# FINLAND
# 2008

## 1. Overview of the tax-benefit system

There exists a three-tier system of unemployment benefits: a basic benefit, earnings related benefit and a means-tested benefit. The earnings related supplement is paid to insured people only; insurance is voluntary. Housing costs are covered through a separate income tested scheme. There is a social assistance scheme which guarantees a minimum income for every inhabitant of the country. The tax unit is the individual.

### *1.1. Average worker wage (AW)*

The 2008 AW earnings level is EUR 37 372[1].

## 2. Unemployment insurance

The basic benefit and the earnings related benefit are for the purposes of this study classified as unemployment insurance. The follow-up benefit (Labour Market Support) is classified as unemployment assistance. The basic benefit is funded by the state and employees (share of employees' unemployment insurance contribution paid employees that are not members of unemployment funds). The earnings related scheme is funded by the state, employers, and employees.

### *2.1 Conditions for receipt*

Payable to any registered unemployed person, who is between 17 and 64 years old, who is available for and actively seeking full-time work. Since 2005 also employees aged 65 to 67 are entitled to allowance during lay-offs (only employees, not for entrepreneurs).

The Employment Committees that operate within the employment offices decide on a job applicant's right to an unemployment benefit in certain cases Since 2009: Employment and Economic Development Offices (former employment offices) decide right to an unemployment benefit in all cases. If the unemployed person, without a justifiable reason, refuses to take on work, which is designated by the employment office and lasts for a maximum of 5 days, this results in a 30 day waiting period. If an unemployed person refuses to take on work lasting for more than 5 days or declines to enter training that is appropriate for him/her, or if the unemployed person is personally responsible for the fact that no

[1] AW refers to the Average Wage estimated by the Centre for Tax Policy and Administration (www.oecd.org/ctp). For more information on methodology see Taxing Wages 2005-2006, OECD, 2007, part 5, sections 2 and 3.

employment agreement is made or if an unemployed person has been in the labour market for less than 6 weeks during the past 6 months without an acceptable reason, the result is a 60-day waiting period.

Unemployed persons bear the obligation of preparing for themselves, together with the employment authorities, a personal job-seeking plan. If the job applicant refuses to take part in preparing a job-seeking plan, he/she will incur a 60-day waiting period. After a job-seeking plan has been prepared, refusal to carry out the job-seeking plan also results in a 60-day waiting period.

If the unemployed person resigns from a job without an acceptable reason or is personally responsible for causing termination of the employment contract, this results in a 90-day waiting period. Repeated refusal to take on work or training and reluctance to work can cause a cessation of allowance payments. In such a case, an unemployment allowance is not granted until after three months of work or training.

### *2.1.1 Employment conditions*

43 weeks of work (minimum of 18 hours per week) in the last 28 (since 2003, still 24 months in the qualification condition for re-entry, see "return condition" below 2.4.) months.

### *2.1.2 Contribution conditions*

Earnings-related benefit: 10 months of voluntary contribution to an insurance fund preceding the claim.

## *2.2 Calculation of benefit amount*

### *2.2.1 Calculation of gross benefit*

Basic benefit: EUR 24.51/day (5 days /week).

Earnings related benefit: Basic benefit; plus 45 per cent of daily reference earnings (DRE) in excess of the basic benefit until EUR 102.60; plus 20 per cent of DRE in excess of EUR 102.60 (102.60= 90 * basic benefit / 21.5);).

In these calculations, the daily reference earnings are calculated as follows:

M = gross earnings in the reference year / 12.5 (monthly earnings are calculated here to exclude additional holiday pay included in the APW, hence the division by 12.5 instead of 12; note that in practice the 43 week period needed to fulfil the employment condition is usually used as reference period, excluding additional holiday pay).

D = M / 21.5 (21.5 working days /month)

DRE = D * 95.56 per cent (pension and unemployment insurance contributions are covered by a fixed payment set at 4.44 per cent by the Ministry of Social Affairs in order to avoid "over compensation" since these contributions are paid from wage and salary income). These contributions are not paid on benefit income. The earnings related benefit is calculated from the basic benefit excluding the child supplement. The child supplement is then added to earnings related benefit.

| Child supplement (total) | Rate (in EUR per day*) |
|---|---|

| | |
|---|---|
| 1 child | 4.64 |
| 2 children | 6.82 |
| 3 or more children | 8.79 |

* Monthly/yearly equivalents are obtained using 21.5 days per month, 12 months per year.
Note that if both parents are unemployed, both receive the basic/earnings related allowance and both receive the child supplement.

The earnings-related allowance can be a maximum of 90 per cent of the daily wage, but at least equal to the basic allowance plus any child increases (applies also to previous years, no change in rules, only addition to text).

### *2.2.2 Income and earnings disregards*

If an unemployed person begins to work part-time (including irregular work with reduced working time and full-time employment for a period not exceeding two weeks), the person is entitled to receive a so called adjusted unemployment benefit. The employee may also be entitled to adjusted unemployment benefit for some other reasons (e.g. if employer changes employment from full-time to part-time). The working hours may not exceed 75 per cent of the working hours of full-time work. The unemployment benefit is reduced by 50 per cent of gross income. The maximum amount of combined adjusted benefit (including child supplement) and income from part-time work may not exceed 90 per cent of reference earnings (100 per cent for those receiving increased earnings related allowance or allowance including re-employment supplement, see 2.5 below). Adjusted unemployment allowance can be paid for up to 36 months. Maximum provision is not applied to persons who are 59 years old or older before the 36 month maximum provision is reached (57 years if person has been born 1949 or before) (since 1.12.2003). Person is entitled to adjusted unemployment benefit even after 36 month maximum period if the entitlement is based on full-time employment for a period not exceeding two weeks (applies also to 2001-2003). Calculation of the 36 month maximum payment period is started from the beginning if the person has been in full-time employment without interruption for a minimum of six months or, after the maximum payment period, has become re-eligible under the relevant employment condition (renewal condition, see 2.4) (applies also to 2001-2003). NOTE: Due to transitional provisions 36 month maximum provision has not been applied since 1994 (situation in January 2009 transition period extended to 31.12.2009)

## *2.3 Tax treatment of benefit*

Taxable, but of social security contributions only the Health Insurance contribution is levied on the benefits.

## *2.4 Benefit duration*

Paid for at most 500 days (5 days /week; 100 weeks) after a 7-day waiting period (see also 2.5.2). If there are several separate spells of unemployment during 500 days period only one 7-day waiting period will be applied. NOTE: Combined maximum period of unemployment allowance and training allowance for unemployed persons is 565 days (only addition, applies also to previous years).

Note that since 1.1.2003 34 weeks (previously 43 weeks) of work during the 24-month period (minimum 18 hours a week) fulfils the employment condition for starting a new 500 days earnings-related period (so called “return condition”). The reference earnings are based on the most recent earnings fulfilling the employment conditions. However, the new earnings related benefit level must be at least 80 per cent of the previous benefit level if the employment condition is fulfilled before the 500 days maximum period is exhausted.

## *2.5 Treatment of particular groups*

### *2.5.1 Young persons*

None.

### *2.5.2 Older workers or workers with long careers*

An unemployment allowance can also be paid after the 500-day maximum period for older workers ("additional days rule"). As a part of an extensive pension reform the unemployment pension scheme will be gradually abolished. Therefore also "additional days rule" has been changed as from 1 January 2003; accordingly, the rules differ to persons born prior to 1950 and those born after that date (reflecting the age limits of transitional provision of unemployment pension).

Persons born prior to 1950: The old rule is observed for a person who reaches the age of 57 before the 500-day maximum period has accrued. In addition to the 500 days, the person receives an allowance up to the end of the month during which he/she reaches the age of 60. Thereafter the person can apply for an unemployment pension (not covered here).

Persons born in 1950 or thereafter: A person born in 1950 or thereafter can be paid an allowance up to the end of the month when he/she reaches the age of 65 if the person has reached the age of 59 before the 500 days have accrued. In addition, it is required that the person has been in employment with pension entitlement for at least five years during the past 20 years. Note that due to age limits these rules will not be applied before 2009.

