

FINLAND

Nomenclature

KEL	The National Pension Act (old age, disability)
KIEL	The Evangelical-Lutheran church Pension Act
KVTEL	The Local Government Employees Pension Act
LEL	Private-sector temporary Employees Pension Act
MEL	The Seaman Pension Act
MYEL	The Farmers Pension Act
PEL	The Survivors Pension Act
TAEL	Private-sector Freelance Employees Pension Act
TEL	Private-sector Employees Pension Act
VEL	The State Employees Pension Act (old age, disability)
VPEL	The State Employees Survivors Pension Act
YEL	The self-employed Persons Pension Act

Monetary unit

Social spending is expressed in millions of Euros (EUR).

General notes

The individual country notes of the OECD Benefits and Wages (www.oecd.org/els/social/workincentives) provide a comprehensive description of characteristics of social programmes (e.g. conditions for receipt, calculation of payment rates, tax treatment of social support, benefit duration, etc.) for the working-age population, including: unemployment insurance and assistance, social assistance, employment-conditional benefits, housing benefits, family benefits, childcare support, and support for sole parent households.

Break in series

Data for 1990 onwards are based on the new ESSPROS methodology format. Coherent spending series for 1980 onwards at the individual programme level were obtained on basis of information for a few years in the early 1990s for which both historical spending series and information based on the new ESSPROS format were available. For certain programmes and aggregate categories, breaks in series (between 1989 and 1990) were inevitable. In general, programmes from the old ESSPROS format which could not be matched with a figure from the new ESSPROS format were set for the 1990-98 period to “missing”; similarly, figures from the new ESSPROS format which could not be matched to a programme from the old methodology were set to “missing” for the period 1980-89.

Secretariat estimates

Unemployment compensation and “Early retirement for labour market reasons”: for the years 1980 to 1983, the series was extrapolated backwards to 1980 using the annual growth rate for 1984/85.

Sources

1980-92

Ministry of Social Affairs and Health (1996), *Social Security Database, 1980-1994*.

1993-2001

Data provided by EUROSTAT (ESSPROS database).

OECD Labour Market Policy database.

OECD Health Data 2003 (www.oecd.org/health/healthdata).

NOSOSCO, *Social Protection in the Nordic Countries*, 1998.

Ministry of Social Affairs and Health.

FINLAND

Code	Title of the programme	Description of the programme and attached notes
1.	OLD AGE	
246.10.1.1.1.1	Standard retirement pension	The basic public pension is payable to those of 65 years and over who have been resident in Finland for at least 3 years. The payment rate is proportional to the statutory earnings-related pension "employment pension", and as this employment pension reaches a certain limit no basic pension is paid at all.
246.10.1.1.1.2	Old age pension (KEL) (non means-tested)	See also 1.1.1.1. Pension reform in 1996 made entitlement to basic pension dependent on other pension income. At the beginning of 1997, the basic amount and the pension supplement were combined into one benefit (the guaranteed minimum pension).
246.10.1.1.1.17	Farmers change of generation pension	Payable to farmers and their spouses in the 55 - 64 age groups who retire and sell on their enterprise to a young farmer.
246.10.1.1.1.18	Farm closure compensation pension	Payable to farmers and their spouses in the 55 - 64 age group who give up farming.
246.10.1.1.1.19	War veteran's pension	Payable to those with a "front-veteran's badge", whose work capacity is reduced but who are not eligible for a standard disability pension.
246.10.1.1.2.1	Early retirement pension	Payable to claimants in the 60 - 64 age group: the payment rate is permanently reduced, depending on the age of the claimant at which the pension is first drawn.
246.10.1.1.2.16	Part-time pension	Payable to claimants in the 58 - 64 age-group who reduce working hours for between 16 and 28 hours per week, with earnings between 35% and 70% of previous earnings.
246.10.1.2.1.1	Accommodation for the elderly (Services provided by municipalities: health care and social services)	Accommodation for the elderly nursing homes, homes for the long-term ill, old people's homes, sheltered homes, service flats, collective housing, and housing where special care is provided. Services include care in geriatric wards.
246.10.1.2.1.2	Assistance for the elderly in carrying out daily tasks (health care and social services)	Home help services for the elderly provided by municipalities.
2.	SURVIVORS	
246.10.2.1.1.1.	Survivor's pension	The income-tested surviving spouse's pension is payable to both widows and widowers, provided that the survivor had children by the deceased or that he/she was at least 50 at the time of the death. A child's pension is payable to children under the age of 18.
246.10.2.1.1.2 to 246.10.2.1.1.16		Same definition as for 2.1.1.1.
246.10.2.2.1.1.	Funeral grant	Payable to the spouse or other estate beneficiary of a deceased member of the national old age, invalidity and unemployment pension schemes. Mind row-height
246.10.2.2.1.2 to 246.10.2.2.1.7		Same definition as for 2.2.1.1.
246.10.2.1.2.1	Group life insurance	Introduced in 1977, the programme involves group life insurance, towards payment of a lump sum indemnity to the spouse and/or dependent children on the death of the employee.
3.	INCAPACITY RELATED BENEFITS	(Disability, Occupational injury and disease, Sickness)
246.10.3.1.1.1	Standard invalidity pension	Payable to someone who because of illness or injury is unable to carry out his/her work. A full disability pension is payable on the loss of work capacity for at least 60% (partial disability pension is paid when work capacity is reduced by at least 40%, employment pension only).
246.10.3.1.1.17	Child care support for	The child care allowance is payable to children under 16 with a disability

