allowance is a cash benefit intended to help disabled persons between 16 and 64 years of age in their daily life, with their studies and in their working life. It is a graduated (three-tier) benefit and is paid only to persons receiving no other pension.

Housing allowance for pensioners is paid to persons over the age of 65 living permanently in Finland or pensioners between the ages of 16 and 64. This benefit is paid for reasonable housing costs above 85% of a set limit. The ceilings are set annually, taking into account the cost of housing depending on the municipality and the size of the family. The amount of the allowance also depends on the composition of the family and the size of the beneficiary's income and assets.

General housing allowance covers 80% of reasonable housing costs exceeding a basic deductible (the amount which the household must in any case pay itself). The amount of the deductible is affected by the location of the home, the size of the household and the household's gross annual income. The rates of the basic deductible are set yearly. Households whose income qualifies them for the full housing allowance are exempt from the basic deductible.

Labour market support

See part on unemployment.

What is covered?

General social assistance

This benefit consists of a fixed basic amount and additional assistance varying according to needs. The amount depends on the composition of the family, as specified below:

- single persons and single parents: basic amount per month;
- other persons aged at least 18: 85% of the basic amount;
- children aged 18 or over living with their parents: 73% of the basic amount;
- children aged 10 to 17: 70% of the basic amount;
- children under the age of 10: 63% of the basic amount;
- families with children under 18 years of age: the basic amount is decreased by 5% from the second child and by 10% for each child from the third onwards.

Substantial medical expenses are taken into consideration through case-by-case deliberation while determining the amount of social assistance.

Other expenses for which additional social assistance may be granted include 100% of reasonable housing costs, child day-care costs and other costs which are considered to be essential.

The municipalities also grant preventive social assistance, the grounds for which they decide themselves. The purpose of preventive social assistance is to promote a person's or family's independent living as well as to prevent social exclusion.

How are minimum resources benefits accessed?

Social assistance is granted by the municipality for a fixed period, usually for one month at a time. The procedure is governed by statutory municipality requirements and follows normal administrative rules.

The beneficiary is required to inform the competent authority of any changes in the circumstances on which the decision is based. The need for assistance is re-evaluated in such cases.

Chapter XII: Long-term care

When are you entitled to long-term care?

All residents are eligible for long-term care, with no qualifying periods and age limits.

Persons in constant and regular need of assistance or care (generally at least once a week) are covered.

There is no universal definition of entitlement as this depends on the scheme and the municipality.

What is covered?

Benefits in kind

Home services and services for the disabled (transport services, personal assistant, house alteration) can be provided, as well as support for informal care (care allowance, statutory leave for the caregiver, support and counselling).

Provision is also made for service housing for elderly people and people with disabilities who need external support and assistance, which cannot be arranged in an ordinary dwelling.

Statutory institutional care services include the institutional services provided in homes for the elderly, in the inpatient wards of municipal health centres and in specialised care units for people with mental disabilities. Long-term institutional care is given in various types of nursing homes and homes for disabled war veterans. NGOs and private firms also provide institutional care in homes for the elderly and private hospitals.

Some services are free of charge (for example some services for people with disabilities). For other services, the client fee is the same for everyone (for example for some home care services) or is determined according to income and family composition (for example for institutional care).

Cash benefits

The Pensioners' care allowance (*Eläkkeensaajien hoitotuki*) is graded in three categories depending on the need of assistance:

- Basic rate: payable in case of illness or injury resulting in a need of at least weekly assistance in personal activities of daily living or guidance or supervision with them;
- Increased rate: payable in case of illness or injury resulting in a need of daily assistance in several personal activities or need of regular guidance and supervision;
- Special rate: payable in case of illness or injury resulting in a need for around-the-clock assistance and guidance by another person.

Other long-term care cash amounts include:

- Child disability allowance and disability allowance: both benefits have three rates depending on the degree of strain. The first allowance may be paid for care for a child whose condition, due to disease, deficiency or injury, requires care and re-education for a period of at least six months, that is likely to constitute a special burden, financial or other. The second is intended to help disabled persons between 16 and 64 years of age in their daily life, with their studies and in their working life. It is paid only to persons receiving no other pension;
- Caregiver's allowance: this benefit depends on the municipality. Those caregivers who have made an agreement with the municipality have right to three free days per month.

How is long-term care accessed?

Services are provided by municipalities, and applications should be made to these. The municipalities are responsible for the services, which can be provided by the municipality itself, by joint municipalities or based on a contract with a private service provider.

Annex: Useful addresses and websites

More detailed information on qualifying conditions and individual social security benefits in Finland can be obtained from the public institutes managing the social protection system.

Enquiries concerning the effect on benefits of insurance in two or more Member States should be addressed to:

Kansaneläkelaitos
(Social Insurance Institution)

Personal information:
Appropriate local office (place of domicile or stay)

Other information:
Nordenskiöldinkatu 12
PL 450
00101 Helsinki
Tel.: 020 434 11
Fax: 020 434 5058
E-mail: International.affairs@kela.fi
<http://www.kela.fi>

Eläketurvakeskus
(Finnish Centre for Pensions)
00065 Eläketurvakeskus
Tel.: 010 7511
<http://www.etk.fi>

Tapaturmavakuutuslaitosten liitto
(Federation of Accident Insurance Institutions)
Bulevardi 28
00120 Helsinki
Tel.: (09) 680 401
E-mail: mailto:tv1@vakes.fi
<http://www.tv1.fi>

Työttömyyskassojen Yhteisjärjestö ry (TYJ)
(The Federation of Unemployment Funds in Finland)
Mäkelänkatu 2 C
00500 Helsinki
<http://www.tyj.fi>

Occupational pension institutions

Eläke-Fennia
00041 Eläke-Fennia
Tel.: 010 5031

Tapiola
PL 9
02010 Tapiola
Tel.: (09) 4531

Varma
PL 1
00098 Varma
Tel.: 010 51513

Ilmarinen
00018 Ilmarinen
Tel.: (09) 1841

Pensions-Alandia
PB 121
22101 Mariehamn
Tel.: (018) 29 000

Veritas
PL 133
20101 Turku
Tel.: 010 55 010

Etera
PL 20
00241 Helsinki
Tel.: 010 553 300

Corporate pension and insurance funds are operated by the company and their address is that of the employer.

Maatalousyrittäjien eläkelaitos
(Farmers' Social Insurance Institution)
PL 16
02101 Espoo
Tel.: (09) 43 511

Merimieseläkekassa
(Seamen's pension fund)
PL 327
00121 Helsinki
Tel.: 010 633 990

Keva
PL 425
00101 Helsinki
Tel.: 010 3141

Finanssivalvonta
(Financial Supervisory Authority)
PL 449
00101 Helsinki
Tel.: (09) 415 5950