Since 1.1.2005 persons receiving allowance after 500 days (i.e. receiving additional days) are entitled to choose old age pension at the age of 62 (pension reduced due to early retirement, pensions schemes not covered here). Those who have chosen old age pension are not entitled to unemployment benefits.

The so called redundancy pay system was discontinued at the end of 2002. Persons becoming unemployed as from 1 January 2003 can be paid an increased earnings-related allowance instead of redundancy pay.

Eligibility for an increased earnings-related allowance:

- an employment relationship that is in effect for the time being is terminated for economic and production-related reasons
- the claimant has been a member of an unemployment fund for five years
- the claimant has been in employment with pension entitlement for at least 20 years

Amount of an increased earnings-related allowance

- The increased earnings-related allowance is 55 per cent (normally 45 per cent) of the difference between daily wages (DRE) and the basic allowance. If daily wages (DRE)

exceeds upper income limit (90 * basic benefit / 21.5) the increased earnings-related allowance declines to 32.5 per cent (normally 20 per cent) for the part in excess. I.e. the difference in compensation formula are these two percentages (formula: see 2.2.1 above)

- The rule in determining a normal earnings-related unemployment allowance, which says that the earnings-related allowance can be a maximum of 90 per cent of daily wages, does not apply to an increased earnings-related allowance. The increased allowance can be a maximum of the full daily wage (DRE) but nevertheless equal to the basic allowance plus any child increases

An increased earnings-related allowance can be paid for 150 days. 150 days maximum period is not applied for training allowance days (only addition, applies also to previous years). The period of unemployment need not continue without interruption, but there may be periods of employment in between. If there are so many periods of employment that a new employment condition is fulfilled, the days entitling to an increased earnings-related allowance are paid from the unemployment allowance calculated on the basis of the new wage or salary income.

Since 1.7.2005 also recipients of basic allowance may be entitled to increased allowance. The increase is EUR 4.21 per day (5 days per week). The eligibility criteria for an increased basic allowance:

- an employment relationship that is in effect for the time being is terminated for economic and production-related reasons
- the claimant has been in employment with pension entitlement for at least 20 years

### *2.5.3 Entrepreneurs*

Unemployment benefits are also payable to entrepreneurs fulfilling conditions for receipt (including conditions for discontinuation of business activity). As with employees entrepreneurs have to members of unemployment funds in order to be entitled to earnings related benefit. The are separate unemployment funds for entrepreneurs. The earnings related scheme for entrepreneurs is funded by the state and insured (entrepreneurs).

### *2.5.4 Other groups*

Since 1.7.2005 unemployed persons whose employment contract has been terminated for production-related or economic reasons and who fulfil other qualifying conditions are entitled to re-employment programme supplement to the unemployment benefit. The conditions for receiving a re-employment programme supplement are that: a re-employment programme has been drawn up, the job seeker has been in employment for at least three years (as stated in the conditions for qualifying for the re-employment programme); the job seeker has fulfilled the employment condition under the Employment Security Act (see 2.1.1 and 2.4). Re-employment programme supplement can be paid for voluntary job-seeking, a work try-out, training connected with job-seeking and adult education within active labour market policy programmes to a total maximum of 185 days within a maximum period of 500 days (the period can contain a maximum of 20 days of voluntary job-seeking). The earnings-related allowance including re-employment supplement is calculated using higher replacement rates than normally: 65 percent instead of 45 percent and 37.5 percent instead of 20 percent (compare 2.2.1). As with increased earnings related allowance (see 2.5.2) the allowance including re-employment supplement can be a maximum of the full daily wage (DRE) In basic benefit the re-employment supplement is EUR 4.21 per

day (5 days per week). Note that with very low earnings the re-employment supplement of earnings-related allowance may thus be smaller than in the basic allowance.

## 3. Unemployment assistance

Labour Market Support (LMS) is aimed at promoting first time entrants and recipients' re-entry to the labour market.

### *3.1 Conditions for receipt*

Payable to any registered unemployed person, who is between 17 and 64 years old, who is available for and actively seeking work. Since 2005 also persons aged 65 to 67 are entitled to allowance during lay-offs.

See 2.1. for conditions for unemployed job-seekers generally ("voluntary" job loss, refusal to take on work designated by the employment office etc.).

### *3.2 Calculation of benefit amount*

#### *3.2.1 Calculation of gross benefit*

The maximum Labour Market Support benefit is equal to the basic unemployment allowance (see Section 2.2.1; since 2002 the child supplements are the same as well).

#### *3.2.2 Income and earnings disregards*

The income test is suppressed:

- During the first 180 days for persons who have previously received the unemployment allowance for the maximum period allowed (500 days).
- For unemployment allowance recipients aged 55 or more, who at the time they became employed satisfied the employment condition (43 weeks of employment during preceding 28 (since 2003) months).
- During any period in which the recipient participates in measures supporting his/her integration into the labour market that have been arranged by an employment authority.

The income-test is applied to the combined monthly gross income of the recipient and the partner; the latter's income is excluded until EUR 536 per month. The disregarded amount equals EUR 848 per month for a couples and lone-parents or EUR 253 per month for a single plus EUR 106 per month for each dependent child. The LMS benefit is reduced by 50 per cent of the gross income exceeding the disregard, e.g. child allowance, home care allowance, maintenance support and housing allowance are disregarded from the income test. For single person the LMS benefit is reduced by 75 per cent of the gross income exceeding the disregard.

Example of an unemployed person with spouse (earnings EUR 1 736/month) and two dependent children:

| | |
|---|---|
| Spouse's income in income-test | 1 736– 536 = EUR 1 200 /month |
| Disregard | 848 + 2*106 = EUR 1 060 /month |

| | |
|---|---|
| Income exceeding disregard | 1 200 – 1 060 = EUR 140 /month |
| Reduction of LMS | 50%*140 = EUR 70 /month = EUR 70/21.5 per day = EUR 3.26 /day |

Example of for a single person with additional income EUR 500 / month (e.g. capital income):

| | |
|---|---|
| Disregard | EUR 253 /month |
| Income exceeding disregard | 500 – 253 = EUR 247 /month |
| Reduction of LMS | 75%* 247 = EUR 172.9 /month = EUR 172.9/21.5 per day = EUR 8.04 /day |

If a recipient of LMS begins to work part-time (including irregular work with reduced working time), the LMS recipient is also entitled to the adjusted LMS. The rules are same as in earnings related unemployment benefit (see section 2.2.2). Note that both the income-test of adjusted benefit due to earnings from part-time work and the usual income-test above are carried out. First the amount of LMS after usual income-test is calculated as in the above examples. Then, the calculated amount of LMS is reduced by earnings from part-time work according to rules of adjusted LMS. Earnings from part-time work are not included in the income-test.

### *3.3 Tax treatment of benefit*

Taxable, but of social security contributions only the Health Insurance contributions are levied on the benefits.

### *3.4 Benefit duration*

Unlimited. There is a five-day waiting period for all recipients of benefits. First-time entrants to the labour market must complete a 5-month waiting period (unless they have recently graduated from a vocationally oriented educational institute).

### *3.5 Treatment of particular groups*

#### *3.5.1 Young persons*

Partial labour market support: For first time entrants to the labour market who live with their parents the labour market is reduced. Since 1.7.2003 the reduction depend on income of parents. If parental income exceeds EUR 1781 per month, the labour market subsidy payable is reduced by 50% of the excess. However, partial labour market support is at least 50 per cent of the amount that recipient would have received without any reduction due to parents income (e.g. at least 50 per cent of the amount that recipient would have received after adjustment for own income from part-time work). The EUR 1781 disregard is increased by EUR 106 per month for each dependent child that parents have (aged 0-17).

A person aged 17-24 may not decline a job or training offer or choose not to apply for vocational training.

#### *3.5.2 Older workers*

Means-testing for previous unemployment allowance recipients aged 55 or more has been suppressed (see section 3.2.2.).

## 4. Social assistance

Social assistance allowance is a residual social benefit which acts as a final safety-net. Since 1.1.2008 there has been single nation-wide basic standard (basic amount, see below). Previously there were two municipality categories.