	sick/disability	or long-term illness.
246.10.3.1.2.1	Occupational injury pension	Accident insurance generally covers all employees as well as farmers, fishermen and reindeer herders and their family members. Insurance take up is <i>not</i> compulsory for other self-employed persons.
246.10.3.1.2.2	Occupational injury insurance (daily allowance, disability pension)	Compensation for reduced earnings for a long-term period when the claimant is unable to work as a result of an occupational accident or disease.
246.10.3.1.3.1	Occupational injury insurance (daily allowance, paid sick leave)	The daily allowance is paid when a person is incapacitated for work for at least three consecutive days (not including the day of the accident). Benefit duration is one year at maximum.
246.10.3.1.3.2	Occupational injury insurance (daily allowance, disability)	See 3.1.1.1
246.10.3.1.3.3	Occupational injury insurance for survivors (daily allowance)	See 3.1.1.1
246.10.3.1.4.1	Rehabilitation allowance	Payable to working-age participants of a rehabilitation programme geared towards labour market integration.
246.10.3.1.4.2	Sickness Insurance (daily allowance) (non means-tested)	Sickness allowance is payable to all employed and self-employed persons (and students and housewives) of working-age because of illness, are not able to work for a maximum of 300 work days. The waiting period is seven workdays.
246.10.3.1.4.3	Sickness Insurance (daily allowance) (means-tested)	See 3.1.4.2.
246.10.3.1.4.4	Motor third party liability insurance (daily allowance)	Compensation of reduced earnings because of a road accident.
246.10.3.1.4.6	Paid sick leave (MYEL)	All employees receive the full wage for 28 to 56 days of illness as stipulated by collective agreements.
246.10.3.1.4.7	Paid sick leave (MATA)	See 3.1.4.6.
246.10.3.1.5.1	Contribution motor third party liability insurance indemnities	Motor third party liability insurance reimburses in full the costs of any necessary medical treatment.
246.10.3.1.5.2	Invalidity support - Disabled persons' allowance	Financial support for disabled persons of working age who are not in receipt of a disability pension.
246.10.3.1.5.3	Military injuries indemnities	Those who were injured or disabled in active military service are reimbursed for any medical charges, paid a daily allowance and an annuity of life. Survivors receive a funeral grant and a maintenance pension.
246.10.3.1.5.4	Individual early invalidity pension	Taxable payment to someone of at least age 58 (or 55) with a reduced work capacity but without entitlement to standard disability pension.
246.10.3.1.5.5	Early retirement benefit due to reduced capacity to work (KEL) (non means-tested)	A basic/guaranteed minimum pension/employment pension payment in line with the rules applicable to old age pensions.
246.10.3.1.5.19	Occupational injury insurance for survivors (funeral expenses)	See 3.1.1.1.
246.30.3.1.4.1	Relief funds (daily allowance)	Relief funds make sickness payments to insured employees.
246.10.3.2.1.1	Accommodation for the disabled (Services provided by municipalities: health care and social services)	Accommodation for the disabled nursing homes, homes for the long-term ill, sheltered housing, service flats, collective housing, and occasionally hospital wards.
246.10.3.2.1.2	Assistance for the disabled in carrying out daily tasks (health care and social services)	See 1.2.1.2.
246.10.3.2.2.1	Rehabilitation (KEL)	About 80% of all recipients of rehabilitation benefit are covered by the Social Insurance Institute, which sets payments equal to sickness benefit. Payment rates set by accident and traffic insurance schemes and the statutory employment-related pension scheme are different.
246.10.3.2.3.2	Services for the handicapped	Expenditure on institutions, family care, residences, work activities, day care and special education for the mentally handicapped.