### *4.1 Conditions for receipt*

It is paid conditional on passing a means test. The need for social assistance is estimated each time case by case. For a person or a family that applies for social assistance a calculation is made of their income and expenditure entitling to social assistance. Expenditure that gives entitlement to social assistance consists of a basic amount plus an additional amount to cover outgoings which are assessed separately. If this combined amount is higher than the family's net income, the difference is paid in the form of social assistance. The basic amount is designed to cover the costs of food, clothes, hygiene, transport, information (newspaper, telephone, TV licence) and minor, everyday health care costs. Housing costs that are considered as reasonable are covered by additional allowance (7 per cent deductible was abolished 1.9.2006). I.e. reasonable housing costs are covered fully by additional allowance. Other expenditure items that are covered by additional allowance are home insurance, home electricity, (applies also to previous years, only clarification) children's day care fees and larger health care costs (pharmaceuticals, fees of health centres, doctors or dentists, cost of spectacles).

Since 2006 expenses entitling to additional allowance are divided to "other basic expenses" (not covered by basic amount) and to expenses entitling to "supplementary social assistance" The "other basic expenses" include housing costs, home insurance, home electricity and larger health care costs. Expenses entitling to "supplementary social assistance" include e.g. children's day care fees. This division is mainly for funding of social assistance. The central government grant to municipalities is 50 per cent of the expenditure on basic expenses of social assistance (i.e. basic amount + "other basic expenses"). "Supplementary social assistance" is covered by general central government grants to municipalities for social and health care. These general grants are calculatory and are not based on actual expenditure of individual municipality.

Usually all income is included into the means test (see 4.2.2). Taxes are deducted from the gross income. Assets are also included into the means test. There is no asset threshold, but a small part of savings may be disregarded in order to enhance the self-sufficient living of families. Some assets are also excluded from the means test. These include housing if occupied by recipients, furniture, tools for work or studies, etc. The possibility to realise property/assets should also be considered in the means test.

In most cases household receiving social assistance have other income sources during recipiency period and social assistance is paid to top-up other benefits. In November 2007 only 6.6 per cent had no other income. 40.8 per cent had received labour market support and 67.0 per cent had received housing allowance.

### *4.2 Calculation of benefit amount*

#### *4.2.1 Calculation of gross benefit*

Basic amounts:

| Family size | Rate ((in EUR per month) | Per cent of single rate |
|---|---|---|
| Single/Lone parent | 399.10 | 100 |

| | | |
|---|---|---|
| Couple (per person) | 339.24 | 85 |
| Allowance per child | | |
| Child over 18* | 291.34 | 73 |
| Child 10-17 | 279.37 | 70 |
| Child under 10 | 251.43 | 63 |

* Children aged 18 or over, living with their parents constitute their own household when social assistance is calculated (separate means test).

If there is more than one child (0 – 17) in families the rates will be reduced. The rate of the second child will be 5 percentage points lower (e.g. 70 –> 65 per cent or 63 –> 58 per cent of single rate) the rate of the third and subsequent child will be 10 percentage points lower (e.g. 70 –> 60 or 63 -> 53).

In addition to these basic amounts for "everyday living costs", additional social assistance is granted to cover reasonable housing costs or other costs (such as health care, work-related expenses). See above.

The amount of social assistance may be reduced by 20 per cent if person refuses to accept a work offer or do not participate in training or certain other activating measures. If refusal is recurrent social assistance may be reduced by 40 per cent. If social assistance is reduced authorities must, if possible, in co-operation with the recipient, to devise a plan to enhance "self-sufficient living of the recipient". (Applies also to previous years, no change in rules, only addition to text).

For the purpose of this study, SA is calculated as the basic amount plus the rent (until 31.8.2006 the basic amount plus 93 per cent of the rent). That part of the rent that exceeds the upper limit for reasonable housing costs in social assistance is not covered (NOTE: Change in methodology). The municipalities can use their own discretion in setting the upper limit for reasonable housing costs in social assistance. Social assistance covers often higher housing costs than housing allowances (*i.e.* social assistance has higher maximum amount). In calculations (non-binding) guidelines used by the city of Helsinki have been used (see appendix 2, NOTE: Change in methodology).). Guidelines are only general and in some cases even higher cost may be covered. Note that upper limits presented in appendix 2 apply only to rent. Reasonable utily charges (e.g. water), household electricity and home insurance will be covered separately. The limits of reasonable housing costs covered by social assistance are generally higher in Helsinki and in other municipalities of capital area than in other parts of Finland. Using guidelines of Helsinki will thus give more generous picture of social assistance than using guidelines of some other municipality (cf. assumptions of housing allowance below).

To calculate the final SA benefit amount, the procedure is comparing the net income from all other sources to this level. If it is above it there is no right to social assistance. If it is below the level then the actual social assistance that is payable is the difference between the social assistance level and the net income from all other sources (including regular housing benefits).

Social assistance can be paid to supplement (top-up) other benefits and other income sources (e.g wage and salary). Most of the recipient households of social assistance have other income sources which social assistance "tops-up". One typical top-up case is single long-term unemployed receiving labour market support (net of taxes), housing allowance and social assistance

### *4.2.2 Income and earnings disregards*

Social assistance: Since April 2005 is 20 per cent of net earnings up to the maximum amount EUR 150 (/month /family) will be excluded from the income-testing. The law will be in force until

31 December 2009. Otherwise no disregards: All earnings from paid work and all social/family benefits included in this chapter reduce the maximum benefit. Municipalities may disregard some earnings if they are considered to promote the independence of the recipient.

Following cash benefits are disregarded from income-testing:

Disability allowance

Child disability allowance

Pensioner's care allowance

Maternity grant

Maintenance allowance paid during the labour market training, rehabilitation or rehabilitating work experience. Maintenance allowance is paid as a reimbursement for the extra meal, travel and accommodation expenses incurred in the training or rehabilitation.

### *4.3 Tax treatment of benefit*

Not taxable.

### *4.4 Benefit duration*

As long as the means-test is satisfied.

### *4.5 Treatment of particular groups*

#### *4.5.1 Young persons*

See section 4.2.1.

#### *4.5.2 Older workers*

None.

## 5. Housing benefits

There are three income-tested schemes:

- A general housing allowance available to families, couples and single people of limited means.
- A housing allowance for pensioners (not considered).
- An allowance scheme for students (not considered).

### *5.1 Conditions for receipt*

Income-tested.

Eligibility for the housing allowance is reviewed once a year. Special eligibility reviews are conducted in the following events:

- the household's regular monthly income increases by €300 (€160 in 2002-2004) or decreases by €160 a month or more, or monthly housing costs change by €50 or more)
- the household moves
- the number of household members changes
- ownership of the dwelling changes
- a subtenant moves in or out
- a member of the household becomes eligible for the student's housing supplement or becomes ineligible for the general housing allowance
- a member of the household becomes eligible for the pensioners' housing allowance.
- The special review is conducted at the beginning of the month following a change in circumstances. The regular annual review will then be conducted one year after the special review.

Since 1.3.2006 the income test (income review) due to an increase in income has been suppressed for three months for re-employed persons who have been receiving labour market support or basic unemployment allowance continuously for 12 months or more.

## *5.2 Calculation of benefit amount*

### *5.2.1 Calculation of gross benefit*

The housing benefit is limited to certain income bands that vary with the number of persons in the household and with the geographical location. The general housing allowance is 80 per cent of the difference between the rent and a so-called "deductible amount". The deductible amount is determined by the family type and the geographical location and increases with small steps as gross income increases (there are several income brackets for each family type and area). The incomes are rounded to the nearest full euro before the income test. The 2008 deductible amounts for Helsinki (I municipality group since 2002) and Espoo, Kauniainen and Vantaa (together II municipality group since 2002) are presented in appendix 1.

In housing allowance only full euros of income are finally taken into account in the income-test. E.g. if total household income from all income sources included in the income-test is € 1065.79 then only € 1065 is taken into account in income-test.

There are upper limits for the rents (housing costs) that are covered by the housing costs. In some areas these limits may in practice be below the market rate.

The calculation of maximum housing costs is rather complicated. There is a maximum area of the dwelling for each household size:

| Persons | Maximum area, $m^2$ |
|---|---|
| 1 | 37 |
| 2 | 57 |
| 3 | 77 |
| 4 | 90 |
| 5 | 105 |
| 6 | 115 |
| 7 | 125 |
| 8 | 135 |

Then there are limits for maximum housing costs per $m^2$. These limits depend on the municipality group, age and size of the dwelling and for some other criterion that are not important here. Below are the limits for the Helsinki (first municipality group since 2002).

**Maximum housing costs per m2 in 2008, Helsinki (I municipality group)**

| Size of dwelling, m2 | Age of dwelling | | |
|---|---|---|---|
| | –1985 | 1986–95 | 1996– |
| –25,9 | 12.08 | 12.91 | 13.41 |
| 26–30,9 | 11.24 | 12.06 | 12.57 |
| 31–35,9 | 10.4 | 11.22 | 11.73 |
| 36–45,9 | 9.63 | 10.74 | 11.24 |
| 46–60,9 | 9.16 | 10.43 | 10.94 |
| 61–80,9 | 8.92 | 10 | 10.5 |
| 81– | 8.84 | 9.91 | 10.42 |

Example: the assumption concerning housing costs is that they are 20 per cent of the AW for all family types. For Finland 2008 this is equivalent of housing cost of EUR 609.78 per month (= 20% * 36 587/ 12). For a single person living in a $35m^2$ dwelling in Helsinki, in a house which was built in 2000, the maximum amount is 35 * 11.73 = EUR 410.55, which is clearly below EUR 609.78. Result: the costs above 410.55 are ignored when the housing allowance is calculated.

For the purpose of this study the table below is used to calculate the maximum housing cost:

**Maximum housing cost per month**

| Number of persons in the household | Maximum housing cost |
|---|---|
| 1 | 35*11.73 |
| 2 | 55* 10.94 |
| 3 | 75*10.50 |
| 4 | 85* 10.42 |
| 5 | 100* 10.42 |
| 6 | 110* 10.42 |

### *5.2.2 Income and earnings disregards*

There is a special EUR 90 per month disregard for lone parents with one child. If there are more than eight person in a household EUR 260 is deducted from the monthly gross income for each person above eight person (applies also to previous years, no change in rules, only addition to text). Earnings, unemployment benefits and home care allowance are taken into the income-test; child allowance and maintenance support are disregarded. 15 per cent of the assets above certain thresholds are considered as income. This amount is divided by 12 to get monthly income. The thresholds vary with family size.

### *5.3 Tax treatment of benefit*

Not taxable.

### *5.4 Treatment of particular groups*

Students and pensioners have special housing allowances.

### *5.5 Eligibility review (addition; applies also to previous years)*

Eligibility for the housing allowance is reviewed once a year. Special eligibility reviews are conducted in the following events:

- the household's regular monthly income increases by €300 (€160 in 2002-2004) or decreases by €160 a month or more, or monthly housing costs change by €50 or more)
- the household moves
- the number of household members changes
- ownership of the dwelling changes
- a subtenant moves in or out
- a member of the household becomes eligible for the student's housing supplement or becomes ineligible for the general housing allowance
- a member of the household becomes eligible for the pensioners' housing allowance.
- The special review is conducted at the beginning of the month following a change in circumstances. The regular annual review will then be conducted one year after the special review.

Since 1.3.2006 the income test (income review) due to an increase in income has been suppressed for three months for re-employed persons who have been receiving labour market support or basic unemployment allowance continuously for 12 months or more.

## 6. Family benefits

### *6.1 Conditions for receipt*

To have a dependent child under 17 years old.

### *6.2 Calculation of benefit amount*

#### *6.2.1 Calculation of gross benefit*

| Rates of child allowance | |
|---|---|
| | Rate per child (in EUR per month) |
| 1st child | 100.00 |
| 2nd child | 110.50 |
| 3rd child | 131.00 |
| 4th child | 151.50 |
| 5th and subsequent | 172.00 |

#### *6.2.2 Income and earnings disregards*

Universal, not means-tested.

### *6.3 Tax treatment of benefit*

Not taxable.

### *6.4 Treatment of particular groups*

#### *6.4.1 Young persons*

#### *6.4.2 Older workers*

#### *6.4.3 Others if applicable*

Lone parents: Additional allowance of EUR 46.60 per child per month.

## 7. Childcare for pre-school children

Parents can choose to place their child in a day-care centre run by the municipality, look after the child themselves with the help of the child home care allowance, or choose the private day care allowance and arrange for child care privately. Public day care is available to all children under school age (7 years old) after the parenthood period of parents. Even older children who for some specific reason (e.g. health) are exempt from school are entitled to public day care. Public day care may be organized through day care centres or as municipal family day care

Child care arrangements vary considerably according to the age of the child In 2007 35.4 per cent of 1-2 year old children were in fulltime municipal day care (1.3 per cent in part-time care). 56.9 per cent 3-5 year old children were in fulltime municipal day care (4.4 per cent in part-time care). Majority of children in day care use municipal day care (municipal day care centre or municipal family day care). The demand for day care for six-year-olds has diminished as almost all six-year-olds attend pre-school. The official

compulsory school age is 7 years. Even those children who attend pre-school are entitled to part-time day care.

Day care fees cover only a small part of the total costs of municipal day care (about 15% in year 2006).

### *7.1 Out-of-pocket childcare fees paid by parents*

Rules presented below were applied until 31.7. New rules were introduced 1.8.2008

The public day care fees are income related; the higher the family income, the higher the fee. The fee is a portion (percentage value) of the family income exceeding the income limit until the maximum amount is reached. These limits and percentages are different for each family type (3 different size categories). When the family type is determined only children entitled to day care are included with maximum of two children (i.e. children under school age after the parenthood period of parents irrespective of their actual use of day care). If there are other children aged 0-17 than those who have been included when the family size is determined, EUR 89 /month /additional child will be deducted from the gross income before income-test.

Example 1: A couple with 2, 4, 6 and 10 year-old children, family size is 4 (2 adults + max 2 children entitled to day care) so there will be 2 * EUR 89 deduction from the gross income before income-test.

Example 2: A single parent with 4 and 8 year-old children, family size is 2 (1 adult + 1 child entitled to day care) so there will be 1 * EUR 89 deduction from the gross income before income-test

All the amounts in the following table are monthly:

**The grounds for public day care fees**

| Family size (parents + children<7*, max 2) | Income limit (in EUR per month) | Per cent of income exceeding income limit |
|---|---|---|
| 2 | 918 | 11.5 |
| 3 | 1 132 | 9.4 |
| 4 | 1 344 | 7.9 |

* See text above for precise definition

If there are more than two children in the same family in the public day care, the fees of the third and subsequent children are 20 per cent of the fee for the first child. The maximum fee for the first (the youngest) child is EUR 200 /child /month. For the second child the maximum fee is EUR 180 /child /month. If the day care fee of a child amounts to less than EUR 18 it is not paid.

Example: A couple with three children all in day care. Gross income EUR 4217.81 /month. Family type is 4 => (4217.81 – 89 – 1344) * 7.9 % = 220. Fee for the first child : min(220,200)=200 €/month. Fee for the second child: min(220,180)=180 €/month. Fee for third child: 20% * 200 = 40 €/month

If the child is in the day care for five hours or less per day then the day care is classified as part-time care and fees should be adjusted accordingly. There are no strict rules for this, but 60 percent of the fee for the full-time care is the current estimate of the average adjustment. The fee for the third and subsequent child are calculated in relation to the full-time equivalent fee of the first child even if the first child only uses part-time care.

Income definition in the income-test of the day care: All income (gross) except certain benefits and grants. Of the benefits that are disregarded child allowance, home care allowance, housing allowance and social assistance are relevant here. If family pays maintenance payment to other household this is deducted from the income. Note that both maintenance support and received maintenance payment are included in income.

## *7.2 Child-care benefits*

### *7.2.1 Conditions for receipt*

For families with children under three years old who do not use public day care, there is a home care allowance, which includes a care allowance and a care supplement. In addition to the home care allowance, there is private day care allowance for those who use private day care for children under 7 years old and do not receive home care allowance for any children in the family.