246.10.3.2.3.3	Other benefits	Includes various compensation payments until 1991. Also covers reimbursement of the costs of medical treatment and rehabilitation through pension insurance.
4. HEALTH		
246.10.4.2.0.0	Public expenditure on health	See <i>OECD Health Data 2003</i> .
5. FAMILY		
246.10.5.1.1.1	Child allowance	The purpose is to ensure financial support for a child of divorced or unmarried parents in cases where the non-custodial parent has failed to pay or denied support or where paternity cannot be established.
246.10.5.1.2.2	Maternity and parent's allowance (SII)	Parental allowance is payable for 275 working days. For the first 105 days, it is paid to the mother (mother's allowance); for the next 170 days, it can be paid to either parent. Fathers are also eligible for a specific "father's allowance". Parental allowances are taxable.
246.10.5.2.1.1	Child day care (Services provided by municipalities) (non means-tested)	Municipal day care centers and family day care schemes. Since 1990 parents who do not municipal day care services are entitled to a Home care allowance until their child is 3 years of age.
246.10.5.2.1.2. to 246.10.5.2.1.4.		Same definition as for 5.2.1.1.
246.10.5.2.1.5	Help at home	Means-tested home help for families in need of such assistance.
246.30.5.1.2.1	Salary during maternity leave	During maternity/parental leave employers continue wage payments for the statutory required level for which they get reimbursed. In line with the prevailing collective labour agreement, employers may choose to pay maternity/parental at full wage for a few months.
6. ACTIVE LABOUR MARKET PROGRAMMES		
		See OECD Labour Market Policy database.
7. UNEMPLOYMENT		
		See OECD Labour Market Policy database.
246.10.7.1.1.3	Basic and wage-related benefits	Before 1985, aggregated into "Basic daily unemployment allowance" and "Earnings adjusted daily allowance".
246.10.7.1.1.5	Severance pay and education allowance	Included in the "Redundancy payments programme".
8. HOUSING		
246.10.8.1.1.1	Housing allowance (benefit to owner-occupier)	Income-tested non-taxable housing allowance; payment rate also depends on housing costs.
9. OTHER SOCIAL POLICY AREAS		
246.10.9.1.2.1	Draftee's dependants allowance	Payment to the dependants of a person engaged in national service.
246.10.9.2.1.1	Rehabilitation of alcohol and drugs abusers (health care and social services)	Services for alcohol and drug addicts are arranged via the general social welfare and health care services: they are primarily non-institutional and are free of charge. Institutional care is financially supported by means of a sickness allowance or a rehabilitation allowance.
246.10.9.2.1.3	Other social services	This item includes the general costs of welfare offices.
246.10.9.2.2.4	Refugee welfare	Refugees and asylum seekers are entitled to receive accommodation, social and welfare services, interpretation, education and a subsistence allowance.