### *7.2.2 Calculation of benefit amount*

The home care allowance is EUR 294.28 per month for the first child under three years old, EUR 94.09 per month for other children under three years old and EUR 60.46 per month for children between three and six years old (i.e. under school age). Home care supplement is income-tested. The maximum amount is EUR 168.19 per month and it is payable for only one child. The family definition is the same as in public day care (income limits and reduction rate see table below ). The home care supplement decreases as the income exceeding income limit increases. There is no similar income disregard for additional children as with day care fees. Otherwise the definition of income is similar with day care fees with same benefits disregarded.

**The home care allowance supplement**

| Family size (parents + children<7, max 2) | Income limit (in EUR per month) | Reduction of care supplement, per cent of income exceeding income limit |
|---|---|---|
| 2 | 1 160 | 11.5 |
| 3 | 1 430 | 9.4 |
| 4 | 1 700 | 7.9 |

The rates and rules of private day care allowance are somewhat different from home care allowance. The private day care allowance consists of a basic allowance and an income-tested supplement, which both are paid for each eligible child. The basic allowance is EUR 137.33 /child /month and the supplement is EUR 134.55 /child /month. Note that unlike in home care allowance the supplement is paid for each child entitled to private day care allowance. The income criteria and limits are the same as those that apply to home care allowance care supplement. The allowance is paid at 50 per cent of its normal rate if the child is in pre-primary education organized by the local authorities or starts school at age 6. The private day care allowance is paid directly to service provider and is also taxed as the income of the service provider. The allowance is not paid if a relative or some other individual looks after the child without a

formal employment contract or charges no fee for his/her services. However, if the child is under three years old, the parents can apply for child home care allowance.

Some municipalities, especially in the metropolitan area, pay additional supplements to home care and private day care allowances. The rates and eligibility rules vary.

*7.2.2 Income and earnings disregards*

In home care allowance and private day care allowance there are no similar income disregards for additional children as with day care fees. Otherwise the definition of income is similar with day care fees with same benefits disregarded.

### *7.3 Tax treatment of benefit and interaction with other benefits*

Home-care allowance is taxable income. The private day care allowance is taxed as the income of the provider of the day care services. If the recipient of home care allowance is not personally taking care of the child and the spouse receives unemployment benefit the home care allowance is deducted from the unemployment benefit. If the recipient of home care allowance is personally taking care of the child the allowance is not deducted from the spouses unemployment benefit.

### *7.4 Benefit duration*

As long as the conditions are satisfied.

### *7.5 Treatment of particular groups*

See 11 for partial care allowance.

The care of a disabled or chronically ill child can involve additional expense and often requires families to make special arrangements. To support care at home, eligible children who are aged 16 or less and live in Finland are entitled to child disability allowance. The allowance is paid without regard to the parents' or the child's income or assets. It is free from tax and payable at three rates depending on the need of care and rehabilitation and the economic burden related to this (Applies also to 2001, 2002 and 2003). In to 2008 the rates were EUR 81.83, 190.94 and 370.24 month.

Special care allowance is payable to parents who take part in treatment or rehabilitation arranged for their child. Special care allowance is generally payable only for maximum of 60 days for per child in a calendar year. (Applies also to 2001, 2002 and 2003)

## 8. Employment-conditional benefits

Low income earners in Finland are eligible for an earned income allowance. See section 10.1.2.

## 9. Lone-parent benefits

Lone parents receive an additional supplement to child allowance (EUR 46.60 /child /month see section 6). Also a child receives maintenance support when the person liable to pay maintenance payment neglects this duty. A child is entitled to maintenance support even when the paternity has not been confirmed. The maintenance support is EUR 129.91 /child /month in 2008. Since 1999 the rate has been the same also for remarried providers. There is no means-test. The maintenance support is not taxable.

*Note:* Lone parents receive maintenance support (EUR 129.91 /child /month).

## 10. Tax system

It consists of a central government tax, a local government tax and social security contributions.

### *10.1 Personal Income Tax Systems*

#### *10.1.1. Central government income taxes*

*Tax unit*

Spouses are taxed separately for earned income.

*Standard tax allowances*

Standard tax allowances.

- Work-related expenses: a standard deduction for work-related expenses equal to the amount of wage or salary, with a maximum amount of EUR 620 is granted.

*Rate schedule*

Central government income tax.

| Taxable income (EUR ) | Tax on lower limit (EUR ) | Tax on excess income in bracket (%) |
|---|---|---|
| 12 600-20 800 | 8 | 8,5 |
| 20 800-34 000 | 705 | 19 |
| 34 000-62 000 | 3 213 | 23,5 |
| 62 000 and more | 9 793 | 31,5 |

*Tax credit*

An earned income tax credit is granted against the central government income tax. The credit is calculated on the basis of taxpayers' income from work (income from work= wages and salaries and non-capital entrepreneurial income). The credit amounts to 3.6 per cent of income exceeding EUR 2 500, until it reaches its maximum of EUR 400. The amount of the credit is reduced by 0.9 per cent of the earned income minus work related expenses exceeding EUR 33 000 (earned income = non-capital income including also pensions, daily allowances). The credit is fully phased out when taxpayers' income is about EUR 78 000.

If the amount of credit is higher than central government income tax the rest of the credit can be credited against local income tax, church tax and health insurance contribution for medical care insurance.

### *10.1.2. Local income tax*

*Tax base and tax rates*

The tax base of the local income tax is taxable income as established for the income tax levied by central government.

Municipal tax is levied at flat rates. In 2008 the tax rate varies between 16.00 and 21.00 per cent, the average rate being approximately 18.55 per cent.

Municipal tax is not deductible against central government taxes. Work-related expenses and other non-standard deductions are deductible, as for purposes of the central government income tax.

*Allowances in municipal income taxation*

- An earned income allowance is calculated on the basis of taxpayer's income from work (income from work= wages and salaries and non-capital entrepreneurial income). The allowance amounts to 51 per cent of income between EUR 2 500 and EUR 7 230, and 28 per cent of the income exceeding EUR 7 230, until it reaches its maximum of EUR 3 570. The amount of the allowance is reduced by 4.5 per cent of the earned income minus work related expenses exceeding EUR 14 000 (earned income = non-capital income including also pensions, daily allowances).
- A basic allowance is granted on the basis of taxable income remaining after the other allowances have been subtracted. The maximum amount, EUR 1 480, is reduced by 20 per cent of the income exceeding EUR 1 480.

## *10.2. Compulsory Social Security Contributions to Schemes Operated within the Government Sector*

### *10.2.1. Employees' contributions*

*Rate and ceiling*

The financing of the National Health Insurance underwent a major change on 1 January 2006 with the splitting up of the scheme into two components: earned income insurance and medical care insurance.

The contribution base of the earned income contribution for health insurance (for daily allowance) is gross earnings. In 2008 the rate is 0.67 per cent of gross wage (different rules for entrepreneurial income). This contribution is deductible in taxation (cf. employees' pension insurance and unemployment insurance contributions below).

The tax base for the health insurance contribution for medical care insurance is net taxable income for municipal income tax purposes. In 2008, the rate of the health insurance contribution for medical care insurance is 1.24 per cent. There is additional 0.17 per cent contribution for those incomes that earned income contribution for health insurance is not payable (e.g. pensions, daily allowances). The income base for additional contribution is the difference between taxable income for municipal income tax purposes and earnings for earned income contribution for health insurance (i.e. gross wage here). If earnings for earned income contribution for health insurance are higher than taxable income for municipal income tax purposes then there is no additional contribution.

.

There are also an employees' pension insurance contribution and an employees' unemployment insurance contribution. Employees' pension insurance contribution which amounts to 4.10 per cent of gross salary for those who are under 53 years old (- 52) and 5.20 per cent for those who are 53 years old or more (53+). Employees' unemployment insurance contribution equals to 0.34 per cent of gross salary. These contributions are deductible for income tax purposes.

## 11. Part-time work

### *11.1 Special benefit rules for part-time work*

See section 2.2.2 (adjusted unemployment benefit).

Children younger than 3 give entitlement to partial Care Allowance if the parent is working less than 30 hours per week while looking after their child. The allowance amounts to EUR 70.00 per month. The partial allowance is taxable income. Since 1.8.2004 also parents of first- and second-graders (usually 7-8 years old) are entitled to partial Care Allowance.

### *11.2 Special tax and social security contribution rules for part-time work*

None.

## 12. Policy developments

### *12.1 Policy changes introduced during the previous year*

The rules for public day care fees were revised 1.8.2008.

### *12.2 Policy changes announced*[2]

Changes introduced 1.1.2009: The child allowances were increased by 10 €/child/month from third child onwards. Home care allowance and private care allowance were increased. Both minimum sickness allowance and minimum parental allowance were increased. Their monthly amounts are now equal to basic unemployment benefit.

Government has agreed with labour market organisations on some improvements of earnings-related unemployment benefit. The income bracket with higher replacement rate will be somewhat extended (105 times basic allowance, currently 90 times, see 2.2.). The employment condition for earnings related benefit will be shortened to 8 months. Benefit rules of earnings related benefit during "active periods" will be improved (level of increased benefit, length of increased benefit during activation). Changes will be introduced 1.7.2009 and 1.1.2009.

2. The changes of benefit rules presented here may not have been ratified and their reading in Parliament may be unfinished or not even started.

Administrative regulations concerning payment of benefits from unemployment funds will be eased from 1.7.2009 in order to shorten long waiting periods (advance payment of unemployment benefits).

Child allowance and home care allowance will from 1.3.2011 be adjusted according to changes in consumer prices (index-linkage). This index-linkage will also be extended some other daily allowances (sickness, parenthood, benefits not covered here).

New minimum pension benefit will be introduced 1.3.2011 (pensions are not covered here).

## Appendix 1. Housing Allowances Deductibles

***The 2008 deductible amounts of housing allowance for Helsinki (I municipality group) and Espoo, Kauniainen and Vantaa (together II municipality group)***

| | Household size | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Upper limit of the income bracket, EUR/month | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8+ |
| 540 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 555 | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 570 | 26 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 585 | 36 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 600 | 46 | 13 | 0 | 0 | 0 | 0 | 0 | 0 |
| 615 | 58 | 24 | 0 | 0 | 0 | 0 | 0 | 0 |
| 630 | 64 | 35 | 0 | 0 | 0 | 0 | 0 | 0 |
| 645 | 69 | 40 | 0 | 0 | 0 | 0 | 0 | 0 |
| 660 | 75 | 45 | 0 | 0 | 0 | 0 | 0 | 0 |
| 675 | 81 | 51 | 0 | 0 | 0 | 0 | 0 | 0 |
| 690 | 86 | 56 | 0 | 0 | 0 | 0 | 0 | 0 |
| 705 | 92 | 61 | 0 | 0 | 0 | 0 | 0 | 0 |
| 720 | 98 | 67 | 0 | 0 | 0 | 0 | 0 | 0 |
| 735 | 104 | 72 | 0 | 0 | 0 | 0 | 0 | 0 |
| 750 | 109 | 77 | 13 | 0 | 0 | 0 | 0 | 0 |
| 765 | 115 | 83 | 23 | 0 | 0 | 0 | 0 | 0 |
| 780 | 121 | 88 | 33 | 0 | 0 | 0 | 0 | 0 |
| 795 | 126 | 94 | 38 | 0 | 0 | 0 | 0 | 0 |
| 810 | 132 | 99 | 42 | 0 | 0 | 0 | 0 | 0 |
| 825 | 138 | 104 | 47 | 0 | 0 | 0 | 0 | 0 |
| 840 | 144 | 110 | 52 | 0 | 0 | 0 | 0 | 0 |
| 855 | 149 | 115 | 56 | 0 | 0 | 0 | 0 | 0 |
| 870 | 155 | 120 | 61 | 13 | 0 | 0 | 0 | 0 |
| 885 | 161 | 126 | 66 | 22 | 0 | 0 | 0 | 0 |
| 900 | 167 | 131 | 70 | 27 | 0 | 0 | 0 | 0 |
| 915 | 172 | 137 | 75 | 31 | 0 | 0 | 0 | 0 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 930 | 178 | 142 | 80 | 36 | 0 | 0 | 0 | 0 |
| 945 | 184 | 148 | 84 | 40 | 0 | 0 | 0 | 0 |
| 960 | 189 | 153 | 89 | 45 | 0 | 0 | 0 | 0 |
| 975 | 195 | 159 | 94 | 50 | 0 | 0 | 0 | 0 |
| 990 | 201 | 164 | 98 | 54 | 0 | 0 | 0 | 0 |
| 1005 | 207 | 170 | 103 | 59 | 0 | 0 | 0 | 0 |
| 1020 | 212 | 176 | 108 | 63 | 0 | 0 | 0 | 0 |
| 1035 | 218 | 181 | 113 | 68 | 0 | 0 | 0 | 0 |
| 1050 | 224 | 187 | 117 | 72 | 13 | 0 | 0 | 0 |
| 1065 | 229 | 193 | 122 | 77 | 22 | 0 | 0 | 0 |
| 1080 | 235 | 198 | 127 | 81 | 26 | 0 | 0 | 0 |
| 1095 | 241 | 204 | 131 | 86 | 30 | 0 | 0 | 0 |
| 1110 | 247 | 210 | 136 | 91 | 35 | 0 | 0 | 0 |
| 1125 | 252 | 216 | 141 | 95 | 39 | 0 | 0 | 0 |
| 1140 | 258 | 221 | 145 | 100 | 43 | 0 | 0 | 0 |
| 1155 | 264 | 227 | 150 | 104 | 48 | 0 | 0 | 0 |
| 1170 | 269 | 233 | 155 | 109 | 52 | 0 | 0 | 0 |
| 1185 | 275 | 239 | 159 | 113 | 56 | 0 | 0 | 0 |
| 1200 | 281 | 244 | 164 | 118 | 61 | 0 | 0 | 0 |
| 1215 | 287 | 250 | 169 | 122 | 65 | 0 | 0 | 0 |
| 1230 | 292 | 256 | 174 | 127 | 69 | 0 | 0 | 0 |
| 1245 | 298 | 262 | 179 | 132 | 74 | 0 | 0 | 0 |
| 1260 | no HA | 268 | 184 | 136 | 78 | 13 | 0 | 0 |
| 1275 | no HA | 273 | 189 | 141 | 82 | 24 | 0 | 0 |
| 1290 | no HA | 279 | 194 | 145 | 87 | 28 | 0 | 0 |
| 1305 | no HA | 285 | 200 | 150 | 91 | 32 | 0 | 0 |
| 1320 | no HA | 291 | 205 | 154 | 95 | 36 | 0 | 0 |
| 1335 | no HA | 297 | 210 | 160 | 100 | 41 | 0 | 0 |
| 1350 | no HA | 303 | 215 | 165 | 104 | 45 | 0 | 0 |
| 1365 | no HA | 309 | 220 | 170 | 108 | 49 | 0 | 0 |
| 1380 | no HA | 315 | 225 | 176 | 113 | 53 | 0 | 0 |
| 1395 | no HA | 321 | 231 | 181 | 117 | 57 | 0 | 0 |
| 1410 | no HA | 327 | 236 | 186 | 121 | 61 | 0 | 0 |
| 1425 | no HA | 333 | 242 | 192 | 126 | 66 | 0 | 0 |
| 1440 | no HA | 338 | 248 | 197 | 130 | 70 | 13 | 0 |
| 1455 | no HA | 345 | 253 | 202 | 134 | 74 | 21 | 0 |
| 1470 | no HA | 352 | 259 | 208 | 139 | 78 | 30 | 0 |
| 1485 | no HA | 358 | 265 | 213 | 143 | 82 | 34 | 0 |
| 1500 | no HA | 365 | 270 | 219 | 147 | 86 | 38 | 0 |
| 1515 | no HA | 372 | 276 | 224 | 152 | 91 | 42 | 0 |
| 1530 | no HA | 378 | 282 | 230 | 156 | 95 | 46 | 0 |
| 1545 | no HA | 385 | 288 | 235 | 161 | 99 | 50 | 0 |
| 1560 | no HA | 392 | 294 | 241 | 166 | 103 | 54 | 0 |
| 1575 | no HA | 399 | 299 | 246 | 171 | 107 | 58 | 13 |
| 1590 | no HA | 406 | 305 | 252 | 175 | 111 | 62 | 21 |
| 1605 | no HA | 413 | 311 | 257 | 180 | 116 | 66 | 25 |
| 1620 | no HA | 419 | 317 | 263 | 185 | 120 | 70 | 29 |
| 1635 | no HA | 426 | 323 | 269 | 190 | 124 | 74 | 33 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1650 | no HA | 433 | 329 | 274 | 195 | 128 | 78 | 37 |
| 1665 | no HA | 440 | 335 | 280 | 200 | 132 | 82 | 41 |
| 1680 | no HA | 447 | 341 | 286 | 205 | 136 | 86 | 45 |
| 1695 | no HA | 454 | 347 | 292 | 210 | 140 | 90 | 48 |
| 1710 | no HA | 461 | 353 | 298 | 216 | 145 | 94 | 53 |
| 1725 | no HA | 468 | 359 | 304 | 221 | 149 | 98 | 57 |
| 1740 | no HA | no HA | 365 | 311 | 226 | 153 | 102 | 61 |
| 1755 | no HA | no HA | 371 | 317 | 231 | 157 | 106 | 65 |
| 1770 | no HA | no HA | 377 | 323 | 236 | 161 | 110 | 69 |
| 1785 | no HA | no HA | 383 | 330 | 241 | 165 | 114 | 73 |
| 1800 | no HA | no HA | 390 | 336 | 246 | 170 | 118 | 77 |
| 1815 | no HA | no HA | 396 | 343 | 252 | 174 | 122 | 80 |
| 1830 | no HA | no HA | 402 | 349 | 257 | 178 | 126 | 84 |
| 1845 | no HA | no HA | 408 | 356 | 263 | 183 | 130 | 88 |
| 1860 | no HA | no HA | 414 | 362 | 269 | 188 | 134 | 92 |
| 1875 | no HA | no HA | 421 | 369 | 275 | 193 | 138 | 96 |
| 1890 | no HA | no HA | 427 | 376 | 280 | 198 | 142 | 100 |
| 1905 | no HA | no HA | 433 | 382 | 286 | 202 | 146 | 104 |
| 1920 | no HA | no HA | 440 | 389 | 292 | 207 | 150 | 108 |
| 1935 | no HA | no HA | 446 | 396 | 298 | 212 | 154 | 112 |
| 1950 | no HA | no HA | 452 | 403 | 303 | 217 | 158 | 116 |
| 1965 | no HA | no HA | 459 | 410 | 309 | 222 | 162 | 119 |
| 1980 | no HA | no HA | 465 | 416 | 315 | 227 | 166 | 124 |
| 1995 | no HA | no HA | 472 | 423 | 321 | 232 | 170 | 128 |
| 2010 | no HA | no HA | 478 | 430 | 327 | 237 | 174 | 132 |
| 2025 | no HA | no HA | 485 | 437 | 333 | 242 | 178 | 136 |
| 2040 | no HA | no HA | 491 | 444 | 339 | 247 | 182 | 140 |
| 2055 | no HA | no HA | 498 | 451 | 345 | 252 | 186 | 143 |
| 2070 | no HA | no HA | 504 | 458 | 351 | 257 | 191 | 147 |
| 2085 | no HA | no HA | 511 | 465 | 357 | 262 | 195 | 151 |
| 2100 | no HA | no HA | 517 | 472 | 363 | 268 | 199 | 154 |
| 2115 | no HA | no HA | 524 | 479 | 369 | 274 | 204 | 159 |
| 2130 | no HA | no HA | 531 | 487 | 375 | 279 | 208 | 163 |
| 2145 | no HA | no HA | 537 | 494 | 382 | 285 | 213 | 167 |
| 2160 | no HA | no HA | 544 | 501 | 388 | 291 | 217 | 171 |
| 2175 | no HA | no HA | 551 | 508 | 394 | 297 | 222 | 175 |
| 2190 | no HA | no HA | 558 | 516 | 400 | 303 | 226 | 179 |
| 2205 | no HA | no HA | 564 | 523 | 407 | 308 | 230 | 183 |
| 2220 | no HA | no HA | 571 | 530 | 413 | 314 | 235 | 187 |
| 2235 | no HA | no HA | 578 | 538 | 419 | 320 | 239 | 191 |
| 2250 | no HA | no HA | 585 | 545 | 425 | 326 | 244 | 194 |
| 2265 | no HA | no HA | 592 | 553 | 432 | 332 | 249 | 198 |
| 2280 | no HA | no HA | 599 | 560 | 438 | 338 | 253 | 203 |
| 2295 | no HA | no HA | 605 | 568 | 445 | 344 | 259 | 207 |
| 2310 | no HA | no HA | no HA | 575 | 451 | 350 | 264 | 212 |
| 2325 | no HA | no HA | no HA | 583 | 457 | 356 | 270 | 217 |
| 2340 | no HA | no HA | no HA | 590 | 464 | 362 | 276 | 221 |
| 2355 | no HA | no HA | no HA | 598 | 470 | 369 | 282 | 226 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2370 | no HA | no HA | no HA | 606 | 477 | 375 | 287 | 230 |
| 2385 | no HA | no HA | no HA | 613 | 483 | 381 | 293 | 234 |
| 2400 | no HA | no HA | no HA | 621 | 490 | 387 | 299 | 239 |
| 2415 | no HA | no HA | no HA | 629 | 497 | 393 | 305 | 244 |
| 2430 | no HA | no HA | no HA | 637 | 503 | 400 | 311 | 249 |
| 2445 | no HA | no HA | no HA | 644 | 510 | 406 | 317 | 254 |
| 2460 | no HA | no HA | no HA | 652 | 517 | 412 | 323 | 258 |
| 2475 | no HA | no HA | no HA | 660 | 523 | 418 | 329 | 263 |
| 2490 | no HA | no HA | no HA | 668 | 530 | 425 | 335 | 268 |
| 2505 | no HA | no HA | no HA | 676 | 537 | 431 | 341 | 273 |
| 2520 | no HA | no HA | no HA | 684 | 543 | 438 | 347 | 276 |
| 2535 | no HA | no HA | no HA | 692 | 550 | 444 | 353 | 282 |
| 2550 | no HA | no HA | no HA | 700 | 557 | 451 | 359 | 288 |
| 2565 | no HA | no HA | no HA | 708 | 564 | 457 | 365 | 294 |
| 2580 | no HA | no HA | no HA | no HA | 571 | 464 | 372 | 300 |
| 2595 | no HA | no HA | no HA | no HA | 578 | 470 | 378 | 306 |
| 2610 | no HA | no HA | no HA | no HA | 585 | 477 | 384 | 312 |
| 2625 | no HA | no HA | no HA | no HA | 591 | 483 | 390 | 318 |
| 2640 | no HA | no HA | no HA | no HA | 598 | 490 | 397 | 324 |
| 2655 | no HA | no HA | no HA | no HA | 605 | 496 | 403 | 328 |
| 2670 | no HA | no HA | no HA | no HA | 612 | 503 | 409 | 335 |
| 2685 | no HA | no HA | no HA | no HA | 619 | 510 | 416 | 342 |
| 2700 | no HA | no HA | no HA | no HA | 626 | 517 | 422 | 348 |
| 2715 | no HA | no HA | no HA | no HA | 634 | 523 | 429 | 354 |
| 2730 | no HA | no HA | no HA | no HA | 641 | 530 | 435 | 360 |
| 2745 | no HA | no HA | no HA | no HA | 648 | 537 | 442 | 366 |
| 2760 | no HA | no HA | no HA | no HA | 655 | 544 | 448 | 372 |
| 2775 | no HA | no HA | no HA | no HA | 662 | 551 | 455 | 379 |
| 2790 | no HA | no HA | no HA | no HA | 669 | 557 | 461 | 385 |
| 2805 | no HA | no HA | no HA | no HA | 676 | 564 | 468 | 390 |
| 2820 | no HA | no HA | no HA | no HA | 684 | 571 | 474 | 397 |
| 2835 | no HA | no HA | no HA | no HA | 691 | 578 | 481 | 404 |
| 2850 | no HA | no HA | no HA | no HA | 698 | 585 | 488 | 410 |
| 2865 | no HA | no HA | no HA | no HA | 706 | 592 | 495 | 416 |
| 2880 | no HA | no HA | no HA | no HA | 713 | 599 | 501 | 423 |
| 2895 | no HA | no HA | no HA | no HA | 720 | 606 | 508 | 429 |
| 2910 | no HA | no HA | no HA | no HA | 728 | 613 | 515 | 435 |
| 2925 | no HA | no HA | no HA | no HA | 735 | 621 | 522 | 442 |
| 2940 | no HA | no HA | no HA | no HA | 743 | 628 | 529 | 447 |
| 2955 | no HA | no HA | no HA | no HA | 750 | 635 | 535 | 454 |
| 2970 | no HA | no HA | no HA | no HA | 758 | 642 | 542 | 462 |
| 2985 | no HA | no HA | no HA | no HA | 765 | 649 | 549 | 468 |
| 3000 | no HA | no HA | no HA | no HA | 773 | 656 | 556 | 475 |
| 3015 | no HA | no HA | no HA | no HA | 780 | 664 | 563 | 481 |
| 3030 | no HA | no HA | no HA | no HA | 788 | 671 | 570 | 488 |
| 3045 | no HA | no HA | no HA | no HA | 795 | 678 | 577 | 495 |
| 3060 | no HA | no HA | no HA | no HA | 803 | 686 | 584 | 501 |
| 3075 | no HA | no HA | no HA | no HA | 811 | 693 | 592 | 507 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 3090 | no HA | no HA | no HA | no HA | 818 | 700 | 599 | 514 |
| 3105 | no HA | no HA | no HA | no HA | 826 | 708 | 606 | 522 |
| 3120 | no HA | no HA | no HA | no HA | no HA | 715 | 613 | 528 |
| 3135 | no HA | no HA | no HA | no HA | no HA | 723 | 620 | 535 |
| 3150 | no HA | no HA | no HA | no HA | no HA | 730 | 627 | 542 |
| 3165 | no HA | no HA | no HA | no HA | no HA | 738 | 635 | 549 |
| 3180 | no HA | no HA | no HA | no HA | no HA | 745 | 642 | 556 |
| 3195 | no HA | no HA | no HA | no HA | no HA | 753 | 649 | 563 |
| 3210 | no HA | no HA | no HA | no HA | no HA | 760 | 657 | 568 |
| 3225 | no HA | no HA | no HA | no HA | no HA | 768 | 664 | 576 |
| 3240 | no HA | no HA | no HA | no HA | no HA | 776 | 672 | 584 |
| 3255 | no HA | no HA | no HA | no HA | no HA | 783 | 679 | 591 |
| 3270 | no HA | no HA | no HA | no HA | no HA | 791 | 686 | 598 |
| 3285 | no HA | no HA | no HA | no HA | no HA | 799 | 694 | 605 |
| 3300 | no HA | no HA | no HA | no HA | no HA | 807 | 701 | 612 |
| 3315 | no HA | no HA | no HA | no HA | no HA | 814 | 709 | 619 |
| 3330 | no HA | no HA | no HA | no HA | no HA | 822 | 717 | 627 |
| 3345 | no HA | no HA | no HA | no HA | no HA | 830 | 724 | 634 |
| 3360 | no HA | no HA | no HA | no HA | no HA | 838 | 732 | 640 |
| 3375 | no HA | no HA | no HA | no HA | no HA | 846 | 739 | 648 |
| 3390 | no HA | no HA | no HA | no HA | no HA | 854 | 747 | 656 |
| 3405 | no HA | no HA | no HA | no HA | no HA | 862 | 755 | 663 |
| 3420 | no HA | no HA | no HA | no HA | no HA | 870 | 763 | 670 |
| 3435 | no HA | no HA | no HA | no HA | no HA | 878 | 770 | 678 |
| 3450 | no HA | no HA | no HA | no HA | no HA | 886 | 778 | 685 |
| 3465 | no HA | no HA | no HA | no HA | no HA | 894 | 786 | 693 |
| 3480 | no HA | no HA | no HA | no HA | no HA | no HA | 794 | 700 |
| 3495 | no HA | no HA | no HA | no HA | no HA | no HA | 802 | 706 |
| 3510 | no HA | no HA | no HA | no HA | no HA | no HA | 810 | 715 |
| 3525 | no HA | no HA | no HA | no HA | no HA | no HA | 818 | 723 |
| 3540 | no HA | no HA | no HA | no HA | no HA | no HA | 826 | 730 |
| 3555 | no HA | no HA | no HA | no HA | no HA | no HA | 834 | 738 |
| 3570 | no HA | no HA | no HA | no HA | no HA | no HA | 842 | 745 |
| 3585 | no HA | no HA | no HA | no HA | no HA | no HA | 850 | 753 |
| 3600 | no HA | no HA | no HA | no HA | no HA | no HA | 858 | 761 |
| 3615 | no HA | no HA | no HA | no HA | no HA | no HA | 866 | 768 |
| 3630 | no HA | no HA | no HA | no HA | no HA | no HA | 874 | 774 |
| 3645 | no HA | no HA | no HA | no HA | no HA | no HA | 882 | 783 |
| 3660 | no HA | no HA | no HA | no HA | no HA | no HA | 890 | 792 |
| 3675 | no HA | no HA | no HA | no HA | no HA | no HA | 899 | 799 |
| 3690 | no HA | no HA | no HA | no HA | no HA | no HA | 907 | 807 |
| 3705 | no HA | no HA | no HA | no HA | no HA | no HA | 915 | 815 |
| 3720 | no HA | no HA | no HA | no HA | no HA | no HA | 923 | 823 |
| 3735 | no HA | no HA | no HA | no HA | no HA | no HA | 932 | 831 |
| 3750 | no HA | no HA | no HA | no HA | no HA | no HA | 940 | 839 |
| 3765 | no HA | no HA | no HA | no HA | no HA | no HA | 948 | 845 |
| 3780 | no HA | no HA | no HA | no HA | no HA | no HA | 957 | 854 |
| 3795 | no HA | no HA | no HA | no HA | no HA | no HA | 965 | 863 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 3810 | no HA | no HA | no HA | no HA | no HA | no HA | 974 | 871 |
| 3825 | no HA | no HA | no HA | no HA | no HA | no HA | 982 | 879 |
| 3840 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 887 |
| 3855 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 895 |
| 3870 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 903 |
| 3885 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 912 |
| 3900 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 920 |
| 3915 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 927 |
| 3930 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 936 |
| 3945 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 945 |
| 3960 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 953 |
| 3975 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 961 |
| 3990 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 970 |
| 4005 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 978 |
| 4020 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 986 |
| 4035 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 995 |
| 4050 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 1003 |
| 4065 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 1012 |
| 4080 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 1020 |
| 4095 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 1029 |
| 4110 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 1038 |
| 4125 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 1046 |
| 4140 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 1055 |
| 4155 | no HA | no HA | no HA | no HA | no HA | no HA | no HA | 1064 |

**Appendix 2. Reasonable rent covered by social assistance in Helsinki, internal non-binding guidelines, 1997-2008**

| | Rent , EUR* / month | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Persons in household** | **1997** | **1998** | **1999** | **2000** | **2001** | **2002** | **2003** | **2004** | **2005** | **2006** | **2007** | **2008** |
| 1 | 381 | 381 | 381 | 437 | 490 | 490 | 520 | 520 | 520 | 520 | 520 | **560** |
| 2 | 553 | 553 | 553 | 589 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | **665** |
| 3 | 673 | 673 | 673 | 706 | 710 | 710 | 710 | 710 | 710 | 710 | 710 | **800** |
| 4 | 757 | 757 | 757 | 774 | 820 | 820 | 820 | 820 | 820 | 820 | 820 | **910** |
| 5 | 883 | 883 | 883 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | **1100** |
| 6 | 967 | 967 | 967 | 984 | 990 | 990 | 990 | 990 | 990 | 990 | 990 | **1200** |
| 7 | 1051 | 1051 | 1051 | 1068 | 1100 | 1100 | 1100 | 1100 | 1100 | 1100 | 1100 | **1300** |
| 8 | 1135 | 1135 | 1135 | 1152 | 1200 | 1200 | 1200 | 1200 | 1200 | 1200 | 1200 | **1400** |

In addition to these amounts reasonable utily charges (e.g. water), household electricity and home insurance will be covered separately

Before 2002 euro=5.94573 FIM